



**NORFOLK ISLAND LEGISLATIVE ASSEMBLY**  
**13<sup>TH</sup> NILA HANSARD – 22 JUNE AND 27 JUNE 2011**

**SPEAKER** Good morning Honourable Members, we commence with the Prayer of the Legislative Assembly.

**PRAYER**

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

Honourable Members if you wish to remove your coats please feel free to do so and please ensure your mobile phones are switched off. Right, I understand Honourable Members that this morning there are no condolences and I look to Mrs Griffiths to move for leave Mr King.

**LEAVE OF ABSENCE – MR MICHAEL KING**

**MRS GRIFFITHS** Madam Speaker I seek leave of the House for Mr Michael King.

**SPEAKER** Thank you Mrs Griffiths, is leave granted Honourable Members? Leave is granted. Thank you

We move now to Petitions. Are there any Petitions for presentation this morning Honourable Members? I believe not. Giving of Notices, are there any Notices this morning? No Notices. We move then to Questions without Notice. Are there any Questions without Notice Honourable Members? Mrs Ward.

**QUESTIONS WITHOUT NOTICE**

**MRS WARD** Thank you Madam Speaker, my question is to the Minister for Tourism, the Minister referred to a document called the traffic light document, which looked at the success of the five year Tourism Strategy Vision. Is it a fact that in four years nothing in the Strategy has been completed and if so, why not, and what is the Minister doing to address this, perhaps disappointing, result considering that he was Chief Minister at the time of its inception and has been Tourism Minister for over 12 months.

**MR NOBBS** Thank you Madam Speaker, and thank you Mrs Ward for the question, as I detailed at the last Sitting, there have been a number of reviews, in fact by a number of General Managers, but in particular with our current General Manager for the Norfolk Island Government Tourist Bureau, how we have both had an ongoing review process for the five year Tourism Strategy, in many areas of the Strategy there's certainly been commencement, some of those timelines perhaps put in the Strategy were ambitious, some of the outcomes in the Strategy were perhaps ambitious, particularly given the times that we have been through. However, some, if not most, of the areas within the Strategy involve not only, I

suppose, Government level participation, but also the co-operation and the input from Community operators, industry operators, the Norfolk Island Government Tourism Board and in some instances funding. So to answer that the question, there really are a number of factors that go into the completion of each of those elements, I have spoken to the General Manager for the Norfolk Island Government Tourist Bureau, to ensure that each Member has a copy of the full colour traffic lights evaluation of the Strategy within the next week. The reason I say full colour, is that in black and white the three coloured lights mean very little, so that will help everyone understand those areas that have been committed too, those that are mid way or someway along, and any that are completed.

MRS WARD So is the Minister suggesting that some have been completed?

MR NOBBS Thank you Madam Speaker, my recollection from discussion with the General Manager is that there are a small number that have reached completion.

MRS WARD Thank you Madam Speaker, at the last Sitting, the Minister for Tourism, was asked whether or not the new Tourism Board was going to be asked to review and evaluate the current five year Strategy and make recommendation for a new one, the Minister responded that he had asked the Board to review the Strategy, provide feedback and do some work towards a new three year Tourism Strategy to follow on next year, that is when the John King five year Strategy finishes. Why would the Minister ask the Board to look at a new Strategy when nothing in the original has been completed?

MR NOBBS Thank you Madam Speaker, perhaps Mrs Ward is not listening, as I stated earlier there are a number of areas commenced, a number of areas, and as I said they are perhaps a small number of areas that are completed, but there are a number of stakeholders that all need to collaborate to finalise these issues. At the last Sitting I certainly provided information that I had spoken, on the very first day of commencing the new Norfolk Island Government Tourist Bureau Board, and specifically requested them to review the Tourism Strategy and to provide feedback and for us to work towards a three year Strategy. I will just add this comment Madam Speaker and that is I met with the author of the Norfolk Island five year Tourism Strategy recently, and spoke to him about the concept of a three year forward Strategy, which takes many of the initiatives from the current Strategy, evaluates them through the various progress that they have been through as well as the difficulties and the challenges that have been associated with them and puts together, what I would term more of a recovery Strategy. That is a three year recovery Strategy, where we are looking at getting productive outcomes from all the stakeholders and instead of in some cases, working against each other, understanding that we have a common goal and that we all need to work in that direction, but in particular making sure there are elements of a three year strategy that have sign off by those stakeholders in the preparation of that Strategy.

MRS GRIFFITHS Thank you Madam Speaker, my question is of the Chief Minister, and I'm asking, can the Chief Minister advise us as to progress of pursuing Chinese Tourism?

MR BUFFETT Thank you Mrs Griffiths, I'm going to defer to my colleague who is the Minister for Tourism, because he has just attended a gathering that has addressed this particular question and has the latest information, if you would be kind enough to allow that.

MR NOBBS Thank you Madam Speaker, and thank you Mrs Griffiths for the question, we have certainly kept an open mind about the international incoming tourism to Norfolk Island, as a result of our interest and our discussions with Tourism Australia some time ago when the interest was first shown to Norfolk to send Chinese Tourism to Norfolk Island, as a direct result of those discussions we were invited to attend the Australia China Summit that was held in Cairns which looked at, not only the accredited destination status and the scheme that enables the visitation of Chinese Tourism, but also some of the necessary environment that is seen to support that tourism. So rather than perhaps go into all of the detail of that, I will be providing a brief summary of the outcomes of that summit to Members shortly, so that will give an overview of the areas covered. In short though, there is a need from the perspective of the Chinese Tourism authority, for want of a better way of putting it, to be as what they term "China ready" as possible, now there are some areas within that that include Chinese signage and various other support for that particular visitation and I think there are considerations that have to be made that in terms of the balance of the Tourism that we get so that we are being equal to all tourists and to ourselves in living here. So in answering the question, we are certainly continuing the evaluation of it, Australia has certainly put an enormous amount of momentum behind the Chinese visitation as inbound tourism and there is benefits to be had by being part of that program, so we are certainly working with them, however mindful also of our own culture, ideals and our tourism destination.

MRS GRIFFITHS Thank you Madam Speaker, my question is for the Minister responsible for culture please. Can the Chief Minister provide this House with an understanding of the views and level of priority that this Government has with regards to the preservation of our tangible heritage items, such as Eddie Yeaman's Steam Engine rusting in the valley at Anson Bay and the whaling station that continues to rust at Cascades.

MR BUFFETT Thank you Madam Speaker, the Government certainly recognises the cultural significance, it is part of the ethos and doings from this place, but I have got to acknowledge that those two examples, such as the Whaling Station and the Eddie Yeaman saw mill towards the Anson Bay area, if that is the one being referred to, they are not necessarily on any particular list for attention at this time, if there are proposals around to the Government that it should be so, I would be pleased to hear them, I need to be cautionary in making that request, in that the Government is not flushed with funds at this moment to be able to undertake such tasks, but if there is some need and we need to highlight it, then we need to get about that task, notwithstanding that we may not be able to fund an activity at this moment.

MR ANDERSON Thank you Madam Speaker, a question for the Minister for Community Services, Minister at the May Sitting you indicated that the Green Waste Chipping Machine was operational and had been so for several weeks prior, that the only delay in accepting green waste was because of the need to clear the backlog of waste, and a contractor had been engaged to assist, you said it would take two or maybe three or perhaps even four weeks to clear the backlog, can the Minister now provide an update as to why the backlog has not been cleared and a new estimate on when green waste will again be accepted.

MR SHERIDAN Thank you Madam Speaker and thank you Mr Anderson. Yes the problem of the green waste is proving to be quite a problem round there at the waste management centre, at this point in time yes, the green waste machine is operational, they have processed a small amount of the waste that



MRS GRIFFITHS Chief Minister do you intent to provide this community with Fact Sheets on the different structures of State and Territory Governments so that they may follow the debate as the Government has it?

MR BUFFETT Thank you for the questions also Madam Speaker. Madam Speaker, the record about delivering Fact Sheets is not a very good one, that is not necessarily in our bailiwick to take responsibility for that. But I wouldn't want to fall into the trap of indicating a Fact Sheet and find that we have had delays such as we have experienced before. But what I do acknowledge is that it would be very beneficial to have models like that, displayed in the Community so that people are able to see what sits in the various segments that relate to each and assist the evaluation process, and that should endeavour to give some idea of costings also and capacity to meet costings. From the Norfolk Island Governments point of view, there have been some informal discussions amongst ourselves at this moment to endeavour to have a further forum amongst the community members to elaborate and talk about the very thing that you are mentioning now, the various models.

MRS WARD Thank you Madam Speaker, my question is to the Minister for Community Services. The Minister commissioned from the Service a population and planning report and I would ask the Minister to describe the Norfolk Island Governments objective in terms of future population control, taking into consideration the changes to the Immigration regime and whether it is the Government's intention to control population through planning alone in the future.

MR SHERIDAN Thank you Madam Speaker and thank you Mrs Ward for the question. Yes I did request from the Service a report. When the discussions from the Roadmap came down and we were talking about population control and the Commonwealth Migration Act extending to Norfolk Island, the planning officer undertook to walk through the Norfolk Island Plan to see how the Norfolk Island Plan would be affected by, you might say, the extension of the Commonwealth Migration Act without any further restrictions placed upon it. That report was very well considered, it was a very informative report and indications, and I will just briefly make comment with regards to the report, that indications are that if there were no further subdivision on the Island and dwellings were built on the portions that are available at this point in time we could easily double our population through that fact, it would be well over 5,000 it is the fact, the number in the report. But if all portions of land were subdivided down to their nth degree you might say and every portion had a dwelling or multiple dwellings on it in accord with the Norfolk Island Plan at this point in time, the population that could be resident on Norfolk Island, is something like 10,500. This of course is, in my view, and I think it would be in the majorities of the residents view, that populations such as that would be unsustainable at this present time for Norfolk Island, because of the lack of the services and the facilities to support such a large increase of numbers. So that was just a reflection of the Norfolk Island Plan by the Planning Officer in regards to giving us some background information on what could happen. So this is the problem now that this Government faces, and we haven't decided what our population policy will actually be, we haven't decided on a ceiling, on a number. We haven't decided, ok we will increase our population by 50%, by 100%, by 200%, by such and such a year, these are factors that we have to walk through in the next couple of years in regards to the implementation of the Roadmap. I think that the Commonwealth Migration Act is planned to extend to Norfolk Island, I believe it is 13-14, which is two years time. So we have a couple of years. So it is not necessarily about immigration, what we have to decide upon, and the Migration Act itself, it's really about population growth and control. Howe we limit the numbers that reside on Norfolk Island, the actual trade between the Island and Australia would be virtually

free, but it is how we limit the amount of residents actually residing on Norfolk Island. This is something we have to come to grips with, something that we have to put our minds to and work out how this can be achieved. I don't have the answers to that at this point in time, but it will be something that will have to be nussed out in the near future. So hopefully that answers Mrs Ward's question.

MR ANDERSON Thank you Madam Speaker, a further question for the Chief Minister. The funding agreement of the 14<sup>th</sup> of April requires the Government to fully extend the Trade Practices Act to Norfolk Island and to support local policies to promote competition and investment in Norfolk Island by the 30<sup>th</sup> of September. Could the Chief Minister advise what progress has been made with meeting those obligations and advise the implication for the Government's telecommunications policy that have been identified as part of this process?

MR BUFFETT Madam Speaker there have not been at this stage further inter-governmental discussions about the pieces of legislation that has been mentioned. That is endeavouring to be progressed because there are time frames attached to that. But the resource needs on either side have not been identified at this time.

MR ANDERSON Thank you Madam Speaker a further question for the Chief Minister. Again you mentioned at the last Sitting you were still awaiting advice of the appointment of the Commonwealth Financial Officer, and of the nomination of a Commonwealth Officer to be appointed to reside for sometime on the Island to assist with the transition to full Commonwealth Reporting. Given the obligations commence in just over a week, what progress has been made with these two matters and were they raised during your meeting with Minister Crean?

MR BUFFETT Madam Speaker, thank you again for the question. Those particular matters were not raised with Minister Crean when we met, however they were raised in the Departmental area, because it was thought it might be useful in a range of other things that we were discussing, financial matters also. But the short answer is, no that the Commonwealth have not made appointments at this time in respect of those identified by Mr Anderson.

MR ANDERSON Supplementary. Thank you Madam Speaker given Minister Crean's obvious displeasure with the fact that these appointments had not been made on his visit, do you intend to pursue it with him soon, particularly given the deadline of the 30<sup>th</sup> of September.

MR BUFFETT Yes, well there are a host of matters that are being pursued with Minister Crean at this time and they are interconnected in a way and one hopefully to lead to tidying of the other. But I thank you for the interest in allowing it to be emphasised in terms of its need for us.

MRS GRIFFITHS Thank you Madam Speaker my question is for the Chief Minister. Chief Minister as was raised in the Budget Review Submissions can you advise whether or not this Government has given any consideration to a Policy on the provision and use of Administration vehicles?

MR BUFFETT Yes, Madam Speaker I don't recall that there have been any adjustment in policy in terms of vehicles. Does this mean in the purchase of or use of?

MRS GRIFFITHS In the provision and use of.

MR BUFFETT In provision and use of, I don't recall that there is any adjustment in policy, but I think I better take that on notice to just tidy the true context of it.

MRS GRIFFITHS So Chief Minister, you are saying that there is a policy?

MR BUFFETT Yes, there are policies in terms of turnover of vehicles, there are policies of who can use vehicles, whether in fact we are financially able to meet all of those policy arrangements, in other words whether we can replace vehicles in the timeframe that we plan, is another matter and we have not been able to do that in many instances we have just not had funds to be able to do that. But there are aims as I understand. I can talk to the CEO about that to see how we are currently travelling with them if that would be useful.

MR SNELL Thank you Madam Speaker, Madam Speaker I direct a question to the Chief Minister responsible for Immigration and Education. Will the Minister please advise if new enrolments at the School and the Immigration Policy Guidelines is still linked? For example Madam Speaker preference was once given to Temporary Entry Permit Applications without school aged children. Does this still apply in the Policy Guidelines instigated by the Immigration Officer?

MR BUFFETT Yes, thank you for the question. Madam Speaker I don't recall that there are educational impediments at this moment, but I am very happy to check that, indeed I might be able to check that before we conclude today and let you know how it is.

MR SNELL Minister it is of course not only a Policy that I was aware of, but it also has cost implications in this time.

MR ANDERSON Thank you Madam Speaker another question for the Chief Minister, can the Chief Minister advise the community of the progress made to date with the replacement of the Burrough's computer system and when can they expect to see improvements arise from the replacement system?

MR BUFFETT Madam Speaker there has been great effort to contract people to undertake that particular task and it is my understanding that those contractual arrangements have been put into place by the Service and that there is progress to do that. Can I just also mention that the Commonwealth has entered the lists in assisting the funding of that process, in the year that we are about to end and so there is emphasis also to move it to a stage to ensure that we are able to utilise those funds. The last report to the Government is that that is all happening, at what stage, I might have to update myself to let you know about that, but the expectation is that there will be utilisation of those funds, which was something like \$200,000 or within the \$200,000 mark and that there is progress to deliver it.

MR ANDERSON Thank you Madam Speaker, so Minister Nobbs doesn't feel left out, last Sitting in a reply to a question on notice regarding competition from Norfolk Island Data Services, you replied that a suitable pricing structure was necessary to protect the infrastructure and that the assessment was ongoing. You commented and I quote, so in real terms perhaps NIDS did not get what they want and neither did I. Can the Minister firstly elaborate on precisely what it is that he wants and he did not get and secondly does this mean that there continues to be a stale mate on the issue.

MR NOBBS Thank you Madam Speaker, just to clarify I wasn't stating that there was an ongoing evaluation, what I was discussing in those responses, was the outcomes from the consultant's report that led to the decision to not enable competition within the network. The aspect of my answer where I said that NIDS and I am obviously going off memory here, but perhaps Norfolk Island Data Services didn't get what they want and perhaps I didn't get what I want, is the statement that I was making which referred to the initial process that I chartered, which was to seek a charging structure that could enable the competition on the network without it being to the detriment to the community or the infrastructure and associated elements for telecommunications on Norfolk Island. As I pointed out in that answer, the initial progression was through a number of bodies, including a community organised group assessment that was to look at whether there could be a costing structure that could be implemented to facilitate it, on their advice it was referred to expertise within the telecommunications industry when they provided us with response, they certainly highlighted some detrimental outcomes for the community of Norfolk Island. So that led to the decision, which I might point out, many may think that we have made the easy decision by choosing not to enable competition on that network, however I would argue against that in many ways, that it is not necessarily the easy decision, it is the decision that has got the best outcome for the broader community, rather than a small area.

MR ANDERSON Thank you Madam Speaker, a question for Minister Nobbs, a more pleasant one, I'll give you the opportunity. Last Sitting the Minister provided a breakdown of the bookings that had been made which could be attributed to the temporary reduction in the airfares, can the Minister provide an update on the bookings achieved and advise whether the extension to the sale period has seen demand continue or has the initial spurt reduced to a trickle?

MR NOBBS Thank you Madam Speaker, where to begin with the answer to that, certainly the continuation of the sale has retained a fairly high level of interest and it's been very pleasing as on the cost benefit analysis that was carried out for the number of ticket sales that were expected out of the 50% reduction we had worked on a figure on somewhere around 1500 passengers over that period. By staggering the availability of the sale, we have kept the urgency for the agents that are selling the 50% off tickets and I think that has certainly given this sale more momentum than the 2 for 1, up until just recently they were almost neck and neck in terms of the 2 for 1 sale that was carried out last low season versus the 50% off in this season. I can give you some data that I have been looking at with regard to seats booked as at the 15<sup>th</sup> of June and for July we have 3051 seats booked, so I'm talking about actual passengers rather than seat load factors, because when we start talking about the seat load factors, the differentiation between the availability of capacity last year versus this year is different, so this simplifies it down to actual people on the ground. So in terms of that for July, as I say, a figure of 3051, this doesn't include the QANTAS side of the aircrafts input into this because obviously we are not necessarily privy to that information, but that is a 43% increase on last year. For August a figure of 2,991 passengers which is an increase of 65%...

MR ANDERSON Thank you, are the figures return trip passengers, or passengers per sector, on an individual sector?

MR NOBBS These are per sector. For September, 2,451 which is a 5% increase on last year, October 3,901 which is 30% increase. Just as a matter of interest and we all need to keep in mind, that some of these forward bookings do change as they depend on other issues that affect that not only the

traveller but also the aviation industry and Norfolk Island as a whole. But the seats held July to October for 2011 are the highest levels held at the same time since 2007, so in real terms the sale has had a positive ongoing effect and certainly by retaining that urgency, it has made the wholesalers and agents really work for us and with us.

MR ANDERSON A supplementary. I was pleased to note in last weekend's Sydney papers wholesalers half page ads promoting packages utilising the sale fares. Given that you have had your figures up to the 15<sup>th</sup> of June, you may not be able to comment, is the Minister aware whether there has been any increased interest shown or increased actual bookings since those ads were placed? So it is since last weekend, has there been any increase in.. notable.

MR NOBBS Madam Speaker the best answer I can give to that is that following any profile that we have whether it's in print, whether it's on radio, whether it's in television media, we do see a subsequent peak or spike in the sale, so certainly they are advantageous to our sales.

MR BUFFETT Thank you Madam Speaker with your indulgence Mr Snell asked me a question about Immigration and Education considerations and I indicated that at that time that I thought not, that there were not and just now made a call to give confirmation about that. So I am able to confirm that education requirements in terms of whether they have children that might go to school or not, is not a consideration in considering those permits.

MR SNELL Thank you Madam Speaker, a question to the Minister responsible again for the Airlines. Minister I did ask this question at the last meeting, but due to further comments expressed to me can the Minister reassure this House that there have been no further information or advice from Air New Zealand that they intend to suspend or cease their Auckland Norfolk services from the 1<sup>st</sup> of September.

MR NOBBS Thank you Madam Speaker, no there has been no advice that they are about to suspend any operations.

MR ANDERSON Thank you Madam Speaker a question for the Chief Minister. Given the external auditors qualification to the 2009/10 accounts of the Administration was that they considered the Administration was a going concern principally because of funding provided by the Commonwealth in 2010/11, in the absence from any funding undertaking from the Commonwealth beyond the end of this, that is the 30<sup>th</sup> of June, do you consider the Administration will be or is currently a going concern?

MR BUFFETT Madam Speaker thank you for that question. Without a doubt, as indicated in the audit report, the matter of the Administration being an ongoing concern will depend upon Commonwealth Funding, there is no question about that. And those reports of course have been statutorily required to be provided to Commonwealth instrumentalities such as the Administrator and that has been done.

SPEAKER There being no further questions without notice, Honourable Members we move now to Answers to Questions on Notice

**ANSWERS TO QUESTIONS ON NOTICE**

The first question on notice today is question number 198. Mrs Griffiths to the Minister for Tourism, Industry & Development, Minister Nobbs.

MR NOBBS Thank you Madam Speaker Mrs Griffiths question reads. Given that we have a debt to Telecom New Zealand of \$1,053,430.02 and we are paying 16.15% interest per annum on a contract that expired in 2008; how much are we paying off the principle debt each month and how long does the Minister envisage it will take until the debt is paid off? Madam Speaker the estimated debt as of 30<sup>th</sup> June 2011 is the figure that I read just a moment ago, this consists of the amount owing as of 31<sup>st</sup> of the 3<sup>rd</sup> 2011, which was \$1,008,430.02 and the estimated interest for April, May and June 2011 of \$45,000.00. As with any repayment schedule the interest is calculated on the balance owing, this causes constant fluctuations to what Mrs Griffiths refers to as the principle debt, we have an agreed payment plan with Telecom New Zealand to pay approximately \$51,069.00 per month Madam Speaker in order to repay the debt, which includes paying the interest. To answer Mrs Griffiths second question, commencing 1<sup>st</sup> of the 7<sup>th</sup> this year, we will utilise a 24 month time frame, ending the 1<sup>st</sup> of the 6<sup>th</sup> 2013 by which we will have paid off the entire debt and all interest.

MR NOBBS Thank you Madam Speaker the question reads Can the Minister provide any detail on the submission in the areas of commerce and industry that the Tourism, Industry and Development Consultative Group provided on the Roadmap? And an additional question is, how many times has this group met? The submission constructed Consultative Group covered the following areas and I have absolutely condensed this down so there is obviously a lot of detail that goes with these. One, access to Medicare and the suggestion to commit Norfolk Island Healthcare Levy as a contribution, number two, extension Australian Legislation referred to in the Roadmap and the need for more information to this community on those laws. Number three, the Australian Tax System and that the majority of taxes need to have more information available for those on Norfolk to understand their implications. Number four, Economic Development Fact Sheet did not include the export market development grant that would be best applicable to our Tourism Industry, the Regional Aviation Access Program is not necessarily available to Norfolk Island because of the scheduled services. Number 5 a suggestion of a toll-free 1800 or toll-free 1800's to be activated to enable Norfolk Island residents to contact the various Australian Departments for specific advice as we go through these evaluations and changes. Number 6, Fact Sheets should be posted to every household or placed as an insert into the newspaper as online access is not going to be accessible to the majority on Norfolk Island. Number 7, the timeframes for consultation are not working. Number 8, freight equalisation on both imports and exports to support local business. Number 9, GST refunds should be applied on upgrading and business investment and repairs and maintenance. Number 10, immediate financial assistance to businesses to enable them to survive along with GST free export sales for mail order. Number 11, a special economic zone to attract new business, this could either be Norfolk as a whole, or as an economic zone estate. Number 12, incentives should be established to encourage locals to grow food to replace imports, e.g. potatoes, onion, chicken, grain, fish, ginger, etc. This will inturn create jobs. Number 13, incentives should be established to encourage new tourism ventures. Madam Speaker the Consultation work group first met at the end of 2010 in December, not including informal gatherings and distribution of ideas and feedback via email the group has met 7 times. The group have met at different

times with the Chief Minister, the Federal Minister and Commonwealth Officers. Thank you.

MR NOBBS Thank you Madam Speaker, the question reads, at the last meeting, in response to how the Norfolk Island Language (Norf'k) Act 2004 protects Norfolk's environment heritage and community values in the context of Chinese tourism, you stated that this law provides recognition for the language. Can the Minister explain how such recognition protects heritage and community values? Thank you Madam Speaker, the Norfolk Island language or Norf'k Act 2004 not only recognises the Norfolk Island language, Norf'k, as an official language of Norfolk Island, it provides amongst other things that the people of Norfolk Island can speak and write it freely and without interference or prejudice from Government or other persons. Madam Speaker the recognition by legislation of the Norfolk Island language was to support those in the community who have been proactive in trying to ensure the preservation of the Norfolk Island language. In addition Madam Speaker the Norfolk Island Central School curriculum includes the teaching of Norf'k and the 2011-12 includes \$5,000 for this purpose. Norf'k is taught to years K to 7 and being offered as an elective to Year 8 students. Full time, casually employed teachers and community volunteers assist with the teaching. The School has also conducted an annual Year 9 Norfolk language camp with the assistance from community volunteers with conjunction from the Teachers. Thank you.

MR NOBBS Thank you Madam Speaker, the question reads; what quantity of material is downloaded free of charge on the internet during Telecom's midnight to 5.00am free download period; what is this as a percentage of daily traffic; how much revenue is foregone by this policy; is the facility being used to facilitate time programmed downloads and does the system reach capacity or flat-line during this period? There are a number of elements of this question Madam Speaker so I what I will do is reiterate the question and then provide the answer for those elements. With regard to the quantity of material downloaded free of charge on the internet during Telecom's midnight to 5.00am free download period, this actually varies drastically from day to day, however during recent months where Norfolk Telecom has been unable to increase its internet bandwidth usage, it has been quite high, this has worked as planned to reduce the load on general daytime traffic. In terms of the percentage of the daily traffic that is used in the midnight to 5.00am downloads, an average over the last few months shows this to be approximately 21% of the daily traffic. How much revenue is foregone by this policy – it can be assumed that no revenue is lost with the implementation of this policy due to the fact that the current bandwidth is fully utilised for approximately 80% of the normal usage time band. There is no extra cost to Telecom for the provision of this service and as the majority of customers closely monitor and manage their usage, it can be assumed that they would not exceed their download allowance regardless of the provision of this free usage period. What can be stated is that many customers have reconfigured their systems to make use of this facility to perform updates and this has successfully moved that load from the general day time traffic. Is the facility being used to facilitate timed programmed downloads? It is assumed that this question relates to downloads other than the system updates and anti-virus upgrades and other system timed programmed downloads and Norfolk Telecom data would assume that yes the answer is that would be happening, and in effect that is an intelligent use of the system. Does the system reach capacity of flat line during this period? At times the bandwidth does flat line during the free download period. It is worth noting in finishing off this question Mr Deputy Speaker that all the agreements have been reached with Telecom New Zealand to enable the almost tripling of our satellite bandwidth, Norfolk Telecom have installed equipment and are now working with TNZI Technicians to complete this service upgrade.

MRS WARD A supplementary thank you Deputy Chair. A tripling of the bandwidth capacity, what is that going to cost the community? In dollar terms I'm sorry.

MR NOBBS Thank you Mr Deputy Speaker, thank you Mrs Ward for the question. In the discussion that I had with the Manager of Norfolk Telecom with the incomes that Norfolk achieves through the relationship with Telecom New Zealand the additional bandwidth sale capacity and activity that can happen on the broadband connection, his response to me on that was that it is virtually cost neutral, so I'll seek some definitive figures on that, and I have already sought some definitive figures on that, but yes, in terms of a change to budgetary figures and the like, not anticipated.

MR ANDERSON A supplementary thank you Mr Deputy Speaker. If we are flat lining at times in the midnight to 5.00am period and we are running at 80% of the capacity during the day, how soon is the tripling likely to take effect?

MR NOBBS Thank you Mr Deputy Speaker, it is virtually almost a tripling, I don't think it is exactly three times over, but it is certainly close to that amount. The work on the Norfolk Telecom end of the satellite has been completed by our technical staff, the discussions to enable it with the technical staff in Telecom New Zealand have been had but there is a process that for Telecom New Zealand may well take around three, possibly four weeks. But no more than three or four weeks.

MR BUFFETT Yes, thank you Madam Speaker. The question reads Madam Speaker the Commonwealth and this community have called for improved governance and financial management. How many significant reforms have the Norfolk Island Government supported, implemented and commenced, and what are they? Madam Speaker, improved governance and financial management are planned and some implemented by both Government's, both Government's are mutually supportive in this process of various steps to improve in this way, but can I just refer to the Territories Law Reform Bill, probably as a commencement point, that gave indicators for improvement in terms of freedom of information, privacy arrangements, AAT (Administrative Appeals Tribunal), the Ombudsman Legislation, that Act is now of course implemented and those matters are in place, although not all commenced at this time. Whilst I was away in Canberra just in the last week I had discussions with both Ombudsman people, AAT people, Freedom of Information people to advance those and indeed we have timeframes. I will make a statement when we come to that in terms of the Canberra visit. In terms of the Ombudsman, that was part of the Territories Law Reform Bill but also Norfolk Island's participation was to pursue legislation and that legislation is before us at this moment, so you can see how some of those matters are travelling. In addition to that, there are items such as the Commonwealth financial Minister's orders, which were in place in February this year, those are reflected in how we have presented the Budget this time as there are specifications as to how that is done and the Budgetary Papers have been presented in that way, there are strategic priorities to be set, that has been done in terms of the Budgetary arrangements, and arrange of accompanying things, but beyond that, there is also financial reporting at the end of the year, so we have not come to that yet, in terms of the year that we have commenced under those new orders, but that will need to be reflected also, and whilst that it is not necessarily reflected in the first tranche of budgets, subsequent budgets will need to spell out three and four years ahead projections also, so they are all part of improved

governance and financial management arrangements. And I mention them in response, thank you.

MR SHERIDAN

Thank you Madam Speaker, the question reads, what future does the Minister see for the local workers compensation scheme and what plans does he have for enhanced administration of occupational health and safety provisions of the existing legislation? Madam Speaker the Norfolk Island Public Works Compensation Scheme has struggled to keep pace with the increasing medical costs within recent years, without a levy increase since 2004. An increase of the levy is likely with the receipt of the actuarial report when it finally gets to my table. At this present time it is estimated that an increase to .40 cents is required to raise the funds necessary to maintain this scheme. All accrued funds have been depleted over the past few years and has been maintained by the levies raised. Madam Speaker without a regular taxation system the payment of levies relies upon the information provided by the employer, and this information can vary dramatically when the Island's economy experiences a financial downturn similar to the state of affairs on the Island at this moment. Unfortunately the number of claims has not decreased and the cost of providing medical costs has increased. This is another area that should be adjusted yearly inline with the RPI. The situation of the scheme will improve as that economy improves, but there is the offset that as the levy increases, so will the arrears situation. Madam Speaker until a better scheme is brought forth and introduced it is my intention to maintain the status quo but with an increase in the levy. Madam Speaker occupational health and safety of all workers on Norfolk, not just within the Scheme is of great importance, but without a full time inspector (we currently only have part-time inspectors) it is difficult to insure that the required OH&S provisions are being observed. The increase in funds, which would mean an increase in the levy, the OH&S inspections could be enhanced by more regular inspections, but as currently down with part-time inspectors and a not so attractive pay-rate, it is difficult to maintain an inspection standard which would complement the scheme. As with all things the inspectorate within the Norfolk Island Workers Compensation Scheme, but within our current economic climate this is just not possible.

MR NOBBS

Thank you Madam Speaker the question reads, at the last Sitting of the House the Minister stated that the philanthropic Airline policy was "very much a continuation of what has happened in the past". As the airline is a business owned by the people of Norfolk Island will the Minister advise whether continuation of the existing policy is acceptable considering this years \$6 million loss; and, given that the Airline is a publicly owned business, will the government re assess the policy and table and print the revised document? Madam Speaker firstly a correction, as this financial year draws to a close the Norfolk Air CEO is expecting a loss in the range of \$5 million rather the \$6 million in the question under the current operating parameters. Madam Speaker, I table the Norfolk Air sponsorship and support policy and provide an overview of the monetary, tourism and community outcomes that flow from these sponsorships and support activities. Over the past few years Norfolk Air has been proud to be a major supporter of fundraising activities on the Island for all manner of activities, both charitable and community related. Additionally Norfolk Air has provided free tickets in support of the Island's tourism aspirations, free of charge tickets provided over the past two years include charities and fundraising to areas such as Hettae Ucklan, Shine Kids, St John Ambulance, Cancer Fun Run, Rotary, RSL, CIRCA, Police Charity Day. Community related ones are more in the areas of the Norfolk Island Central School, the Norfolk Island Junior Rugby League, the Pistol Club, the Golf Club, Netball, Norfolk Island Tourism Awards, Bowls, A&H Society, Driver Awareness to name a few. As well Norfolk Air has provided FOC Travel, or free of charge travel, for travel agents familiarisations

on an ongoing with basis associated with wholesalers and their preferred agents and more recently the travel agents self-famil program, which has been successful in raising profile and driving sales activity in Norfolk Island. Norfolk Air is also a major supporter of many of the events on Norfolk Island which attract visitors from overseas, such events include; Jazz in the Pines, Norfolk Island Country Music Week, Rock and Roll Festival, the Norfolk Island Golf Classic and Vets Tournaments, Opera in Paradise and the World Bowls Championships. Norfolk Air in some instances provides multiple tickets to the visiting artists, which if not provided would potentially mean that some of these events would not go ahead. Norfolk Air in conjunction with the Norfolk Island Government Tourist Bureau also sponsor various media and journalists visits to the Island and this has included journalists from Get up and Go, Holiday's with Kids, Fairfax Newspapers, Financial Review, Melbourne Age, ABC Radio, Vaga Radio, 4BC Radio, Dive Magazines and TV, Getaway, Huwie's Cooking Show, Golf Digest, Country Music Journo's, Social Media Trainers and various other publications. I've gone into some detail there Madam Speaker for a specific reason, so that people are aware of the length and breadth of what comes out of our Norfolk Air. Putting a commercial value on these tickets is somewhat difficult practice, but for the sake of the exercise, it is a reasonable assumption that it amounts to in the region \$100,000 per year. Equally the benefit derived from that investment is also hard to ascertain, but in pure publicity alone from the media journo visits would run into millions of dollars worth of exposure if Norfolk Island were to pay directly for it. The events, for example Opera, produced 170 visitors, for an investment of 12 tickets, Jazz in the Pines 134 visitors for a 10 ticket investment. Norfolk Island Country Music, 10 ticket investment for 150 visitors and World Bowls with a 17 ticket investment produced the lowest tangible return of approximately 40 paying visitors but at the same time put Norfolk Island on the map for some great publicity and exposure. In answer to the question on the continuation of this community and tourism support, the answer is yes, the continuation of this policy is acceptable and is an intelligent use of the Airline's capacity. The Airline Board monitors and of course, will continue monitoring these activities.

**MRS WARD** The Minister just referred to \$100,000 per year as being an estimated cost, why can he not provide an actual and upfront annual cost of this wonderful support and sponsorship that the Airline aka the community, provide back to the community.

**MR NOBBS** Thank you Madam Speaker, Mrs Ward is probably aware that at different times throughout the year the ticket pricing sits at different levels, the associated costs also sit at different levels, the availability of offering a free of charge seat is not necessarily a specific value if that seat is offered on the basis of as available, as opposed to a direct booking of seats. So there are a number of conditions, or variables that go into the offering that is used out of Norfolk Air.

**MR ANDERSON** Supplementary, so are you saying that the Airline retains records of its philanthropic use of its facilities but it doesn't attempt to quantify as each one occurs the value it has contributed?

**MR NOBBS** Certainly the Airline maintains a log of those supports and how they would fit in with the normal scheduling and charging, however what I have referred to there is an average over a two year period that is dependent on many of those variables that I've already spoken about.

**MR NOBBS** Thank you Madam Speaker, the question reads, would the Minister advise what percentage of current gaming taxes are received from

existing local gaming operators and what percentage can be attributed to new or existing overseas operations and to what extent are these contributions forecast to change in the coming financial year? Thank you Madam Speaker the Gaming Director has contacted me to confirm that there are commercial in confidence aspects to Mrs Wards question and that he has also spoken to Mrs Ward about those sensitivities and with my discussion with the Gaming Director, as late as this morning, he has also committed to providing a breakdown of requested figures to Members.

MRS WARD Thank you Madam Chair. This is a question on notice, was the Gaming Director off Island? I asked the question specifically in percentages, in percentage form, as not to expose the revenue of any on Island gaming business.

MR NOBBS Thank you Madam Speaker not to put it too simplistically, but there are a limited number of operators, local in particular, and the figures and the percentages certainly can be extrapolated out from the percentages, I take it on the Gaming Director's advice that our best matter of handling this is to provide the data to Members rather than through the House.

MR NOBBS Thank you Madam Speaker, the question reads, will the Minister advise the House whether or not he made a personal approach to either the Tourist Bureau or the Government Airline or both, on behalf of or at the behest of a Member of this Legislative Assembly, to secure assistance with that Member's travel to or attendance at a mainland exposition? Thank you Madam Speaker, the answer is no, I have no recollection of a personal approach at the behest of, or to benefit a Member of this Assembly and I would welcome the exact detail of Mr King's question as I previously invited.

MR NOBBS Thank you Madam Speaker the question reads in the light of unsatisfactory answers to recent questions in this House about the safety of the lighterage operation, can the Minister table any reports he has received dealing with safety issues and advise the House whether a shortage of funds has prevented proper maintenance of equipment or has not enabled proper mitigation of known OHS risks? Thank you Madam Speaker I will refer to the last meetings Hansard where Mr King is asking whether the Government is doing, and I quote, "everything that it possibly can but is it doing enough to remove any occupational health and safety risk or all of the occupational health and safety risks". My response at that time was to remove all occupational health and safety risks we would probably have to stop using the lighterage system. Madam Speaker the nature of the lighterage operation is such that you could not remove all risks, to quote the Administrations risk management administrative officer, "this is a high risk occupation undertaken in a hazardous working environment", we can reduce and we do, reduce and mitigate those risks as has been done utilising the matrix, or the risk register analysis carried out by the same Officer, the OH&S Officer and as performed on an ongoing basis by the lighterage foreman through equipment and protective clothing purchases, training and ongoing maintenance programs.

MR ANDERSON Thank you, on behalf of Mr King, the question asks could you table any reports, have there been any reports, are there none to table, and has a shortage of funds contributed to the proper maintenance. I just seek an answer to Mr King's question.

MR NOBBS Thank you, with regard to the reports, the main report that is worked on, is obviously the matrix, that I spoke of, and I certainly don't

have any issue with that being made available to Member's. With regard to budgetary restrictions for maintaining full safety, I spoke to the lighterage foreman last night and he informed me that in real terms, the budgetary arrangements moving forward as well as the work that is being done leading up to this point as I've detailed in this answer, have covered off the equipment, personal protective equipment and operational equipment issues, there are ongoing maintenance programs that he is comfortable with sorting any other issues on a regular basis.

MR SHERIDAN Thank you Madam Speaker, thank you Mr King. The question reads Madam Speaker, at the last meeting of the Assembly the Minister undertook to table in this House at the next meeting, a list of commercial businesses which have been provided grants by the Toon Buffett Trust, whether those applications for the grants included any claim that the applicant or organisation was a not for profit organisation and whether any Member of this House was a beneficiary of the funds. Will the Minister now table this list? Madam Speaker I do have a list here that I will table, and I do so now. And I will just talk to it. Madam Speaker, the Ivens F. Toon Buffett Environmental Trust was established in 2005 using funds equivalent to the revenue received from the transfer of Crown Leases on Norfolk Island to Freehold title. The Trust is governed by the Memorandum of Understanding between the Commonwealth of Australia and the Government of Norfolk Island, signed in November 2005 and the funding guidelines, the Trust is administered by three trustees, taking advice from an Advisory Panel. Today there have been five rounds of funding, 27 projects have been funded and a total of \$263,000 have been distributed in the five rounds. The fund has a current uncommitted balance in excess of \$80,000 and further amounts are yet to be received from the Commonwealth. In tabling the list as requested, it is noted that neither the MOU nor the Guidelines specifically include or exclude any type of individual or legal entity. The Guidelines specify eligible and ineligible activities for example, ineligible activity number 23, projects that are concerned with mainly with commercial projection, unless they are new to the region concerned and seek to demonstrate a more sustainable management of natural resources. All funding has been to individuals, except for the list I will table, which includes; EcoNorfolk Foundation, Norfolk Island Flora & Fauna Society, SustainableNorfolk.com Inc, Teapot Gardens, Norfolk Landcare Group Inc – three times, Bounty Divers, Norfolk Island Golf Club Inc. Full details including their name, status, date of incorporation, claim as a not for profit and funding provided is included in the table that I have just tabled. Madam Speaker two Members of this House, past and present, have been beneficiaries of the Toon Trust, these are Mr Geoff Gardner who was the successful applicant in Round Four of Funding in February 2010 and Ms Robin Adams who was a successful applicant in Round Three of funding in January in 2009 and again in her association with Sustainable Norfolk in December 2010.

MR SHERIDAN Thank you Madam Speaker and again, thank you Mr King. Madam Speaker this question is in three parts, I will it in parts and the answers will then come forthwith. The first part of the question, what is the Minister's response to claims made by a correspondent in the Norfolk Islander dated 11 June 2011, concerning water quality, specifically (a) that ground water contamination presents unacceptable health risks as evidenced by e.coli readings 10 times higher than recommended for drinking water; (b) that given such readings were taken in areas free of livestock, it is reasonable to conclude that the source of contamination is human; (c) that the average e.coli reading of 715 counts per 100ml of sample for the surface water tested by the Administration is well above Australian standards including the zero requirement for drinking water and the 10 to 100 maximum allowable count for irrigation; and (d) that e.coli contamination of surface and ground water is a longstanding problem. To answer the first part of the question there

Madam Speaker, I do agree that the e.coli levels of the areas that are monitored by the Administration are above the recommended safe levels of drinking water and agree that the use of this water for consumption and/or used for potable purposes would pose health risks. The level of risk and allowable levels for irrigation does vary across documentation available on the subject. Madam Speaker this is why at the various outlets across Norfolk there is a notice to advise that the water is unsafe for human consumption or potable use. This advice was first mentioned by me back in April 2010. It also must be remembered that most of the sampling results which have been referred to over the past few months, have been results of sampling from surface water in creeks or from water sources close to creeks, which allow surface contamination into the water. Contamination levels vary depending on rainfall, loadings in the catchments, extraction rates, distance from water courses or surface runoff areas and what the area is utilised for. In regard to the report referred to by the correspondent to the paper, the claims made that the areas that were sampled is free from livestock is unfortunately may not necessarily be correct. The area as defined in the report as Region Two, has been used and continues to be used, for the grazing of livestock, also livestock access the road sides within the identified catchment area, the same can be said for the area identified as Region Three. It is therefore it is difficult to claim with certainty that the e.coli recorded must be of human origin. There are too many variables to consider coming to a conclusion such as this. I do also note that in the report no attempt was made to scientifically clarify with certainty that the e.coli recorded were of human contamination, and only supposition. Madam Speaker, part two of the question reads, is it a fact that e.coli levels recorded in the 1970s and 1980s were similar to those taken in more recent times and lead to a conclusion that the source of contamination was human which in turn lead to the construction of the Water Assurance Scheme. The answer Madam Speaker, the construction of the Water Assurance Scheme came about as a result of many concerns and one of the concerns was the levels of e.coli in streams and bores, mainly in the heavily developed area of Burnt Pine. Reports completed at the time, in 1980, indicated that the Ground Water, both surface and deep, is heavily and probably permanently contaminated. Various reports since and before this time have also indicated that the Island's groundwater is contaminated. Part of the situation with regards to the vastness of the problem was reported as being, and I quote, "the high underground flow rates measured in parts of the Island were seen as having implications for having ground water pollution". And quote, "there is a strong probability that at least in local areas that some of the pathogens would find their way to the lower aquifers". The result of this report concluded by recommending regular water quality monitoring of all aquifers on the Island and the development of water supply and waste water disposal schemes. It must be noted that during this time of testing, in the Summer of 1981, when an outbreak of a viral illness became apparent on the Island, it was only with complicated identification tests carried out in the USA that eventually revealed the relatively rare eco virus type 17, as the cause. Unfortunately most of this sampling done by the Administration during that period was more public health orientated, and by that I mean, the quality at the tap, the end use rather than the environmental monitoring. There was also the problem of high results being recorded as too numerous to count as a TNTC, therefore no actual numerical maximum number recorded. A TNTC result would normally be recorded if the count was more than 300 or so organisms in the sample. Today they try to record an actual numerical figure and in time a picture would emerge as to what these levels are doing. Madam Speaker, it would not come as a surprise however if levels are rising again, there has been some considerable increase in loadings into the various catchments since the early 1990's, many of these are below the sewer line and are not connected to the sewer, so therefore would contribute to the levels of pollution, also, unfortunately septic systems do not reduce bacterial levels contained in the inflow. They normally only retain the solids, allowing decomposer organisms to

break down the solids, the liquid content then passes from the septic to the trench for absorption into the soil and therefore contributing to the pollution, along with animal waste. Madam Speaker, part three of the question, is it a fact that contrary to the Minister's advice to the House, tests are available to determine whether the source of e.coli contamination is human or animal? Madam Speaker, the short answer is yes, tests are available to determine the source, what I did state to the House at the last Sitting, was that, and I quote, "it is very difficult to identify exactly what strain it is, they don't do the testing for the strain, but he says it is virtually impossible to find out whether it has come from say an animal or a human, he has indicated that it is very, very difficult". As it can be seen, I did not state that there were no tests to determine whether the source of e.coli is contaminated by human or animal, all I stated was that it was very difficult and that the tests that the Administration currently undertakes does not differentiate between animal or human. The result indicates the presence of all e.coli and is an indicator only. If the water sampled returns a positive result to e.coli, it is only an indication that the water has been contaminated by human and/or animal excreta. The tests that are undertaken are simple, require a minimal laboratory facility, reasonably quick to perform, are accurate and relatively inexpensive to conduct. Madam Speaker, testing further for the source of e.coli is very complicated and very expensive, but I will be requesting the Administration to identify just how expensive it would be and consider whether to go down this path. If it is feasible to determine the source of the e.coli within the underground water supplies, and it is determined that the source is mainly from human sources, then I will have to determine how to restrict the pollution reaching these waters. It may only mean that the disposable methods of human excreta as currently practiced on the Island may have to change. Madam Speaker, if the testing reveals that the source is mainly from sources other than human, i.e. cattle, etc, then again I will have to determine how to restrict this pollution reaching these waters. It may mean that a review of the cattle industry on the Island maybe warranted if it is concluded that clean, safe underground water is the priority. Madam Speaker, all these things will eventually be resolved if the tests can be undertaken and the source of the e.coli can be scientifically proven beyond doubt.

SPEAKER Thank you Minister Sheridan. Moving on to Question 210 Mr King ask the Chief Minister

MR BUFFETT Madam Speaker the questions reads, at the last meeting the Chief Minister undertook to provide advice on the relationship between the government and the project known as NICHE (Norfolk Island Carbon Health), in particular; (a) Whether the NICHE website reflects an allocation of \$120,000 to the island Administration about which the Administration is unaware, and (b) Whether suitable separation between NICHE and the government is served by a requirement that applicants for employment with NICHE lodge applications with the Legislative Assembly. My response Madam Speaker is this. Firstly I'd like to just give some background information and the first is what is NICHE. The initials stand for Norfolk Island Carbon and Health Evaluation. This is a programme. It is a detailed case study designed to assess the feasibility and the commercial possibilities of a personal carbon trading scheme in a closed, that is self contained, environment which Norfolk Island obviously offers. This project will assess the potential impact on a) average personal household carbon emissions and b) health related behaviour, physical inactivity, or poor nutrition leading to obesity and the goal is to determine the most effective and politically acceptable way to put a system into practice nationally as well as the commercial opportunity that this would present and the results of this case study will confirm or deny the benefits most appropriate and the most appropriate components of personal carbon trading for obesity and carbon reductions. That's read almost from the grant application which I'll come to in a moment also. Which

then leads me to say that this NICHE programme is a programme funded by a grant and the provider of this grant is the Australian Research Council, commonly referred to as the ARC. The project partners in terms of this project, there are five project partners. The University of South Australia, Deacon University, Sustainable Norfolk Island which is an incorporated association in Norfolk Island, Greatest Assets Pty Ltd., which is not a Norfolk Island Company and the Administration of Norfolk Island so those are the five linking partners in this project. The next matter that I would like to cover is in terms of this, what are the benefits that might be provided in Norfolk Island. The NICHE project in the context that I've described has a total budget of \$554,202, so it's about half a million dollars but in addition to that, there have been some associated programmes for example, an industries and investment, which is a NSW allocation has contributed an extra \$30,000 for a community economic development project connected with NICHE. That programme is about half completed. It was commenced and Members of the community may remember just recently, I think in the last month a workshop in Rawson Hall which addressed that. That's the programme that's associated with it. It's not the NICHE programme, it's associated with it and that adds to the budget in terms of this overall project in terms of something like \$584,000. I'm advised that there is a possibility of some further accompanying industry activities that might increase that. But using that figure, 70% of that, that's something like \$400,000 is planned to go to the island and pay for employment for data collection, project implementation including incentive for volunteers to participate in the process. The remaining 30% goes to the purchase of measuring equipment. That would be bought in Australia. Independent means of carbon footprints, that's from the Sydney University Physics Department and it would also fund the research student, that is Mr Gary Webb, a Norfolk Island resident to complete his PHD in the context of this overall programme. The island Administration and two partners have agreed to contribute \$50,000 each over three years and this was a condition of the linkage grant. Another factor to bring out is that if one looks at those figures, and the input and the return, we are talking about an 8.5 fold return on that investment plus the value of maybe being the world's first in terms of this island in this carbon particular exercise. There would be some employment benefits to Norfolk Island, for example, two half time project officers. Some four or five part time interviewers and people who may be associated with the programme. I do have pointed out to me by the participants in the programme that there would be no academic researchers connected with the programme who would receive money from that NICHE allocation. They would have their own parent organisation, university salaries, that would pay for their participation. The PHD student however would be a participant in that, as I have just mentioned. The NICHE programme is not mandatory in Norfolk Island. It is endeavouring to encourage people to be a participant but it is certainly not mandatory. People would have a choice as to whether they would like to join this scheme or not. In terms of commercial opportunities, they may come from being involved in a first in a personal carbon trading arrangement and that has already been recognised by the Industries and Investment Community Economic Development, the \$30,000 investment that I referred to in terms of the workshop that has already been conducted and the things that followed from it. It means that a programme such as this would appear in scientific publications which would be generated from the study and I think it's fair to say that there would be people in the wider spectrum of Australia and New Zealand who would see the community here as being in the forefront of a personal carbon trading scheme and that would give us a focus as well. The Research Team have advised me that they've been approached by documentary makers so that they might be interested in doing some documentary work that would again give us a profile. Having spread all of that out Madam Speaker it gives a better perspective to answer the questions and so let me now tackle them again. Whether the NICHE website reflects an allocation of \$120,000 to the island Administration about which the

Administration is unaware. The people who are involved in this program say that there is nothing in or associated with the existing NICHE website that reflects the \$120,000 that has been quoted. It appears that the \$120,000 has not been mentioned or allocated by us so that part is a bit of a mystery. Our commitment is over three years, \$50,000 and the first payment of that is not due until the year 2012-2013. The second part asks whether suitable separation between NICHE and the government is served by a requirement that applicants for employment with NICHE lodge applications with the Legislative Assembly. Madam Speaker that did happen in the first instance but that doesn't mean that the Legislative Assembly in any way was involved in the assessment or the processing. The Legislative Assembly was a post box to facilitate as these people were offshore and that was then communicated to the likes of Professor Gary Egger and it was those people who actually undertook the interview process and the assessment process and the like and since then of course that has changed because we now have people on board who will more directly be able to attend to such matters in future times. Hopefully that will respond to those questions Madam Speaker

SPEAKER Thank you Chief Minister and the final question today Honourable Members is question 211 Mr King to the Chief Minister

MR BUFFETT Madam Speaker this question is in two parts. (a) Is it a fact that smaller islands without their own 'immigration' systems have been successful in controlling and regulating population levels through proper planning systems such as land-use and town planning, and (b) What steps has the government taken to consider alternative controls for Norfolk Island as part of the integration process set out in the road map? Madam Speaker there are other small islands that would have their own operation within a much larger immigration system. One that immediately comes to mind that is close to us is Lord Howe Island. Lord Howe Island doesn't have a separate immigration system but it does have planning arrangements and similar that gives some measure of control. I need to point out that in the Lord Howe Island situation their land tenure is quite different. There is no private proprietorship of land. It's crown lease in the Lord Howe Island situation so there are different methods of holding land there but nevertheless they do have a system that doesn't necessarily call upon an immigration one. If you look wider in the Pacific Ocean you will find that most of the island arrangements beyond do have their own so there is a mix and not all of them equate exactly to how Norfolk Island is so not all of them are able to offer an exact example of how it might run within this place. What steps has the government taken to consider alternative controls. Earlier in questions my colleague Mr Sheridan referred to a report which has been undertaken within the Administration which is a Population and Planning on Norfolk Island report. The date of this report is the 3<sup>rd</sup> May. I'm able to table this report so it can be seen by Members and indeed be seen more publicly in a much wider sense but it picks up the points that were made earlier by Mr Sheridan and it points out, that if we wanted to control within a certain number then there are some questions as to whether the population and planning arrangements could be adequately undertaken by the things that are presently in place. It may need some adjustment or the like but I just point to that report to say that the Norfolk Island Government has commenced and embarked upon some assessment as to where we are at this moment. It would need to pursue it much further of course to see how we move from there but there is movement on the matter and that's an example of it. I table that report Madam Speaker

SPEAKER That report is so tabled, thank you Chief Minister Nobbs. That concludes Answers to Questions on Notice and we move now to Papers

## PRESENTATION OF PAPERS

Are there any papers for presentation this morning

SPEAKER Thank you Chief Minister. Are there any Papers for presentation, and I look to you Chief Minister

MR BUFFETT Thank you Madam Speaker under the Public Moneys Act the Minister responsible for the administration of that Act may direct transfers between divisions, subdivisions and the like. They are known as virements, but it does require the tabling of those at subsequent sittings and I so table the **Virement of Funds** that are appropriate in the last period

Madam Speaker I also table the **Financial indicators for May 2011**

MR SHERIDAN Thank you Madam Speaker in accordance with the Norfolk Island Hospital Act 1985 under section 9(3) I am required to lay before this House any direction issued under section 9(2) of the Act to the Norfolk Island Hospital Enterprise and I would now table a memo that I have sent to the director of the Norfolk Island Hospital Enterprise with regard to **NIHE Medical Contracts**

Madam Speaker I also would like to table the **Social Services Policy and Guidelines dated 2 June 2011** that has been compiled after months of work by the Social Services Officer and the Social Services Board, comments through LSU and myself and Members of this House, so I would like to table that as well

Madam Speaker I also table the **Revised DCP's Nos 1, 2 and 3. No 1 is New Subdivision Roads; No 2 is Water Resources; and No 3 is Multi Units** and the date of commencement is the 24 June 2011 after gazettal this weekend but this is just the review of the current DCP's Nos 1,2 and 3. They have been out for public consultation. Members of this Legislative Assembly have had opportunity for input and this is the revised copy that I do now table Madam Speaker

SPEAKER Thank you Minister. Any further Papers for presentation this morning. We move to Statements of an official nature

## STATEMENTS

MR BUFFETT Madam Speaker I make a statement in terms of the recent Canberra visit. I mentioned it earlier in a couple of instances when responding to questions on notice. But I report to Members that last week Minister Tim Sheridan, the Chief Executive Officer of the Service Mr George Plant and myself met in Canberra with a number of people, principally of course with Minister Crean. We obviously ranged over the financial matters that now face us. The principal matter related to the budget we're about to face for the year 2011-2012. The things that stem beyond that, that is Road Map expenditure and allocations and the like. There was not a formal response. The Minister was not able to give us a formal response in terms of funding of those range of matters. We then continued discussions with the Departmental people. What became clear was that in the timeframe that we have to present a budget it would not be practical to receive from the Commonwealth sphere, answers to the bigger picture of the \$8.9m in respect of the wider budget for the full twelve monthly period. Our focus then needed to be on an interim budget and upon that discussions took place with the Departmental



**NORFOLK ISLAND GOVERNMENT TOURIST BUREAU ACT 1980 - RE-APPOINTMENT OF MEMBERS**

MR NOBBS Thank you Madam Speaker I move that this House resolve for the purposes of subsection 4(5) of the *Norfolk Island Government Tourist Bureau Act 1980*, that the Minister re-appoint Morgan Borry Evans; Duncan Harvey Evans; David Bell; Glen Albert Buffett; and Charisse Clarke to be members of the Norfolk Island Government Tourist Bureau for the period 1 July 2011 to 30 September 2011. Madam Speaker this is merely some housekeeping while we go through the assent process for the Norfolk Island Government Tourist Bureau (Amendment) Bill and that process commenced when the amendments were brought to this House and then have been through the Executive Council. They've been referred to the Federal Minister for his input and this enables the time frame for that input and response and the continuation and implementation of those amendments if successful. Thank you

SPEAKER Thank you Minister Nobbs. Further debate Honourable Members. There being no further debate I put the question

QUESTION PUT  
AGREED

Thank you. The ayes have it. That motion is agreed to

**PUBLIC SECTOR MANAGEMENT ACT 2000 – DETERMINATION TO AMEND THE HUMAN RESOURCES POLICIES AND PROCEDURES MANUAL — CHAPTER 8 — WORKING ARRANGEMENTS (BANDWIDTH AND HOURS PER FORTNIGHT)**

MR BUFFETT Thank you Madam Speaker. I move that this House, having considered firstly

- the draft determination, as produced by the Chief Executive Officer and approved by the Chief Minister on 12 May 2011 to amend Chapter 8 “Working Arrangements” and “Schedule of Conditions” of the Human Resources policy previously determined for the purpose of section 28 of the *Public Sector Management Act 2000* and as previously amended on 4 October 2006; and
  - any written comments of the Public Service Board and the Norfolk Island Public Service Association on the draft determination,
- resolve to amend the human resources policy by making the draft determination and declare that—
- a copy of the determination signed by the Speaker of the Legislative Assembly shall be the instrument in writing for the purposes of paragraph 26(1)(d) of the *Public Sector Management Act 2000*; and
  - the determination shall operate from the date on which notice of its making is published in the Gazette.

Madam Speaker this is a motion that has been discussed amongst Members and I have made some public statements about it at an earlier time. It is not proposed that these provisions here commence at the time of the making here but they are endeavouring to put into place by homework, so to speak, these provisions if need to be called upon, may be called upon, and they cover two areas. One is that they address the bandwidth in terms of working arrangements and they also allow for working less than a full fortnight. They are the two arrangements that are covered by the provisions here. It is not proposed at this moment that they be implemented but

all of this is a question of capacity to pay and if in fact we are constrained more than we are at this moment we may need to call upon such a provision and we can't call upon it unless we do what I have proposed here so that's it in a nutshell Madam Speaker and I propose this motion to the House

MRS WARD Thank you Madam Speaker my intention today is to support the motion put forward by the Chief Minister. It's not something that one wants to do. One certainly has considered all submissions in the process from the Public Service Board, the Public Service Association and the point that the new working hours for example should be considered as a course of the proposed Commonwealth Government review of the Norfolk Island Public Service I absolutely agree with that, if we had the luxury of waiting. I think further on when the Chief Minister tables the Appropriation Bill we will see that this is not a time for waiting and seeing. It's enabling the piece of legislation that the Chief Minister is proposing. It is preparing for the worst and it allows the switch to be turned on if needed. All of us around the table hope that it is not needed but as the Chief Minister said, it's the homework or the preparation. The forward planning is being done to consider the worst. Thank you Madam Speaker

SPEAKER Thank you Mrs Ward. Further debate Honourable Members. I ask the Deputy Speaker to take the chair please

MS ADAMS Thank you Mr Deputy Speaker, I just need to record why today I'm unable to support the motion at this time. I do not propose to enter into the debate of the pros and cons. The Chief Minister knows he has my full support for austerity measures that are required but I need to explain why I cannot at this point in time support this motion. Because for me personally having read all the documentation that's been provided to us, the comments made from the Public Service Association, the Public Service Board etc, that there is still for me insufficient information to give me comfort. That the impact of this decision will result in an outcome that is non discriminatory and will be applied across all areas of the public sector that is funded from the public purse and I have made my view continually known at the Meeting of Members that this is my difficulty. It is not a reflection on the motion before this House. It's a personal issue with myself. Once this motion is agreed, it is outside the bailiwick of this House as to what then travels forward. That's no criticism. That's the way the law is. It's the way it operates. I take heart that I would expect ~ and I know that the Chief Minister if there was a need to turn on the switch for want of a better word, that he would make every effort to bring before the Members, moves that were going to be taken to implement the potential effect of this motion today, but at this point in time, I do not have enough comfort that it will be non discriminatory and applied across all areas of the Public Sector that is funded from the public purse. Thank you Mr Deputy Speaker

MRS WARD Thank you Mr Deputy Speaker. I think that the Chief Minister was questioned at the last sitting about the likely economic consequences of the 10% reduction of public service wages if the switch had to be turned. If. And the Chief Minister was very honest in saying that the Government hadn't really sought advice from the Service in relation to the economic consequences. That's perhaps a question for the banks as much as the Service. Every individual if it happened would be affected differently. So it is very hard to determine individual impact of the decision. The point about non discriminatory across the board is a difficult one in that the Chief Minister has already stood up and is leading the field in here saying I will take a 10% reduction. We have been asked to consider the same question and in talking with people and in their understanding that my weekly salary from the public purse is \$316, they have said, you do enough work,

you put all your effort in for down here and you have three children to feed, don't be ridiculous. The same question if you talk about across the board as Ms Adams did, you are talking about the teachers and the you are talking about the Hospital staff. Now we might be able to do without the Tourist Bureau staff for example. But when you're talking about across the board you're talking about health and a hospital. You're talking about education and children in school. You're talking about Telecommunications, you're talking about the supply of fuel and electricity. If somebody can come up and say which service they would like to do without, and then we can make it non discriminatory, I hear that argument but as nobody's bringing that forward I don't think it exists and I think across the board, while I understand it as an emotive response and we're all in this together, yes we are, but it's an unrealistic expectation. Thank you

MR SHERIDAN Thank you Madam Speaker if I could just say a few words. In support of the motion and in regard to what Mrs Ward has just made mention of in regard to if the switch was turned on and the Public Service was reduced to a nine day fortnight I will just make the statement that yes, I will be then returning 10% of my salary as well but that's a side issue and the real issue here is the ability to turn that switch on to reduce the hours of work if need be, but the other issue is the bandwidth of the working hours. Now this is to, as the Chief Minister has pointed out, this is a financial decision by doing this, but this would enable us ~ we've been criticised in this House and outside this House a lot for the way that we've restructured the ARFFS, the Fire Fighting Service around at the airport and not providing service for the evening flights. Madam Speaker if it came a time that those flights were required to be covered by the Fire Service, this would enable then, if the flights came in at 8.30pm, and not before the 10pm band width, those flights would be able to be covered under the shift that the fire fighters do have. They would be able to be covered under the normal working conditions and the Public Service would not have to provide double time or overtime if it's within their bandwidth hours under their 75 hours in the fortnight. The same goes for the other Members of the Public Service who do operate within these band hours. Again, it is a financial decision that has been made so that the impact of overtime is lessened onto the community because the community pays the Public Service wages, so in all fairness it's the community who wins. It's not the Government. The Government doesn't have a money tree that you can pull off a couple of dollars every time you have to pay something. Though it would be very nice. It would need to be a big tree too. So in saying this, it does protect the community's money to a degree in our difficult times, so I would just like to say those few words in support of the motion and in support of the difficult decision that ultimately the Chief Minister has come to

MR SNELL Thank you Madam Speaker I intend to support the motion. It is part of an austerity measure that this Government must face. Controversial economic initiatives are necessary in the current climate, and this is one of them and it may not come to fruition as indicated by the Chief Minister and I hope it doesn't but there are strong indications that it may be necessary in some areas. I agree with Mrs Ward that we have to be discriminatory. It has to apply to different areas, whilst to some but not to others and so on and I take the point of Minister Sheridan that I am too, prepared to take a 10% pay cut when it becomes necessary but I also appreciate the comments by, again Mrs Ward, that it is difficult for some to accept a 10% pay cut in some areas but I certainly will

MR NOBBS Thank you Madam Speaker I also intend to support the motion. As the Chief Minister has elaborated, this is an enabling action should the need arise. The process as I understand it for commencing such a change would be a documented process that would go through both the, in my understanding

the Chief Executive Officer for the Public Service as well as the Minister responsible being the Chief Minister. In many ways we've covered in our discussion around the table today, a lot of the financial positioning that we find ourselves in and the need to have this sort of flexibility with the hope that we don't have to implement this sort of flexibility and that is really how things stand at the moment. In terms of the wider coverage of a change in bandwidth for example, this was one of the issues that I certainly had agreement with when we were talking about the Fire Fighting Services potential changes in some discussions in perhaps several Legislative Assembly meetings ago. We have had significant documentation and there's been a process followed to ensure that various areas of the Public Service have had the opportunity to feedback. I'm certainly not saying that they've welcomed the idea and I certainly also recognise that the broader economic impact to the Norfolk Island economy and community is also an aspect that we have of course had to consider in this, if there were to be any such changes as it would obviously effect the spending power and the flow through the economy of those dollars. In saying all that equally we've all had the discussion particularly in Government about handing back the 10% if we are moving into these changed arrangements and on that note I intend to support the motion. Thank you Madam Speaker

SPEAKER Thank you Minister Nobbs. Further debate Honourable Members on the question that the motion be agreed to. There being no further debate I put the question

QUESTION PUT

AGREED

MS ADAMS

NO

Thank you. That motion is agreed to. I ask the Clerk to record my dissent

#### **DEPARTURE FEE (AMENDMENT) BILL 2011**

MR BUFFETT Madam Speaker I present the Departure Fee (Amendment) Bill 2011 and move that the Bill be agreed to in principle. Madam Speaker I table the explanatory memorandum to the Bill.

SPEAKER Thank you Chief Minister. The question before the House is that the Bill be agreed to in principle. Any debate Honourable Members. Chief Minister

MR BUFFETT Madam Speaker, when the budget was presented it was explained that we wanted to take a number of steps that might reduce the cost of people travelling to Norfolk Island and one of them was that we should abolish the departure fee. The other was to reduce some fees in some other areas. This particular Bill, the Departure Fee (Amendment) Bill 2011, gives effect to that. It's the abolition or reduction to nil I should say, of the departure fee and that is the purpose of the Bill that is before you

MR NOBBS Thank you Madam Speaker and thank you Mrs Ward for allowing me to step into the front row because I certainly welcome this change to the arrangements that inflict additional costs on our ticketing process. They have had an impact on our ability to promote discount fares, they have certainly had an impact on the portrayal of Norfolk Island amongst other destinations for the cost of travel and visitation to Norfolk Island and so I quite obviously intend to support this one. Thank you

MRS WARD Thank you Madam Speaker. I have an issue with this Bill. For a start it's not accompanied by a financial impact note but I guess I can do the maths myself, very basically. I understand the aim is to make the price of a ticket more attractive as Minister Nobbs has just said and the objective is to have increased activity on the island through making the ticket more attractive and saleable. But if I base the abolishing of the \$40 from the departure fee and times that by the projected figure of approximately 27,000 tourists travelling this year or in the next financial year, that equals a shortfall of \$1m and what this community needs to understand is that every time a cost burden is taken from the ticket, the average working family is left to cover that cost in the short term because what's happening is we are not seeing the increased activity level to sustain the reduction. In other words, the average working family is subsidizing the person buying the ticket to travel. That means that by supporting that type of move, the Government is left to turn around and increase imposts or taxes on the rest of the community and I think it's an appropriate time to bring it up because it's budget time. There's no money tree Mr Sheridan has pointed out, so when we take money or create a shortfall in this instance of \$1m in one area, it's not rocket science, it has to come from somewhere else. For those 27,000 people travelling, let's assume and be optimistic for a moment, I'm capable of that, that we will have the 27,000 tourist coming. That includes residents as well I understand. The tourist number is only projected at 24,000 but if the Minister would like to correct me, feel free please but basically to reap that \$1m back in GST to subsidise that \$1m shortfall, the drop would need to be \$8.3m in GST and I'm having trouble seeing how that's going to work. If the majority of this House today agrees to this Bill then that's fine. It's obviously been taken into account, or I assume it's been taken into consideration in the whole budget process. Yes it has. I know it has. But that has resulted in the increase of taxes and imposts across the community and that's what people need to understand. You are giving with one hand but you are taking away from the other and you are placing the burden of those reduced fares back onto the average working family and I just need to highlight that. Thank you Madam Speaker

MR SNELL Thank you Madam Speaker if I may. I'm impressed with what Mrs Ward had to say. There is a deal of truth and sincerity in what she has said. Whilst I'm a great believer in reducing the airfares to Norfolk Island and its implications in improving tourism, and the numbers that may come here, I also am now taking note more seriously of the implications of those who don't travel and we hope that the benefits of increased tourism will counteract that and that is the purpose obviously of reducing the airfares so that the numbers of visitors to the island will increase significantly. I just point out that with the last reduction in the airfares, that whilst its been rewarding and beneficial to a certain extent, it may not be to the extent in which to cover the shortfall of the quoted \$1m which leaves me in quandary as to how to vote on this matter and I would appreciate very much more detail from other Members on how this should progress

MR BUFFETT Madam Speaker I just wanted to point out that whilst those things that have been mentioned by Mrs Ward are quite true, in terms of there may be added imposts if in fact we lose the benefit of this income, but the benefit of losing this income if we can put it that way, is that we might continue to have visitors. You see if we don't continue to have visitors, then there would be even more imposts falling upon those that Mrs Ward quite rightly is referring to and that's the difficulty and the balancing act. If we try and reduce then we hopefully get more people because those people come in and spend money and that money circulates and is to the benefit of those that have been referred to and that's the thrust of this. That's the thrust of this. Equally in our discussions with the Commonwealth they are saying what are you doing to try and make it less expensive for people to travel to

your place and hence we are endeavouring to respond to that. There are pluses and minuses in most things and there are pluses and minuses in this. We hope that we'll come out in front. We are offering this incentive to knock x off. I mean, this particular one is \$40 off the fare but there are others associated with it. Passenger movement charges for example that have been reduced to accompany this. So it's a matter of a package that will assist. So I'm not trying to put aside those things that have been mentioned but I ask that you see it in perspective. Thank you Madam Speaker

**SPEAKER** Thank you Chief Minister. Further debate Honourable Members on the question that the motion be agreed to. There being no further debate I look to the Chief Minister for a motion

**MR BUFFETT** Madam Speaker I move that debate be adjourned and the resumption of Debate made an order of the day for a subsequent hour of this sitting

**QUESTION PUT  
AGREED**

Thank you. Debate is so adjourned

### **HEALTHCARE (AMENDMENT NO 2) BILL 2011**

**MR SHERIDAN** Madam Speaker I present the Healthcare (Amendment No 2) Bill 2011 and move that the Bill be agreed to in principle and Madam Speaker I table the explanatory memorandum to the Bill.

**SPEAKER** Thank you Minister. The question before the House is that the Bill be agreed to in principle. Any debate Honourable Members. Minister Sheridan

**MR SHERIDAN** Thank you Madam Speaker and just for the listening public I will read the explanatory memorandum into Hansard and then we'll have a brief commentary after that if I may Madam Speaker. The purpose of the Bill is to make provision for the reimbursement of costs of airfares for persons referred overseas for treatment in circumstances other than medical evacuation. A number of persons each year need to go off Island for medical treatment that is not otherwise available and the Bill is intended to provide some relief for persons who require multiple trips for this purpose and so ensures that if in any financial year a person makes a claim under which the whole cost of non-emergency airfares is paid then any further flights in the same year will attract the \$200 reimbursement. The proposed amendments provide for the reimbursement of \$200 towards the cost of a patient's airfare and where an escort is approved, of the escort. These payments will not be counted as a medical expense that counts towards the Healthcare threshold of \$2500; nor will they be payable unless the person has already made a claim for full reimbursement under existing provisions. In addition the payments will be retrospective to the 1<sup>st</sup> of January of the year in which the Bill becomes law and hopefully it will become law this year: so assuming the Bill becomes law in 2011 it will be retrospective for claims to the costs incurred on or after 1 January 2011. In order to clarify issues that have arisen the Bill also clarifies the responsibility of the Manager to make decisions to approve or reject claims without any direction or interference, and for the decisions of the Manager to be open to review by the Court of Petty Sessions. It is also clear that an amount payable by the Administration for reimbursement of an airfare claim (after the first) is not subject to off-set against a debt due to the Administration by the claimant. The first three clauses of the Bill are the usual

provisions stating the name of the Bill, its commencement and reference to the principal Act being amended.

Clause 4 changes references to “executive member” in the principal Act to “Minister”.

Clause 5 provides that the amendments to the principal Act are in the Schedule.

Clause 6 provides for reimbursement of the additional airfare expenses to be retrospective to the 1st of January of the year this Bill becomes law. As the provision would shortly cease to have any application it is not included as a provision of the principal Act.

Schedule

Item 1 inserts 3 new subsections into section 7B of the principal Act. The first subsection (5) makes it clear that the Manager’s responsibilities include making decisions about claims of eligible persons. The second, subsection (6) provides that the Manager is not, in the making of a decision, subject to direction of the Minister, the CEO, or any other person. The final change (subsection (7)) requires the Manager to tell a claimant in writing if a claim is refused and give reasons for so doing.

Item 2 provides that the reimbursement of airfares for non-emergency flights are not payable unless the Manager is satisfied that the claimant has reached the claims threshold (at present \$2500)

Item 3 makes provision to exclude from the right to set-off amounts due under the principal Act, any amount for reimbursement of the airfares for additional non-emergency travel after the first such claim in a financial year.

Item 4 makes changes to the rules for review of claims decisions in section 31.

Paragraph (1) includes as a reviewable decision, the decision of the Manager to refuse the claim of an eligible person.

Paragraph (2) extends the powers to make decisions by the Court of Petty Sessions to dismiss the whole or part of an application for review and to make an order for costs.

Paragraph (3) substitutes for the existing subsection 31(3) to require the Clerk of the Court to notify the Minister if the Minister’s decision is to be reviewed and where their decisions are to be reviewed, the Committee or the Manager as well as the Minister.

Paragraph (4) inserts new subparagraphs that empower the Court to extend time for doing any act if the Court is satisfied the request is reasonable and that the other party will not be unreasonably prejudiced and also enable the applicant for review to ask for an extension of time to lodge an application if the Court is satisfied the reasons for delay are reasonable, the application seems to have merit, and the respondent will not be unreasonably prejudiced.

Item 5 amends the definition of “medical service” in the Schedule of the principal Act by insertion of a paragraph (ea), to include the cost (up to \$200) of non-emergency flight if the person has already in the financial year received the benefit of reimbursement for such a flight under the previous class of “medical service” in paragraph (e).

Thank you Madam Speaker. That is the explanatory memorandum and as I said, I’ve tabled that. I would just like to make brief mention as to why this amendment has come about and it’s come about by request by community Members who having to travel offshore for medical treatment at various times within a period is finding it difficult with the travel costs associated with airfares to and from the island. You will recall that some time ago the Government had medical airfares which was a reduced airfare for persons referred offshore for medical treatment. This fare ceased due to complications about who was eligible. A ministerial was raised earlier this year by my colleague Andre Nobbs in consultation with myself in regard to the possibility of reintroducing such an airfare and after advice was received from the Public Service it was determined that the best approach was to include the ability to receive a reimbursement of costs for airfares up to \$200 each return flight for eligible persons who meet the criteria through the healthcare scheme. Of course there’s been some

time and consideration and the drafting stages and it was decided to provide the reimbursement of the additional airfare expenses to be retrospective to the beginning of this year. In discussions with the healthcare Manager he has determined that the financial impact of the budget to the healthcare fund would be in the vicinity of \$9000 per year which will be accommodated by the budget in the next financial year. This is an important arrangement because as it stands at this moment there is only the ability to claim \$200 for travel expenses in any one financial year. This is okay for a person who is referred offshore just the once in a year but for people who have on ongoing medical problem and have to travel numerous times in any financial year the costs are very much greater and the scheme does not provide any relief for these persons. This amendment will correct this. Also the other changes in the amending Bill are in regard to the Manager of the healthcare scheme, and the clarification of the responsibilities in making decisions to approve or reject claims without direction or interference by either the Minister or the CEO or any other person and for the decision to be reviewable by the Court of Petty Sessions in other matters. These changes in this area came about by recommendations by the Chief Magistrate after he presided over a matter earlier this year. The Chief Magistrate provided advise to the service of recommended changes to the Act of which have been taken up. Thank you Madam Speaker I commend the Bill to the House

MR SNELL Thank you Madam Speaker I intend to abstain from voting in this matter due to personal conflicts of perceived interest in the extent that there could be some financial benefit to myself as being someone who has a need to take advantage of this particular amendment

MRS WARD Thank you Madam Speaker I'll raise the same question with this Bill that I raised with the Departure Fee and that is the cost implications to the community. I certainly welcome the Bill and I applaud both Ministers for bringing this to the table but at the same time where there is assistance given to some Members of the community, which I support, then the other Members in the community will need to understand when we come to the Appropriation Bill when we are talking about an increase in imposts this is what we are talking about. We are talking about a Government and a Legislative Assembly who is making if this Bill passes, choices to assist certain people in this community. Minister Sheridan pointed out the approximate ~ and we all understand to give accurate projected figures on medical costs is near impossible, but an indication at this stage to provide this assistance to medical airfare is \$9000. The Minister mentioned that, that was budgeted for the 2011-2012 financial year. My question is the restrospectivity of the Bill and how that will be covered in the current year, whether there is money for that and I would also like to point out the changes in terms of the responsibility of the manager, and that those decisions are open to review by the Court of Petty Sessions has my full support. Thank you

MR SHERIDAN Thank you Madam Speaker and just a quick comment in relation to Mrs Ward's concerns with regards to the ability of the healthcare scheme to fully fund this. As we all know the healthcare scheme is in financial difficulties at this point in time. It has had to receive money from the general revenue to fully support it over the past twelve months, so Mrs Ward may have a point, in saying can we really afford this, but it must be noted that this will become part of the healthcare scheme. We pay a levy. Everybody on the island over 18 years of age unless you are exempt, pays the healthcare levy, which entitles you to receive benefits under the scheme. Now I am aware that he community has to fund this scheme through their contributions and whilst some Members may not reach their \$2500 limit, where the scheme cuts in each year so therefore receive no benefit, other people may received significant benefit from it by having a major illness which

may cost \$100,000-200,000, or a quarter of a million dollars in a financial year. These are the people that the whole community assist by the payment of these levies. This is where the monies for these \$200 reimbursement of an airfare for these people who would be financially strapped if they were required to go off the island three, four, five, twelve times, once a month, in any one financial year so this is another benefit that is available under the healthcare scheme. Okay. Yes, the levy will have to be increased, not because of this amendment, it has to be increased due to the inability of the scheme to cover the full medical requirements that this community warrants each and every year and I'm sick and tired of saying it, but until the Actuarial Report gets here I don't intend to increase the levy. I've had recommendations from the Public Service to do so but until I get the Actuarial Report it will not be increased and it is envisaged that in the September levy period the levy will have to be increased and I apologise for that, but unfortunately we have to fund our own scheme. Thank you Madam Speaker

SPEAKER Thank you Minister Sheridan. Further debate Honourable Members. There being no further debate I look to Minister Sheridan for a

MR SHERIDAN Thank you Madam 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 Thank you Minister. 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

### **FISCAL CHARGES AND IMPOSITIONS BILL 2011**

MR BUFFETT Madam Speaker I present the Fiscal Charges and Impositions Bill 2011 and move that the Bill be agreed to in principle and I table the Explanatory Memorandum to the Bill.

SPEAKER Thank you Chief Minister. The question before the House is that the Bill be agreed to in principle. Any debate Honourable Members. Chief Minister

MR BUFFETT Madam Speaker this and the next matter which relates to customs are part of the budgetary process. This, the Fiscal Charges and Impositions Bill addresses two pieces of legislation, the *Land Administration Fees Act 1996* and the *Business Transactions (Levy Imposition) Act 2006*. In terms of the *Land Administration Fees Act 1996* it is proposed to increase the Land Administration Fee for the registration of instruments subject to section 4, from 3% to 4%. That has been earlier foreshadowed budgetary presentation. This is the piece of legislation that is proposed to give effect to it and the second part of this is the *Business Transactions (Levy Imposition) Act 2006* to increase the levy on the conveyance of property subject to the Act, other than property subject to fees under the *Land Administration Fees Act 1996*, equally from 3% to 4% and again, that has been earlier foreshadowed budgetary presentation and this is giving effect to it. I commend this piece of legislation to the House Madam Speaker

MR NOBBS Thank you Madam Speaker this is one of the mechanisms contained within the budget that in effect provides the balance to some of the changes proposed and discussed earlier with Departure Fee, with healthcare assistance for airborne travel. I am mindful that we have had a communication this morning that suggests that there's a suitable transition process and I'll complete my input there Madam Speaker and perhaps the Chief Minister will provide input on that

MR BUFFETT Unless there are other people who want to talk in a more general sense, I will address that matter. This morning I've had a comment that it may be wise with this piece of legislation to consider anything that is part way through, that is, a transitional process component. I'm willing to make an adjustment to that. The plan is that this be also adjourned to a subsequent time and within that time frame I think I can bring forward an amendment that will tidy that so I foreshadow that and I thank those who have made that known in the context of this particular piece of proposed legislation

MR ANDERSON Madam Speaker thank you. I was going to raise exactly the same point as necessary to have a transitional provision. I'm also merely going to make a statement that as far as I'm aware moving a fixed rate in respect of conveyances from 3% to 4% will bring us above probably what the equivalent stamp duty is applied on transfer of land in every other mainland jurisdiction. In all of those jurisdictions there's also a sliding scale so that the lesser valued property pays a lesser amount and the more valuable ones obviously pay more. It is a significant imposition probably and whilst I appreciate the need for it having a fixed rate applicable to the entire spectrum of transferable property is probably going to need review down the track, particularly if there is as is suggested, significant increases in the value of land on Norfolk Island over the next several years

SPEAKER Thank you. Further debate Honourable Members on the question that the motion be agreed to. There being no further debate I look to you Chief Minister for a motion

MR BUFFETT Madam Speaker I move that debate be adjourned and the resumption of Debate made an order of the day for a later hour in this sitting

QUESTION PUT  
AGREED

Thank you. Debate is so adjourned until a later hour in this sitting

### **CUSTOMS (AMENDMENT NO. 2) BILL 2011**

MR BUFFETT Madam Speaker I present the Customs (Amendment No. 2) Bill 2011 and move that the Bill be agreed to in principle and I table the Explanatory Memorandum to the Bill.

SPEAKER Thank you Chief Minister. The question before the House is that the motion be agreed to. Any debate Honourable Members. Chief Minister

MR BUFFETT Madam Speaker thank you. The purpose of this Bill is equally part of the budgetary process and it is to increase the rate of duty on the importation of general goods not otherwise dutiable and in particular to substantially increase the rates of duty on tobacco products. Some duty rates in Schedule 1 are



the reduction in the airfares or the Healthcare Bill that I just tabled for the ability for people to have \$200 reimbursement for their costs when they go away for their medical purposes. That's not entirely correct. It is about the health of the community and trying to find a balance there and of course the revenue that will be raised will go into general revenue and will fund other areas, but as for being discussed around this table all morning, the community pays one way or the other for all of these services that we provide so if I can with the Norfolk Island Hospital Director, Mr David McCowan, if we can come up with a program that will assist the smokers who cannot afford the increased cost of their packet of cigarettes it will make it a lot easier for them to be able to go through the withdrawal of their smoking addiction because that's what it is. I think a lot of people here would recognise that. It's not an easy task just to say, well I'm quitting. It is an addiction and they have to be walked through this area so what I'm trying to say is that it's not totally a revenue raising exercise, it is health orientated as well. Thank you

MR SNELL Thank you Madam Speaker I take note of concerns expressed by a Member Rhonda Griffiths, of concerns of the importers of cigarettes to Norfolk Island and the need to be able to pay the duty on arrival on small consignments or any consignments for that matter and having to pay the duty up front. I implore the Minister maybe that some amendment can be made that it can be paid on consignment after the sale of the item

MRS WARD Thank you Madam Speaker I'll do exactly as Minister Sheridan has done and I will pull my cigarette relative piece out of my Appropriation Bill debate because the question of whether or not to increase the cigarette duty was a revenue or a health related concern was certainly raised and I thank Minister Sheridan for taking that on board and dealing with that through the Hospital Director because we do understand that this should also be about helping people break what is a highly addictive drug habit, lawful may it be. There was a great deal of discussion around the table and I can assure that the community and the raising of taxes and the GST to 12% which I will support is an unpleasant task. I can assure you that the Government has certainly been open minded to the views of all, I'm sorry we are talking just about duty increasing, not the GST thank you. The views of other Members around this table and the community because there were many submissions verbal and written, they were taken into consideration. Those submissions were not ignored but at the end of the day somebody had to make the hard call. The Chief Minister and Government have obviously made the executive decision to remove the low duty impost. The majority of the membership saw that as a business issue. We are not, the Government and the Legislative Assembly are not in the business of squashing business so those people out there who are in business need to recognise that there's no intention for us to steam roll over business initiative or incentive or existing, it's just a hard call has to be made at the end of the day and we've spoken all morning about that and as Mr Sheridan said on the proposed changes the cigarette was ironically probably what was spoken about but there you go, you have a Chief Minister and a Government who have listened. Thank you

SPEAKER Thank you Mrs Ward. Further debate Honourable Members on the question that the motion be agreed to. There being no further debate I look to you Chief Minister for a motion of adjournment

MR BUFFETT Madam Speaker I move that debate be adjourned and the resumption of Debate made an order of the day for a later hour in this sitting

QUESTION PUT  
AGREED

Thank you. Debate is so adjourned until a later hour in this sitting

## **SUSPENSION**

Honourable Members I look to you for guidance on when you would like to resume from our lunch break. I have one indication for 2pm. It seems that we have agreement around 2pm. This House stands suspended until 2 this afternoon

## **RESUMPTION**

Honourable Members we resume and we move on to Messages from the Office of the Administrator.

## **MESSAGE FROM THE OFFICE OF THE ADMINISTRATOR – NO 14**

Message No 14 from Mr Owen Walsh Administrator and the message reads. In accordance with the requirements of Section 25 of the Norfolk Island Act 1979 I recommend to the Legislative Assembly the enactment for the Appropriation Bill 2011 to 2012 as amended by the detail stage amendments listed in the Schedule to this message and that schedule is dated 17 June 2011.

## **APPROPRIATION BILL 2010 – 2011**

**SPEAKER** We resume on the question that the Bill be agreed to in principle and Chief Minister you have the call to resume

**MR BUFFETT** Madam Speaker thank you. We are resuming debate on the Appropriation Bill 2011/2012 Madam Speaker. Madam Speaker a lot of water has passed under the bridge since this was introduced and I referred to some of it when I reported on my discussions in Canberra. What is presented at this moment in terms of the Appropriation Bill is a budget for the full year 2011/2012. That had a budget deficit of \$8.9m and I explained upon its presentation that that needed to be successful to gain supporting finance by the Commonwealth. Discussions have been had with the Commonwealth and we do not have a firm answer in terms of that bid for funding to that extent over that period of time and the indicators to us are that it will take a bit of time before an answer is to come about it, and there are some attendant factors, financial factors associated with the Road Map that equally will be taken into account in considering that financial process as we understand it all. Therefore in the meantime we have to look to how we proceed and we have therefore looked to the erection of a first quarter budget, that is for the first 3 months of the year but before I move to that situation Madam Speaker there are requirements that I want to ensure that I meet in terms of the overall budgetary situation. Member will know that we now operate under the Commonwealth Finance Ministers orders and there are guidelines and indicators as to how we should proceed there, we are so proceeding I might say. In terms of meeting also some provisions there, there is a requirement upon me upon working through the budgetary process to table documents that relate to the Territory Statutory Authorities. They are the Hospital, the Museum and the Tourist Bureau and in accordance with those requirements I need to table and I do so here 2 things. One is a statement of the strategic priorities for each of these and also their budget, their budget that is for the Hospital, for the Museum and for the Tourist Bureau. Now they are encompassed within our bigger budget arrangement but the line that we see and the bigger budgetary arrangement is that that the public purse attributes to each of

those 3. This is the individual budget for those 3 and in terms of the requirements under the Finance Ministers orders I table those arrangements and documents.

SPEAKER

Those documents are so tabled.

MR BUFFETT

Madam Speaker I move onto the next stage which is that as foreshadowed we now need to move to an amendment to that full 12 monthly period to a first quarter budgetary arrangement. I have and I will move a the appropriate time amendments to give affect to that. In the meantime I will table those although I will formally move them when we come to the detail stage Madam Speaker. Now I have provided Members with a copy of that so that's not new to Members. I have provided that to them so that they will be forewarned about the process that we are attending to now. I'd like to make some acknowledgement about the preparation of this particular document. You will know that we had a full year. We went to Canberra with a full year. Given the situation that we found there we needed to do some quite quick legwork to produce a quarterly budget and that has meant significant work on the part of the CEO, the Deputy CEO the CEO George Plant the Deputy CEO Bruce Taylor but also the Finance Manager who has the serious interplay of collating all of these figures and then transposing them to a quarterly budgetary arrangement and I would like to pay acknowledgement to their quick work to be able to produce it today or indeed yesterday when we spoke as Members today in a formal sense but also at an earlier stage to the Commonwealth because we are now asking the Commonwealth to equally fund the 3 monthly first quarter budgetary arrangement. The revised budgetary figure for the first quarter is \$3.03m. That compares with the full 12 monthly period of \$8.9m. So I just point out those parameters to you and pay tribute and thanks to those who have assisted us to work through those figures and be able to have them to then give it formal consideration. I just now explain what provisions are made for made in the 3 month budget. The 3 month budget contains the full spectrum of services that is the delivery of services in Norfolk Island, hospital services, education payments, telecommunications, social welfare and the like. I'm just being selective there to give you an indicator. A full spectrum of services are funded for a 3 monthly period in this 3 monthly budgetary arrangement. The revenue increases of which we have spoken today are equally budgeted into the process for that 3 monthly period but there are no capital works. Mind you there was very little capital works in the whole 12 monthly budget but there are no capital works obviously in this particular period of time. That's what it has encompassed, that is the figure upon it \$3.03m. We have a request to the Commonwealth to make that funding arrangement and we don't have formal response at this time but I want to report to you that there was exceptional bigger and attention by Departmental Officers particularly to find a way through and they continue to seek a way through to provide funding for at least this 3 monthly period. Whilst that is happening the bigger picture can be addressed at another level within the Canberra scene. I think that's the overview Madam Speaker. I'd like to make another comment if I may and that is commentary upon the discussion that Members have had about some components within the budgetary process. We are given some detail about some of the difficulties that we face in a wider spectrum and they are reflected obviously in the budgetary situation. Here we have a need to ask externally for funds which really indicates that there is very little in terms of monetary turnover in the Norfolk Island community and that means that many people are suffering and are in difficulty and therefore taxing imposts are difficult for people to meet and we've had representations from people about various components within the budgetary considerations and I just want to emphasise this. Those who are in shortened income situations especially low income earners do have the capacity to seek some relief under existing Social Welfare arrangements and this mightn't be a criteria that meets all but there may be some for example in a single income

household with no dependants who's wage is less than \$428 per week they can seek some assistance. The assistance is not huge I've got to say but it's a weekly assistance. There are circumstances where you might be a sole parent with children who's wage is in this case less than \$850, there is equally a per week allowance that could be sought there. Dual incomes that's not just a single person household with no dependants, if there is a combines income of less than \$600 per week or less again there is the capacity to seek some assistance, and a dual income household with dependants, the category there has a figure of \$850 per week, if you earn less than that you are entitled to some benefit, again not a huge benefit. The maximum benefit is \$18-97 per week but might I just say this that if you add that up over a year it almost gives you \$1,000-00 and that may help with electricity or the like, although it may seem small in a weekly arrangement. And I just want to give emphasis to people who may be in that situation that that is available and may I also emphasise that the process is not meant to be difficult. One just needs to give adequate indicators that the income is that or less, you don't have to go anywhere else just indicate that and therefore you would become eligible. Now in addition to that there is capacity for special benefit payments, that is a wider examination and may well be more beneficial financially. That does require some further documentation I would say but if people are in significant need they may wish to consider that and I give emphasis to that in the environment in which we face a range of things today. Madam Speaker other Members may wish to say something about where we are. I would just like to foreshadow that at the end of any discussions we are to have I will be making a proposal to the House that we suspend so that what I have distributed and spoken with Members about in terms of an amended budget to carry us over a first quarter period might have opportunity to be considered further and that we might come together on Monday next to give finality to this budget. May I emphasise that we do need to give finality to a budget to survive by the 30<sup>th</sup> of this month. After that if we do not have an Appropriation Bill we do not have the capacity to spend a cent. So I just draw that to attention. There we are from me for the moment Madam Speaker.

MR SHERIDAN

Thank you Madam Speaker. I was going to go into a few page summary of some concerns that people do have in regards to the budget and I was in 2 minds whether to do it now or wait until Monday seems that the Chief Minister has indicated that he intends to suspend it until then but just so that the information is out there I will run through it now. A couple of the areas of concerns are in particular my areas that's all I'll be concentrating on, I won't be concentrating on the other parts of the budget. In particular with the Norfolk Island Hospital Enterprise for the financial year 11/12 we've had to have further provisions than what was initially indicated at our first budget meeting, and the original budget incoming earlier this year was some \$2.915m and after considering the actual income for this past financial year and projected those figures into the next financial year, income projected is only to be \$2.349m a shortfall from the original estimates of \$566,000. Madam Speaker currently the Hospital Enterprise is having difficulty in obtaining the services of qualified Doctors in the areas required and is having to utilize Locum services which is envisaged to have to continue into the near future. In the budget for next year only \$55,000 had been projected for Locums but updated estimates indicate that \$96,000 will be required, a shortfall of some \$41,000. This is necessitated requirement to review the subsidy required for the Norfolk Island Hospital Enterprise and is currently projected to receive \$2,010,000 for the next financial year, an increase of some \$600,000 over this current year that we've just completing and I've explained the reasons why that \$600,000 is required. Madam Speaker currently the Hospital Enterprise is having cash flow problems due to the reduction in income but also the increase in debts due to the Hospital. Currently this financial year an additional \$165,000 has had to be provided to the Hospital to



GBE and every budget came to us in a different format I can only conclude that no standard templates had been provided to Managers to help them articulate or us understand what the Departments challenges or priorities were. Instead as the Managers spoke to their papers we were left to flick back and forward between sometimes quite a few documents to find what might be important. If these realms of paper are what the Budget Review Committees have had to go through over the years then no wonder progress has been slow. I saw no evidence of links between our budgeting process and this Assembly's legislative programme. Call me idealistic but I had expected every manager to have been asked where they thought they could generate additional revenue and what legislative or regulatory reforms needed to be done to achieve this. Some Managers did refer to this in their budget submissions but it seems not to form any part of any strategic approach in our legislative programme or none that I could see anyway. If we had asked this question our Public Service Managers could have given us more and more equitable choices on raising revenue in these difficult times. If we had asked this question perhaps we might see a more focused legislative programme than we have today. For years we've taken an adhoc approach to the introduction of regulations and legislation, it's been what's kept past Assembly's occupied. Madam Speaker very few of the budgets that we did see linked budget to performance and I certainly can't see performance reflected in what I have in front of me. Madam Speaker for the past 2 Assembly's we've heard fashionable words like performance management, performance budgeting and performance based contracts. The reality is we have little of this sort. Despite years of supposed reforms I'm not even sure most of us around the table knows what it actually means. How can we as an Assembly or a community measure performance when the Public Service itself has no strategic objectives. The truth is we can't. How can the Public Service articulate strategic objectives when the Government itself does not articulate them to the Public Service each and every year. How can we have performance based contracts when there is no capacity for rewarding those Public Servants who do their job well and do it well consistently or don't do it at all. How can we expect performance management when the Public Service is not given the tools to perform. Madam Speaker all the points I've raised above is what makes the review of the Public Service so important. It's important the review not just look at the formal environment of the Public Service operates within but it also needs to look at some of our non formal mechanisms as well. It's the reason we need the best people to undertake the review. The job is too big for just 1 person it needs a well qualified and experienced team. It's the reason we need to have broad consultation on the review. Given the importance of broad consultation it's the reason that given consideration to the method of how this review is to be conducted is important. Finally Madam Speaker I can't understand why if we were going back cap in hand to the Commonwealth why we would ask each Department to cut their budgets to the bare bones before they were presented and we've presented our deficit to the Commonwealth. I believe this is cultural but no a particularly practical approach. Cultural in that we want to make it easier make ourselves less of a burden to the Commonwealth – that's our way. Impractical in that it does not give the Commonwealth accurate views of what our realistic needs are. Thank you Madam Speaker.

MRS WARD

Thank you Madam Speaker. I will take today as the opportunity to say what I have to say and then Monday can be dealt with accordingly. I said 2 weeks ago that I had faith that the Commonwealth would commit to continue to fund Norfolk Island while we move through a transitional period and I have faith that they still will. It will end up being more like a 5 year period that has to be dealt with it's a long term project. However there has obviously been some delay in the process and we still don't have to hand the airline negotiations and that makes it difficult, we're between a rock and a hard place really one can't block supply

or one could, then to sit here and clear a Bill or pass or support a Bill where you know where there is no guarantee funding, one may see as irresponsible, but I appreciate that the Service on both sides are working very hard to obtain funding either though there is no formal commitment from the Federal Government at this stage. Before I go any further Madam Speaker I need to highlight an error that I made in the last sitting of the House and that was stating the cost of running the Airline was \$17m in fact that's not correct it's closer to \$24m so it's worse than I stated, it's revenue that's \$17m. I just wanted to clarify that now for Hansard. The Bill as the Chief Minister said is what one might call a mini budget, it's covering 3 months or a quarter. It still covers all the same areas where money needs to be spent and as Minister Sheridan has said what is being pushed back at this stage is the areas such as Strata Title and unfortunately at the moment that is unavoidable. For the record I am a supporter of Strata Title being applied to Norfolk Island, certainly being investigated. The delay may given the Minister time to see if there are other ways that the item can be handled or indeed funded. Strata Title and homecare service could be seen as economic development opportunities for the private sector and providing and dealing proactively with our aging population and may be worth a Commonwealth Grant perhaps, I don't know I just put that on the table at this stage. The Commonwealth funded ?? Report points directly to our aging population and we all understand the need to deal with the issue as a matter of urgency and we will work to do that. I'm speaking of Ministers Sheridan's areas I was interested to read in the paper the subsidy to the Hospital is proposed to be \$600,000 more than last year and the Minister has explained some of the reasons for that. When a community is being asked to subsidise a service by \$2m and I'm certainly not singling out the Hospital. I said 2 weeks ago that the School consumes \$3m so they are big asks but its little wonder that fees you know have increased and I take note of Minister Sheridan's point about the staff deferring their wage increase. We are all in this together. I understand that the 3 areas that demand the increase in funds particularly have been the need for the local Doctors, the decrease call for service and the length and the time for the payment of accounts and out of interest the subsidy to the Hospital 10 years ago was around half a million dollars today it's two million. Taxes. One part of the need to do with increase in the impost we've discussed this morning that was the Departure Fee and you know we could save ourselves straight away \$250,000 if we were to defer that movement but clearly the majority around this table would prefer to place the heavier burden on their own people rather than charge the travelling person as the Chief Minister has indicated we suspend until Monday. Members may think on that a little further. I understand the belief behind the move I just happen to know that it isn't working and so does the Minister for Tourism as he admitted a couple of months ago in the House and the problem for me as I've said this morning and I'll say it again is that the average working person is being asked to pick up the slack which is being demanded by the industry. I do understand the reasons. There is one change that I fully support in terms of taxes and in fact I'll be up front in saying that I argued for this to happen over the last 12 months and that is the lowering of the threshold from \$100 to \$300. It's basically overturning a decision made by the previous Minister for Finance in July 2008 a decision which was about individual gain and not collective good. The downward movement is not an attempt to stop people buying on eBay or Catch of the Day this is to ensure that every member of this community contributes something to the public purse, that everyone pays towards health and education, roads and maintaining of supply of fuel to the island for example. We're going to continue to face extremely difficult times in the year ahead and I believe that we all have an obligation to make contribution to our running costs, and I have certainly appreciated the sharing of views by people in the community who have condemned the actions of those who import and circumvent the payment of taxes(tape goes blank blank blank) and self sacrifices what we do Madam Speaker without question and I truly

hope that those ideals are not lost in the wider community. Having said that I agreed that the current taxation regime is regressive and it does not help low to middle income earners. We are dealing with that in cooperation with the Commonwealth, we will become part of a tax system where income is taken into account. We will have a fairer system for those who are low income earners and the Chief Minister has just explained and Minister Sheridan followed through because it is his area Social Services that there is a current mechanism in place which is the what really resulted from the increase when GST went from 9% to 12% it was the work of the previous Assembly to put in a low income rebate. People can apply for that as the Chief Minister explained, the thresholds that was gazetted in the paper on Saturday I think the Minister Sheridan has put that in the paper as a media release I think 2 or 3 times over the last 12 months. It's unfortunate that people still respond in that I didn't know about it. I just follow through and support the Chief Minister and Minister Sheridan in saying that there is no shame in requesting or receiving the benefit and if someone chooses to do that Madam Speaker a payment can be placed straight back into the Admin accounts if that's what somebody chooses, it's as simple as ticking a box, it's not supposed to be a hard process. One goes to the Office over at Administration for Social Services there is a form to fill in and it comes before the Board, Mr Snell is the Chair of that Board and I happen to be a member of that Board and tell you that it is not supposed to be hard and it is an existing mechanism to help people who are low income earners. The last point I would like to make is that those who simplistically attack the Public Service should remember that they provide for the whole community and it currently deals with the full gamut of services that we can't do without. As I said this morning that's telecommunications, health, education, there is environmental protection, road maintenance to name a few. Whether or not the Public Service should maintain ownership of all services or run the Tourist Bureau for example is going to make for good blood flow in debate and when the recommendations of the Commonwealth review of the Public Service and GBE's are handed down in September and there will be no shying away from the challenges that we need to face and I look forward to working with all of my colleagues to ensure that the Assembly's thinking continues to develop for the good of all residents. Thank you Madam Speaker.

MR NOBBS

Thank you Madam Speaker I'll be particularly brief. A lot of the issues covered in the earlier presentation of the original Appropriation Bill and (tape goes blank) on the Monday sitting in terms of when we start discussing this down to I would imagine quite a fine detail. With regard to this first quarter Appropriation in effect it continues operations of the areas of the Service and with regard to perhaps some of the information that has been put forward about capital expenditure and the closing down of a lot of that area in a number of ways and in areas that doesn't mean that we do not continue with the Burroughs replacement or the power pole replacement which obviously will increase our efficiency for financial accounting and reporting and enhance our reticulation capacity for electricity as well as safety issues. The duty threshold I've spoken about previously, that original concept is not a new one, it comes out of various feedback from the private sector it comes out of watching what is happening outside of Norfolk Island in Australia for example in terms of tariffs and the like to accommodate the imbalance that is developing between business that is located in situ and business that is operated off the internet so I won't go into that in greater detail at the moment other than to say that in amongst the discussion that I have had with the Chief Minister and also with the Members that perhaps at some point we could always penalize that reduction of the duty threshold in line some form of calculated exemption that relates to those people who satisfy compliance or access to the low income rebate threshold. So that may then sort out some of the concerns that some of the residents have on Norfolk Island that for them they need to get a specific

product because of their positioning in income on the island and that that may well address those issues. The first quarter budget or Appropriation that we have on the table in front of us does encompass the removal of the Departure Tax and the reduction in passenger movement charges. Mrs Ward has certainly made mention to some of the issues that have led to making these changes and strategies behind them as was my response when Mr Snell asked me about a recent Air New Zealand Executive level visit that came to Norfolk Island some time ago. It was particularly showing some interest in what we were doing with those movement charges and taxes and that that has an impact on the operational ability of a number of the Airlines, it also has an operational impact as I've said earlier on those agencies that sell to our visitors to Norfolk Island. As I understand it within this quarterly Appropriation RESA or the Runway End Safety Area for the Airport that those works will continue and that is in compliance with the Works programme that has been part of the Aerodrome Inspectors work with our Norfolk Island Airport Manager. I guess I have one negative in amongst all this and that is that I still have some difficulty with the rolling all of the GBE's into the Revenue Fund and in some ways I only bring that comment up because of the in effect it rolls out of what Mrs Griffiths was talking about in terms of the Managers understanding of the performance of their areas and although I see the reasoning for putting those areas in the Revenue Fund I also have some issues perhaps that although the GBE Managers they don't necessarily have the data in front of them to operate specifically as a business would operate to understand their bottom line and to understand what they need to do to keep the doors open if they were in a private capacity for example. Budget preparation as has been discussed has been done at a number of levels and certainly the Chief Minister and the CEO in particular need some acknowledgement for the amount of work that has had to be done particularly just in the last few days to come up with the Appropriation following the meeting that they have had in Canberra. Having said that as I say the main thrust of my speaking will be on Monday. Thank you Madam Speaker.

MR SNELL

Thank you Madam Speaker. Madam Speaker the correct place as indicated is Monday for the full comments on the Motion but Madam Speaker it needs to be said I think, it doesn't need to be said that we are in very difficult times and policy expenditure decisions have to be made and it's going to hurt a lot of people. It's not going to be an easy task and I applaud the Minister for bringing it to our attention that the situation is grim and he has obviously indicated that to the population of the island. Everyone has to take it into account and he's also indicated quite clearly that there is no guarantee of any further funding at this time from the Federal Government. So in consideration of all that I think we need to start looking at how we are going to survive this climate and there are certain areas that we have to look at and I take into account what Mrs Ward had to say about attack of the Public Service. Nobody wants to do that but you have to look at the expenditure side of how much the Government of Norfolk Island is costing and that includes this area as well Madam Speaker and when you consider that salaries and wages extend over \$11m for all the services provided it's one of the areas that we will have to look at and you know even in areas around us you look at the news every night and you see difficulties with countries around the world. You look at areas of Queensland there it will descend into a \$4b deficit in the 2011/2012 budget year. So Norfolk Island is not exempt from all this but Madam Speaker on Monday I think we are going to have to make some decisions or role with flow of this 3 monthly budget forecast which I intend to support but there are areas that we may have to take some very close scrutiny. Thank you Madam Speaker.



I would like to see the GST rate go down generally but at least on food. We all understand that that's just not possible for time being. The rationale for it though was very logical. The reduction in the Customs threshold from \$300 to \$100 is unfortunate but in my view necessary given the increase in online shopping. Yes I agree with comments made by Minister Nobbs, we should look at assisting the people that it's most likely to impact upon but when people on the island are even buying their groceries online and having them delivered because it is so much cheaper to do then that lost revenue has to be found somewhere as Mrs Ward said. If we keep allowing those leakages then we have to give up something and that could eventually be services. In relation to the Strata Titles I totally support it I think I said before we are the only developed western economy that I'm aware of that doesn't have it and it certainly provides us with some opportunities that will work hand in glove with things like encouraging people to come here, self funded retirees they are not the sort of people that are going to want 2 or 3 acres to look after and it's another opportunity for property development which may if handled correctly be very advantageous to the island. I tough upon the performance budgeting raised by Mrs Griffiths if I'm not correct there is a very strict process in place of setting programmes of setting the objectives that the performance budget entities are required to comply with and that is very closely and regularly monitored by the internal audit office who eventually report to the Government. So I think that is in place and when I was more intimately involved it was working well and if it's continuing to expand it does give the individual Managers the opportunity to have more control and to set out what they want to achieve and how they are going to go about it and they can then be measured the degree of success, and that's certainly the way the system is set up and whilst it may not be totally efficient it was working reasonably well. As far as I'm concerned the jury is probably still out on whether I can support the deficit budget where there is no guarantee of funding it, it just seems irresponsible but I also appreciate that the alternatives are very difficult. There are alternatives but they are very difficult, so that will be a matter for Monday. Thank you Madam Speaker.

MR BUFFETT I'm prepared at this time Madam Speaker to move that that matter be adjourned and made an Order of the Day for a subsequent hour of this Sitting I think is the right terminology.

SPEAKER That being the question that the Bill be agreed to in principle.

MR BUFFETT May I just reiterate what I mentioned earlier in terms of foreshadowing a continuation of this Sitting, that will be up to Members to decide that but in terms of proposing it. When we come to the end of the matters that we are to attend to today I would be moving that we do suspend until next Monday where this matter and the other adjacent matters may be given final consideration. So on that basis Madam Speaker I move that this matter be adjourned and made an Order of the Day for a separate hour of this 'Sitting.

SPEAKER Thank you Chief Minister. The question before the House then is that the question that the Bill be agreed to in principle be adjourned and made an Order of the Day for a later hour in this Sitting which will be determined at a later time this afternoon.

QUESTION PUT  
AGREED

Thank you Honourable Members that Bill is agreed to

**OMBUDSMAN BILL 2011**

SPEAKER Chief Minister I understand that you were wishing at this point in time to speak to the Ombudsman Bill which is currently sitting as an Order of the Day No 2, adjourned on the question that the Bill be agreed to in principle.

MR BUFFETT Madam Speaker thank you. I don't intend to progress this matter but to give some explanations to where we are at so that it might be seen. The Ombudsman Bill as Members will know is something that has been on track for us for a very long period of time we have had legislation and the Territories Law Reform Act which adjusted the Norfolk Island Act has just in recent times that is December of last year made a provision in the Commonwealth sphere so that the Commonwealth Ombudsman may have the capacity to be appointed as the Norfolk Island Ombudsman. Given that we are now finalising our legislation to bring all of that together, so the 2 Governments work together to bring it to that stage. I have already introduced the Bill, I have sent that Bill to the Commonwealth for comment, the Commonwealth have come back with comment and we are working on those comments. The Members just the other day have given me their views having received all of the comments that have been collated to day. My plan Madam Speaker is that if we are able to process those sufficiently when we come together, if we come together, if members are comfortable to agree next Monday I would try and bring that forward also for finality, that is the aim, so that we may conclude it before the end of this financial year. That's what I'm trying to do.

SPEAKER Thank you Chief Minister the question before the House Honourable Members is that the Bill be agreed to in principle.

MR BUFFETT Madam Speaker I move that this matter be adjourned and also made an Order of the Day for a subsequent hour of this Sitting.

QUESTION PUT  
AGREED

**ROAD TRAFFIC AMENDMENT NO 3 BILL 2010**

SPEAKER We resume debate at the detail stage and I look to Minister Sheridan to move his detail stage amendment dated 21 June 2011 which are an amended form of those that were tabled at the last Sitting and dated whatever they were dated.

MR SHERIDAN Yes Madam Speaker that's how I'd like to move. I'd like to move that the detail stage amendment be agreed to, is that the wording, and that we continue the debate from there. Would you like me to read the precursor to the detail stage amendment? Madam Speaker I move - 1) that the title of the Bill be changed by deleting Road Traffic (Amendment No 3) Bill 2010 and substituting Road Traffic (Amendments) Bill 2011 Sub paragraph B Clause 1 short titled the Late Road Traffic Amendment No 3) Act 2010 substitute Road Traffic (Amendment) Act 2011 and 2. Delete all clauses after Clause 4 and substitute the following 5 - Schedule of the Amendments and the Schedule therefore as attached Madam Speaker. If I could move that.

SPEAKER Thank you Minister Sheridan. Would you like me at this point in time to put the question detail stage amendment No 1 be agreed to which deals with the titles of the Bill.

MR SHERIDAN If you so wish Madam Speaker.

SPEAKER I put that question that the detail stage amendment No 1 be agreed to which is changing the title of the Bill to affect the current year. Are you comfortable with that. I put that question.

QUESTION PUT  
AGREED

SPEAKER We are now at detail stage amendment No 2 which deletes all clauses after clause 4 of the Bill and substitutes the following. Now I look for guidance on whether we are going to go through these item by item. Is that your preference Mr Sheridan.

MR SHERIDAN It is my preference Madam Speaker. I think after everyone has their debate on the detail stage amendment if that's their wish we can proceed clause by clause. If they want to pass it as a whole Bill I'm quite happy but if they won't then we'll go through it clause by clause.

SPEAKER Honourable Members I take it that we are in open debate now on detail stage amendment No 2. Is there any debate.

MR SHERIDAN Thank you Madam Speaker yes this is a bit confusing this Bill because it's changed so many times and it's been around for about 7 months now but we'll see if we can deal with it to finality today. Madam Speaker this is talking about the detail stage amendment no to the Road Traffic Amendment No 3 Bill 2010 which we have just amended, corrects punctuation and minor amendments to ensure that the amendments are understood without confusion. A couple of items that I would like to comment on is the substitution of Section 11 (3) make it clear that it is the intent that vehicles exempt from registration or a type of vehicle that is not registrable such a motor assisted pedal cycles, motorised wheelchairs, motorised lawnmowers, with a tear weight of 300kg or less, motorised golf buggies etc may be driven on the public road in accordance with the new item 25 under Section 8 Subsection 6 A and that is if driven on a public road only for a reasonable time as necessary to pass from one place to another by the shortest reasonable route then they may be able to do so Madam Speaker. These vehicles still need to comply with the Road Traffic Act in that they have to obey street signs, not drive whilst under the influence of alcohol etc. Prior to this change there was no ability to exempt them from registrations so therefore they either had to be registered or not driven on a public road. So this allows this to happen. It also makes it clear that when acquiring ownership of a motor vehicle that a person must within 7 days have that registration of the motor vehicle transferred to them. Another change, whilst it's only a small one Madam Speaker which amends Item 9 Section 15 (2) (B) where it states that a person who has not obtained 16 years shall not drive a motor vehicle on a road except for a moped or motor cycle or motor tricycle having a displacement of not more than 185cc the amendment is that after "shall not" to add "subject to Section 23". Madam Speaker Section 23 is a Section that governs special provisions applicable to learners licences whereas the Registrar may endorse on a learners licence a class or description on motor vehicle a holder of the licence may drive and the hours and location. It also states that for the purpose of this Section whereas a learners licence is endorsed in accordance as above a driver of a motor

vehicle shall be deemed not be holder of a licence when driving a motor vehicle unless when driving a vehicle they are doing so in accordance with the terms of the endorsement. Madam Speaker this small change will now allow a person to have their learners licence endorsed with the purpose of driving a dual controlled vehicle in accordance with the Registrar's endorsements. The intent of this change is to allow a person who is 15 years and 9 months of age the ability to endorse their learners licence to drive a dual controlled vehicle on a public road only with an authorised instructor. This amendment will now allow the school to fully utilise the dual controlled vehicle which was donated by the Lions Club so that they could fully implement a drivers course during school hours. This amendment is supported by the Youth Legislative Assembly of whom have written to me in the past requesting changes to laws which would enable them to drive this dual controlled vehicle on a public road. Until this change is made there is no ability for a person under the age of 16 years to drive a motor vehicle on a public road. This change will now make this possible. Another correction to the Bill through this detail stage amendment is proposed Section 44 E on how passengers 16 years old or older must wear their seatbelt. The amendment combined the two subsections into one for clarity. Section 44 G (2) exemption from wearing seatbelts is also amended to include that a person who is over the age of 5 years and travelling on the back of a ute or truck is exempt from wearing a seatbelt for clarity's sake. Item 19 is amended by deleting proposed Section 38 (4) and this was a requirement for a parent or guardian to ensure that a child must wear a bicycle helmet or face possibility of a penalty. This was removed under the public consultation and comments received. Item 23-30 are new items to the Bill but in the main are minor adjustments to ensure that the Bill will read properly without confusion. Just to make comment on a couple there Madam Speaker I better double check this because we took out a couple of Sections yesterday. Item 21 makes it clear that it is an offence of prosecution under Section 8 Subsection 5 or 5A which is that a person must not drive a motor vehicle on a road unless it is registered or holds third party insurance. The defendant proves that the motor vehicle was of a type of vehicle which did not need to be registered i.e. as discussed prior motorised wheelchairs golf buggies, lawnmowers, etc. The new Section 29 or Item 29 new Section 40 A clearly defines that it is an offence to drive a motor vehicle with any person dog or other animal or bird on the drivers lap or between the driver and the steering wheel or between the driver and the window nearest to the driver. This has been inserted to ensure that people who drive with animals on their vehicle will not be distracted by the animal on their lap and to ensure that they can respond to an emergency situation without the added problem of an animal sitting in their lap. Madam Speaker just in finishing up a clear example of what this amendment to the Road Traffic Act is attempting to achieve is demonstrated by the accident just over a week ago, an inexperienced driver, late at night, car full of passengers, no wearing seatbelts, alcohol involved, speed involved and the result and aftermath. Injuries to all 4 some worse than others, one flew offshore for treatment, the cost to the family of the injured, the cost of the vehicle, and the cost to the community through the Healthcare Scheme, cost that the community can ill afford. Madam Speaker these changes are attempting to put in place the ability to restrict this type of accident. Inexperienced drivers would have conditions on their licences, restriction on the hours that they could drive on a public road, restriction on the number of passengers one can carry, seatbelts to be worn to reduce the injury toll to name a few of the items that may have been negated some of the injuries in this accident. This Bill is not about Norfolk Island becoming a Police state Madam Speaker but attempting to ensure that the safety of all users of public roads can be assured that the roads are safe for them to drive upon whether it be day or night and that appropriate legislation is in place to support these users of the public road and Madam Speaker I commend the detail stage amendment to the House and whilst just before I do finish I do have a

new explanatory memo for this Road Traffic Bill Madam Speaker and I'd like to table that as well and if I could move that it be recorded and printed in the Hansard.

MR SNELL

Thank you Madam Speaker, Firstly I wish to advise that I will not be supporting the total concept of this Motion No 2. There are many parts of it that I don't agree with but I do compliment the Minister for bringing this to some finality even though I wish he hadn't and I wish it would go away but it's not going to. I believe it's at the wrong time, there is enough stress around now without having this? upon the community and there has been so many letters written and so many representation made to this House or Members of this House against the implementation of this amendment. And I thank the members of the community who have made their views known particularly to me and to other Members. It will have an enormous change Madam Speaker on the way we enjoy and conduct our lifestyle here on Norfolk Island. The restrictions suggest that considerable implications on a freedom of choice not shared by many other citizens in a developed society like we have here. Just a few points to touch upon. I note the compulsory wearing of seatbelts in a vehicle that is stationary. Madam Speaker the policing of this type of requirement boggles the mind. Sitting in a car waiting for somebody or whatever and you don't have your seatbelt on you could be penalized for it and then we see other areas I just quickly looked at Item 18 on page 3 of the explanatory memorandum, a person must not sit on a front row seat unless it has a seatbelt or there is no seating position in another row, maybe the Minister can explain that in a little bit better terms. I note in the Bill the amendments to the Bill that we are apparently making motor assisted pedal cycles illegal. Now I'm not quite sure why that should be the case, I thought we would encourage such things to improve health and to reduce the carbon emissions and to reduce the use of the roads in some ways and then we ask ourselves why is it compulsory for cycle riders to wear an approved helmet, the issues are going to be raised what is an approved helmet, who is going to stock them, where are they going to come from, will the additional financial stress to some families for those who's children ride bikes to school, it's going to add to their difficulties in costing at this present time. So families who have 3 children going to school, they don't have a cycle helmet their going to have to get one, or they are going to have to walk to school. And it raises the question too Madam Speaker why is it that a child inside a vehicle must belt up under the age of 5 but over the age of 5 onwards can sit on the back of a truck unrestrained and without adult supervision, it just doesn't make sense. Whilst I appreciate the Minister's inclusion of this it is that we want to be able to have our children sitting on the back of a truck if we want to but to have a child 5 years sitting on the back of a truck unrestrained but ensuring that a child inside the vehicle must be belted up. I think we need to look at that again. It has ramifications obviously. There are families on this island that don't have a car but they have a utility and they transport their children around in the front of the vehicle. From now on they won't be able to take their children in the front of the vehicle because they don't have enough seatbelts or whatever and they have been used to nursing the child on their lap and so on. So that means that there is an additional cost to these families that don't have a car, they are going to get one or they just won't be able to take their children inside the cabin with them, they will have to put them on the back or get another vehicle to transport them around. I think Madam Speaker this new explanatory amendment No 2 is the last thing we need at this time. There is also an added burden that has been touched upon on our Police Force and the costs arising from such actions. Are we going to need extra policing to satisfy the requirements in the amendment. I'm of the consideration at this time that we have far too many Police here now but we are not going to have enough with this being introduced. The implications are enormous and if penalties are included of course they are going to be another burden on the Courts and of course it's another

cost factor for members of the public. Madam Speaker I don't agree with the amendments to this Bill.

MRS GRIFFITHS Madam Speaker unless you're very interested in politics the role of the non executive Member can be a bit of a mystery. While we have many roles but to my mind Madam Speaker one of the most important is representation or providing the link between people and Government. This is what makes the voices of the community individually or collectively whether by letter, email, motions, petitions, phone calls or conversations so important. We as non-Executive welcome and value the views put forward to us. That's not to say that the Members of our Government don't appreciate them equally but as non executive Members their voices are out job. Madam Speaker a member of our community wrote and circulated documents which they thought would be lodged at this Sitting as a Petition. As you know the rules of Standing Orders surrounding a Petitions are very definite and this document does not meet the criteria. I have therefore agreed to Table this document on their behalf and I do so no Madam Speaker. This document reads "We the undersigned object to the recent proposed changes to the Road Traffic Act in regard to seatbelts, helmets and young passengers on the back of trucks. We object to these laws that are turning Norfolk Island into another Australian suburb and believe it these changes will negatively impact on Norfolk's precious way of life. We believe in personal choice and responsibility rather than nanny state rules and regulations". Madam Speaker although this document does not meet the criteria as set down in the Standing Orders the intent is perfectly clear. It has been signed by 178 persons who equally agree with the view as expressed here. I do not believe we should treat this expression from our community lightly, nor should we ignore the views of the numerous other people who have taken the time to make their views known to us. I will be voting accordingly today on these amendments today Madam Speaker.

MR NOBBS Thank you Madam Speaker. It's a difficult one and I certainly don't envy the Minister in putting this one on the table however I do congratulate him on the work that's gone into this and in putting it on the table. My issue I suppose and it's not too far different from Mr Snell's issue is that I suppose I'm not entirely comfortable with finalising this Bill given the larger constitutional governance and budgetary considerations absorbing the current attention of the House, the Service and the community however we have a document in front of us to work with and I'd just like to provide some feedback on that as it stands at the moment and in particular I've got a few questions that came out of this that perhaps the Minister can provide some feedback on. I too had a query with regard to Item 6 on the Explanatory Memorandum which deals with the class of vehicles that cannot be registered under Section 11, particularly given the implementation of some of the personal carbon trading scheme initiatives where we've had interest from operators outside of Norfolk Island to install solar power and air powered pushbikes. Now in reading this I can interpret it one or two ways. One that those vehicles will not be allowed on the road but the other is that perhaps it's just that they don't need to be registered, so perhaps the Minister can advise me that one way or the other whether they need to be reassessed in another way and whether them not needing registration means that they are unable to be used on the road. In Item 10 again I'll be working through the explanatory memorandum which is the most recent document that we have. It deals with a certain part towards the last part of that paragraph where it says A provisional driver must not drive a modified vehicle and if disqualified from obtaining a provisional licence can only be re-issued such a licence that continues for a full 2 years. My question here is does this mean that there obviously will be a regular checking of vehicles for registration, does that also mean that they are checked in terms of modifications, does this therefore mean that we're heading

towards Australian registration or compliance certification. If that is to be the determining factor of whether a vehicle is modified or not modified and this theme reappears in my queries for example to do with the crash helmets where we're taking the compliance status from and the reason that one is quite an issue to us on Norfolk Island is that a lot of the Japanese imports are not Australian compliant vehicles. They are entirely safe vehicles but they don't have the compliance plate associated with Australian registration so these are issues that need to be looked at. In Item 13 it deals with provisional licences and it includes how to endorse the class of vehicle, the hours and the localities where a vehicle may be driven. I just find that one an interesting one in that we are going to be excluding certain drivers from certain regions of the island and I'd really like to see some definition of that. It may well be a good idea it may be a good idea that they have to stay out of the RSL carpark or the Leagues Club carpark or wherever and that one also deals with motor cyclists and not being able to carry pillion etc and I just wonder how the penalties associate themselves with all those variable. There are a lot of variables there. In Item 15 on the same page it deals with the wearing of crash helmets, again my question here is the approved helmet, it is an Australian approved helmet, is it a generic helmet that just has certain composite components to it. I've written my own note to myself here that sometimes I have trouble getting my kids to eat all their dinner let alone trying to get them to wear a crash helmet. So there's going to be some issues on a parenting basis as well as the cost basis that we need to be aware of in this. The Item 17 which deals with the children under the age of 5 years not be carried there at all in terms of the back of an open tray truck and persons over the age must be seated inside the tracks and extend 150mm. For some reason I actually thought 150mm was a higher dimension than a previous document but that must be my own misinterpretation of that. My question that rolls out of this though is that for those people or parents carrying their children over the age of 5 on the back of the truck what about other cargo that's also on the back of that truck. I just think there needs to be some sort of controls there. We have had accidents in the past where a young boy was caught up in a tarpaulin, this is quite a number of years ago, a tarpaulin that was on the back of the truck and he was killed in the incident. So both issues of perhaps unrestrained cargo and heavy items and things like that, perhaps need to be also considered in this so that your not hitting the brakes and the table bench saw that you've got on the back of the truck doesn't slide forward and cause an accident as well. I do have a question with that in terms of whether if a child is under the age of 5 but accompanied by an adult are they then enabled to be on the back of a truck and that's really semantics but I'm just curious on that one. Again with regard to Item 18 it deals with the properly fitted seatbelt I think is the = driver of motor vehicle to ensure a passenger under 16 years is appropriately restrained in compliance with the Section and that if a passenger is under 1 year the passenger is properly fitted in a suitably approved child restraint. Again a very similar question who's approval, who's compliance of these child restraints. There is quite a variation in different places, you go around the world for example New Zealand have some slightly different parameters in terms of safety devices for travel. With regard to that obviously the proposal is that for your registration testing I would imagine from this point forward of the legislation being finalised that an Inspector is now going to inspect seatbelts and that those seatbelts in Australian testing facilities they do have in some cases specific equipment to test the seatbelts they also have an elapse time where a seatbelt has to be replaced and if there's a certain level of fraying that it also needs replacing. So these are also considerations that perhaps the road worthy areas are going to have consider as well as the owners of the vehicle. There are a number of suppose amnesties in the document that deal with the seatbelts and I wonder whether there is any amnesties in terms of the side trays of the trucks and the crash helmets for the kids and things like that. However that's getting into semantics. With regard to in the areas in the Items in the 20's that deal with the

licences and the time frame for provisional licences and things like that I just wonder if there is any crossover that we need to be aware of where we have residents returning within a certain age bracket that is going to fall within these licences who may have a licence they have achieved outside of Norfolk and whether that means they have 3 months to utilise that licence and then they have to go to a provisional licence or whether there are other crossovers there. That's about all the comments I have other than one hand written note that deals with Item 29 which is about having a dog on your lap or a bird on your lap or a number of other things on your lap and I just put there that perhaps that's a primitive form of air bag.

MRS WARD

Thank you Madam Speaker. I intend if the Minister wishes to seek finality on the Bill today to support the bulk of the Bill and I thank the Minister for having the details stage amendments combined. It's never going to be the right time to deal with this Bill. I said 2 weeks ago this has not been around for months this has been around for years, this is not a bolt of lightning from Canberra this is Minister Sheridan's Bill. He has the broad shoulders to carry it and I also congratulate him for bringing it to the table. Having said that today I'm choosing to represent the community in those who do not want to see Regulation in 3 areas. I will vote no to mandatory seatbelts, no to restrictions being applied to the passage on the back of a truck and a resounding no to the mandatory use of helmet on a pushbike. I am voting the way I have said for 2 reasons. One I'm being representational of a particular group and secondly because there is not enough statistical data available that is relevant to Norfolk Island to justify some of the proposed changes. The Minister quoted from a Report a fortnight ago and we have all been provided with that report and it's in relation to vehicle collisions and the report has not tried to hide the fact that there are some major shortcomings when it came to trying to provide an accurate picture of what has occurred on the island and I will quote from that most recent report the same one the Minister quoted from, that there is and I quote "a lack of detail within the Norfolk Island Police Report Accident Forms including forms only half filled out. Inconsistencies in information provided by the Norfolk Island Police Report of Accident Forms and instances where there has been no follow up or investigation to the causal affects". What was clearly identified was a small number of collisions did occur and that the highest number involved people aged between 18 – 35 speed and alcohol were involved and they happened at night. The Report itself points out that in 2003 and 2008 there was no data available at all relating to alcohol related collisions. Analysis regarding the time of day that collisions occur revealed that 15-21 year olds are over subscribed for the period between 6.pm to 8.am. Now for the last 10 years over 70% of collisions involving drivers 21 or under have occurred between the hours of darkness, the same 6.pm to 6.am and so when Minister Sheridan stated a fortnight ago that he didn't see the logic in belting up only at night the evidence tells us that there are higher risks of the young drivers having collisions at night and therefore I appreciate the argument that was made by one submission. I asked the Minister for information from the Hospital, information that would help us formulate policy once we understood what was happening as the result of the collisions. The Minister's response was that there was no directly related data available from the Hospital. So there is nothing to tell us how many children have been thrown through windscreens, how many have come to the Hospital as a result of falling off the back of a truck and how many have head injuries as the result of falling off a pushbike. No information coming from the Hospital Madam Speaker and since there are no facts and there is no data I will challenge every Member to justify their vote. How we as legislators are supposed to base our decisions on a vacuum of information I have no idea, and to imagine that 150mm on the side of a truck will save a life is dreaming and to think that a painted piece of plastic stuffed with polystyrene plonked on your head while riding a pushbike is going to save you is wishful thinking. If someone chooses to

wear a helmet and lycra pants as a fashion statement Madam Speaker that's another thing. A traffic accident is a devastating event and it has far reaching consequences and most of us understand the lasting affect that that has on a family both of the deceased and those who survive. For the people I represent the freedom we allow our children and the risks that freedom carries is what makes our children, it's what makes them the citizens they are and I speak for those who choose not to join the cotton wool club not to be controlled by fear, to respect the law as it stands and abide by the speed limit. These are the messages we need to pass on because there is no guarantee that any of us will arrive home safely whether we are seat belted or not when a drunk speeding driver is on the road. Wearing a seatbelt is no guarantee that our children will stop wanting to experience the thrill of speed on the road. What may go some way towards teaching our children that they are not invincible is already in place, it is the driver awareness programme and I fully support the amendments that Minister Sheridan has brought forward to accommodate that programme and thanks go to Rotary I thought so if we cover Lions and Rotary just in case. I'm pretty sure it's Rotary of Norfolk Island and the slight changes will allow the programme to be implemented. That will give the children, the young people or as Minister Sheridan quite rightly says someone who is 27 or 35 needing to gain experience on the road that that will help in providing for that. I appreciate that there is currently some debate about which driver programmes have worked in NSW and what hasn't worked. Programmes are constantly being developed in other areas to try and combat the extreme fatalities on the road on the Mainland. We should obviously be monitoring those programmes as I'm sure that the Police do and relay that information to the Minister accordingly. I am of the opinion that we have enough regulation in place and what we need from this Government is support for the youth, the parents and the Police and the entire judicial system and the community as a whole to put into action and enforce the regulation that already exists, and when I was asked how I would argue with the Coroners Report which said that seatbelts could have, could have saved lives. I can't argue because its only an opinion not a guarantee. And if we take a step back and look at why we are seeing so many near misses they are mainly related to speed and alcohol let us deal with that, let this Government deal with the real social issues behind these problems. The continual band aiding of the issues does nothing to address the real issues. We're all free at this time to make choices Madam Speaker and if some in the community feel safer to wear a seatbelt they do, some would belt up and I'm referring to one of the submissions, in daylight hours, that is their choice, there is nobody stopping anybody putting on a seatbelt or a helmet. Now when I get into my mothers car she makes me, I respect that because I friyed f her. I thank the Members who wrote to all the Members and the Minister, clearly the Minister passed on your views and we are entitled to our differing opinions and I thank the people who got angry with me, your passion and your honesty and willingness to share makes this job a whole lot easier, but that's the problem. The debate has been very much an emotional debate at both ends and not enough about relevant information. Thank you Madam Speaker.

MR ANDERSON                      Thank you Madam Speaker. I'll undoubtedly be the voice in the wilderness being the outsider with lots of experience living elsewhere. First of all I'll go over a couple of the points that were made. I'm first of all disappointed I thought legislation should arrive out of Government policy and clearly we don't have any Government policy given that many of the points are now being raised should have definitely been dealt with before we got here. That's my personal view. The suggestion that we need extra Police or extra Court hearings only arises if people choose not to comply. Enforcement is unnecessary if people obey the law, perhaps you are anticipating that there will be mass non compliance in the event that some of these things that are unpalatable are passed. My concern will be that eventually that if many of these changes are not brought into being that that will be

yet another one of the areas where the Commonwealth will say well it's time you fell into line and if you don't do it, we'll do it for you. So I'm going to give the motherhood statement rather than going through the individual clauses and I do acknowledge and had already noticed for instance in relation to manufacturers compliance plates in relation to approved helmets and so forth, there are obviously difficulties there that could be overcome. But many of the changes that are proposed today in my view are emotive and the stronger subjection appear to be principally that we have not had seatbelts and bile helmets before and we've not needed them so why introduce them now. Similarly cultural aspects are promoted as being more significant than road safety. I have no problem with the cultural aspects and I think the Minister has done a good job trying to integrate that into what he has achieved. Surely we must move with the times and the best interest of the community at large. Given the state of many of our roads perhaps the solution is, and the only safe thing to do is reduce the speed limit to 20kph or go back to riding horses. The reality is we are part of an organized developed Western country and certain consistent standards are expected particularly when we are attempting to have as many visitors as possible come here who already are used to and expect a certain level of requirements that will protect them. Cars are designed to protect the occupants and the safety systems provided with them have stabilized many many, many times. Maybe it's just the rest of the world that's out of step. Public policy and the legal system expect the Government will introduce and enforce minimum standards for road safety. In the absence of such standards the inference that might be drawn is that lives of the residents are not highly regarded. The argument I will reinforce is if the measures proposed save just one life are they therefore not worth it. Minister Sheridan quoted from a report of the May sitting and he said and I quote "The argument is simple, seatbelts save lives and also reduce the severity of injury in those that survive motor vehicle accidents. It is the responsibility of authorities to implement proven research established strategies that help save lives and mitigate injury and disability risks". I think that says it all. Regularly we see in the media parents of young drivers who have dies or are seriously injured in an accident where the young inexperienced driver or the passengers are not wearing seatbelts or affected by alcohol or drugs and often are speeding – sounds familiar. Those parents invariably support every means possible being taken thereafter to protect drivers often from themselves. It's always interesting to view the reactions of the peer group of someone killed or maimed in those circumstances when they realise that they are travelling in a killing machine and that they can be dead in the time it takes to snaps ones fingers. They realise that it is not worth the risk and the safety features available are there for their benefit. The statement is heard every time if it saves just one life it is worth the trouble. If the person against compulsory seatbelts are so inconvenienced by the 2 seconds it takes to drag a seatbelt around them and click it in then are they also disarming their airbags just in case they go off. Without wanting to get personal I suspect that the Chief Minister is glad his previous vehicle had airbags and that they were working. Young drivers are statistically involved in the most accidents. This was confirmed by Minister Sheridan from the available local statistics. None of those people believed it will ever happen to them just like the young people in the accident last week, just a few metres from this Chamber who did not think it would happen to them. They must realise that driving on the roads comes with responsibilities, it's a privilege it's not a right to be permitted to drive on the roads. In learning those responsibilities and earning the right to be on the road they should do their apprenticeship, of course they know everything. Every parent will tell you they do and we thought we all knew when we were their age, but being subject to some restrictions of right of passage to an unrestricted licence, I'm referring now more so t the provisional licence provisions. That is when the community says we trust you to drive sensibly and not put me or my family or friends at risk because of your inexperience. The other side of the coin is that imposing restrictions and harsh penalties for breaching those restrictions does

not mean that they think about themselves if they drive dangerously. The community says if you put us at risk you pay the price. The provisional licence system has great merit in that regard. We've not yet heard from everybody but I'm not expecting to hear personal stories so here are some of mine. A friend before seatbelts were compulsory on the Mainland was sitting in the front of a car being driven by his father and his father slammed on the brakes to avoid a car that failed to stop at a stop sign – not an uncommon occurrence here on Norfolk given the apparent total lack of respect for stop signs. My friend was thrown forward and hit his forehead on the padded dash. He told his father he was ok he just had a little bump, they proceeded home. He was dead less than 60 minutes later. A seatbelt would have made a big difference to his life. A friend here on Norfolk Island was driving towards the roundabout in Burnt Pine and was run up the back of by a visitor who hit the accelerator instead of the brake, not an uncommon occurrence. The person's car was catapulted into the stationary car in front and the combined impact caused this person to be thrown against the steering wheel. The person spent 3 days in hospital with concussion, a seatbelt if worn would have prevented the injury and the cost of the hospitalisation and the lost man hours. Closer to home many years ago my mother was a passenger in the back of a car that ran off the road and rolled because the driver dropped a cigarette and looked down to retrieve it. The surgeon told me while my mother was in Intensive Care that he had to remove her entire intestines down from her chest cavity where the seatbelt had pushed them. He also said that was easy for him and uncomfortable for her but without the seatbelt she would have died instantly. She lived another 50 years and never failed to put her seatbelt on and always insisted that all her children and grandchildren did the same. I say again if it saves one life. A final anecdote I had a mate that rode his bike to and from lectures at university every day to keep fit, this is during my university days. One evening he was going home and was bumped at a very low speed by a car, he came off his bike and landed on his uncovered head on the footpath. He was dead before he arrived at the hospital. I'm not trying to alarm anyone but as the former Deputy Coroner we'll go there, I had discussions with many other Coroners and attended conferences and discussed accidents and means of protection and a topic at every conference that was held. They without exception supported seatbelts and helmets because with all the deaths they saw they believe that if it saved one life they were worth using whether people wished to protect themselves or not. Already referred to but the Deputy Coroner before me was the one who recommended seatbelts be made compulsory – yes he said may have saved lives though nothing is categorical and from that inquest was in relation to 2 deaths and we all know the outcome of his recommendations. So that brings me to protecting people from themselves. Governments have obligations to ensure the community is safe. The social cost of accidents is a real issue and if someone is injured or killed and they or their family sue another driver for compensation the Courts look at what the person did to protect themselves. If seatbelts are available and not used the Courts punish the injured person or if it's a deceased person they punish the family because that person failed to take all reasonable steps to minimize the possibility of death or injury to themselves by simply putting on the available seatbelt. In a damages claim for say \$1m for a person who is a quadriplegic the damages can and have been reduced by as much as 30 – 50% that is the Courts assessment of the contribution the claimant made to his own injuries by failing to use the available safety mechanisms. Of course it's never going to be relevant to anyone here or in this community until it happens. I must support the use of any tried and proven means to save lives. I believe the younger drivers should earn the trust of other drivers by demonstrating they can be responsible. If they drive safely and obey the laws they have nothing to be concerned about. Just as an aside in the USA many cars now have seatbelts built into the doors of the car and when the door is closed the seatbelt automatically wraps and engages. That's the extent that the car makers and the legislators have

gone to encourage drivers to protect themselves. I'll be supporting those aspects of the Bill I have discussed and the Bill generally. I congratulate the Minister and thank him for sticking his neck out basically and putting what is a very pretentious matter before us. I'd also like to extend my thanks to the Police and to the Road Safety Committee for all the work they have done. I've written here this may be a test of Cabinet solidarity and indeed whether the Government supports its own policy but I've already made reference to the fact that there doesn't appear to be a policy we just appear to have legislation. Thank you Madam Speaker.

MR SHERIDAN

Thank you Madam Speaker if I could just respond to some of these queries you might say and I was quite surprised considering that this has been around for about 7 months now and I must say that one or two of these queries and they are all the common ones that seatbelts, back of truck and bicycle helmets have come to the fore before but I'm quite surprised that the amount of the queries that the Members do have that haven't been raised with me prior. I will say in a couple of things, I may have to go back and have a look at responding to these in detail Madam Speaker but just in the main looking at helmets and child seats baby capsules etc and they ask what are the standards. These will all be done by regulations and they will be virtually under the Australian standards so the Australian standards will apply to Norfolk Island they'll be regulated by regulations. So that's where the detail and the helmets and the capsules will be. Pedal cycles as I think Mr Snell referred to in item 6 or something item 6 extend a class of vehicles that cannot be registered under Section 11 to include vehicles that are not registrable such as motorcycles pedal cycles motorized wheelchairs golf buggies etc and I believe Mr Snell was saying that we're going to have to now register a pedal cycle – that is not the case. Under the current Road Traffic Act under Section 11 – yes if it's a moped a motor cycle or tricycle it has to be registered but a pedal cycle, a motorized pedal cycle is different to a moped so yes they would be required to be registered and so we're not affecting the health of the community etc by helping them get up hills. Kids on the back of the trucks and I've gone through this a couple of times and it's the decision was one or the other, banned people on the back of trucks altogether or allow it in some way because of our history you might say and our cultural of families putting kids on the back of trucks and going to the beach etc etc etc. So a compromise was reached but we had to make sure that we didn't have young children or the possibility of young children under 5 on the back of a truck by themselves because they just don't have the nous to properly look after themselves ok and also we wanted to restrict the possibility of people standing on the back of trucks, it's a highly dangerous practice. So that is why it was said that you must be seated and that is why the age limit was there and also the size of the truck ok, it may be very well laughed at 6" 150ml how is that going to stop anyone falling off, but at least it is something that would prevent if somebody were to swerve and you did, if you didn't have any sides at all no doubt you'd be going off the side of the truck but at least with some safety measures as in the side of the truck, the sitting down on the tray of the truck at least you cut your risks down to acceptable levels to what the community will accept. The cost of implementing these changes like Mr Snell said will we require extra Police and everything I think if we don't introduce these the cost to the community will be vastly greater. There is a possibility as the accident we had the other week, that cost the community thousands of dollars on our Healthcare Scheme. It won't be any more cost to the Policing, the Police are already here it's only a couple more laws that they will have to monitor – no extra costs. The costs are to the community if we don't implement these changes. Item 13 the ability for Item 13 I think was in the provisional licence where the Registrar has the ability I think under Section 31 to place, yes what we talk about the ability for registrar to nominate the location and maybe the time on a provisional licence where these people may drive. These people may have already lost their licence and this is a bit



**RESUMPTION OF SITTING – 27<sup>th</sup> June 2011**

**SPEAKER** Honourable Members we resume this Sitting from Wednesday the 22<sup>nd</sup> June and we are continuing with the Appropriation Bill and Chief Minister you have the call to resume on the question that the Bill be agreed to in principle

**APPROPRIATION BILL 2010 – 2011**

**MR BUFFETT** Madam Speaker at the last sitting I explained and put on the table amendments to pursue a first quarter budget. I explained the background and the difficult of being able to pursue at that time, and at this time, the full year, which is an \$8.9m deficit budget and I foreshadowed, and actually distributed amendments and the time now is to give formality to some of that. Members, and which I agreed, Members I think appreciated the fact that they would like to have some further time to examine those documents that were put on the table then and therefore, we suspended until today. So we have in front of us now the question of agreeing the Bill in principle. I have foreshadowed amendments that will create a three monthly, that is a first quarter budget, and I'm happy to move those when the time comes. The further thought is of course that during this three monthly period we will have a more substantive response from the Commonwealth hopefully about the totality of the year, but that is yet to be determined. I think I should explain that the passing of this Appropriation Bill even if we don't have Commonwealth funds immediately, will mean that we have some small leeway in terms of availability of cash to continue the year but that would not take us obviously through the full year by any means. That is why we of course have sought participation by the Commonwealth. Maybe it would be useful if I again mention why we have gone to the Commonwealth because people continue to ask this. We go to the Commonwealth because the Norfolk Island Act of 1979 requires that we are to go nowhere else in terms of financial needs. If we are to go anywhere else we need to have the approval of the Commonwealth and that was set out quite clearly in 1979. another thing that was set out quite clearly in 1979 is that the residents of Norfolk Island would equally continue to be Australian citizens and therefore in terms of Australian citizenship, in terms of an Australian piece of legislation, because that's what the Norfolk Island Act is, a Australian parliamentary piece of legislation which requires that Norfolk Island is not able to go elsewhere in terms of funding, for example we are not able take out loans, issue bonds or the like without the Commonwealth's approval and there have been occasions where Norfolk Island has made requests to the Commonwealth to fund elsewhere and they have invariably been declined so I just spread that out so you will see that not only is there a want in terms of the relationship that Norfolk Island has of extremely long standing but the legislation requires that and so that's what we've done given the difficult times that we have faced. So I just wanted to spread that out to begin with and then there would be other things that people would want to say before I make some formal motions to endeavour to progress the matter.

**MRS WARD** Thank you Madam Speaker. I hear what the Chief Minister has said and the first point I'll make is the people who still ask why we can't borrow. We can borrow but when you borrow you need the capacity to repay and we currently have a \$12m loan that we can't repay and I'll certainly not sit here and push the next generation into debt. If I don't use my position to inform the community of our current position, as I see it, then I would not be doing my job. The community expects the truth and it wants the facts presented in simple terms and here they are, in my words. There is no formal Commonwealth commitment for ongoing funding. However, the Chief Minister is confident that the Commonwealth will commit to carry on in a similar

arrangement to that which is existing, while we go through this difficult transitional period and plan for not only the next twelve months but the next three to five years and onwards. I share his confidence. Secondly, there is just over \$3m in the bank which is enough to sustain ourselves for the next few weeks and whether or not the Chief Minister and the CEO of Administration can maintain the current level of service in that time will be anyone's guess but there is some cash there. For those listening if you want to help the situation, the best thing anyone can do right now is pay your Administration or hospital accounts, if you have the capacity to do so. The governments move to reduce airfares, as I explained last Wednesday, is going to have this community stretched to the limit. And in looking at the Wellbeing Report of Norfolk Island which was a Deloitte's Access Economics Report done earlier this year in which over 80% of the community participated, it should that 51% of people deemed themselves to be struggling. There is a chart on page 20 which talks about the shortage of money and it shows that at every point where people are asked whether they have asked for financial or in kind support of family and friends, whether they were unable to heat or cool their home, whether they went without meals, whether they pawned something, whether or not they could pay mortgage or rent on time, whether they could not pay electricity, gas, or telephone bills ~ in every column was higher here on Norfolk Island than in mainland Australia. There is no secret that people here are struggling. It would appear on the surface with this Bill and what this Government is proposing to do is generally supporting the status quo and in the short term that's exactly what's happening. The other option would be to have commenced austerity measures without a safety net in place. First for the people of this island. The CEO of Administration may yet be forced to do that. The most drastic option would be to block the supply of money to the public service. This Budget however attempts to keep people in jobs, to deliver the full supply of service and create cheaper airfares. As I stated on Wednesday, there's no such thing as a cheap airfare. This does not mean that change will not occur. I will certainly, continue to support reform and the Road Map direction in cooperation with the Commonwealth and there are two outstanding variables. One is the airline negotiation and the other is the Commonwealth funded review of the Public Service, of Government business, the Hospital and the Tourist Bureau and it will take bold and consistent action from all of us sitting around this table to deal with the challenges ahead and it will take assistance rather than resistance from the Public Service and if we can stand together and achieve that, then I am confident that we will come through this and be in a stronger position as a result. I represent people in the community who trust that the Commonwealth will remain committed to our long term goals because we are signed into a partnership agreement with the Federal government. I do not want to see the people I represent, let down. I have a fundamental belief that the direction we are moving in for the long term future of Norfolk is the right one; and therefore I will support supply today. One final point. There has been recognition in this House for the work done by George Plant, Bruce Taylor and Barry Wilson and indeed all the Managers. I would like to take the opportunity to acknowledge the work of the Official Secretary Mr Bruce Kelly. Mr. Kelly has the job of managing the Commonwealth's side of the Funding Agreement, he has therefore been instrumental in ensuring that our public service has been able to carry out its duties and he has been part of the team who has successfully re-started the Norfolk – Commonwealth conversation in an open and transparent way at the Bureaucratic level. Thank you Madam Speaker

MR KING

Thank you Madam Speaker. I'm at a slight disadvantage Madam Speaker caused largely by my absence from the Island on the last occasion. I do appreciate this opportunity to make a further contribution to the Bill in its final reading in any event. I am disappointed I have to say, and it's a point which needs to be made that I wasn't supplied, and still haven't been supplied either

electronically or with a hard copy of the new schedule to the Bill. Nor was I supplied at my request of a copy of the CD so that I could listen to the debate, so that puts me at a slight disadvantage. Let me say at the outset that it is not appropriate for me to oppose supply and I don't intend to do that but I won't allow the opportunity to pass without offering some thought and comment on the position that we find ourselves in and the process that we need to follow. I understand the mechanisms associated with interim supply. I would have liked to have had the opportunity last night to have a look at the new schedule to the Bill. I have in my mind a picture of how that would have looked so I don't intend to make any detailed comment in respect to its content. What is clear to me is that some seven or eight months have passed since this Government made probably the biggest policy decision that it's ever made in the term of self Government and that was a decision to enter the Australian financial arrangements, the tax system and be part of the Australian social security system. Mr Buffett has attempted today to address the question of why we went to the Commonwealth and in listening to Mr Buffett's explanation it left me wondering why in fact he had to put it in the terms that he did, as if to say that it is the fault of the Commonwealth Act of Parliament, the Norfolk Island Act that we had nowhere else to go other than the Commonwealth. I would put it to Members that had we had gone off to anyone else or any merchant banker or an International Monetary Fund or anyone else that we may have thought where we might have gotten some credit I would expect that we would have been treated with the same disdain as Greece might have been. We conceded then that we couldn't carry on under present circumstances and when we did that we gave rise to a reasonable expectation on the community's part that the Government would get its act together and that some seven or eight months later, it would be able to do a little more than stitch together a three month financial plan let alone something for the medium or the long term and of course I do hear, and I don't quite understand as it's not quite clear to me, but I do hear that the Commonwealth is being blamed for tardiness. I do hear that there have been delays here, and delays there. I hear about poor communication between federal departments, the federal Government and I also hear of the long delays that have been occasioned here on the island by the failure of Norfolk Island Government Ministers to deal promptly and timely with material put before them. Whatever the reasons are it is simply inexcusable to me to be in the situation that we are in today. We had an opportunity over the past seven or eight months to develop policies for the medium or long term. I know we're going through a process, a Road Map and a process of reviewing and consultation but there are other policies, other decisions which could have been made, which could have been factored into this budget. Decisions made in respect of the Public Service and do we have clear policy objectives in relation to the size of the Public Service that we desire as individuals. Policies in respect of immigration which are not difficult to put together but as far as I understand, we've not yet been able to change policies which have been in place for some thirty years. Thirty years developed. Another time, another place, another set of economic circumstances. Certainly circumstances which don't match the situation we're in now. Importantly during that time, we could have demonstrated more to the Commonwealth our commitment. To a leaner and smaller and over time perhaps a less expensive Public Service and I'm not talking about wholesale sackings or sackings of any nature for that matter, I'm particularly talking about development of a policy which employs recruitment freeze, and natural attrition to meet its ends. We've not made any policy pronouncements in that respect. We've said that we have a recruitment freeze but we've not said what our ultimate objectives are in relation to that. What the ends are. They've not been expressed. I also understand that we are required by the Commonwealth to demonstrate our reasonable revenue raising effort but I do not accept that what is proposed as new or increased revenue is either reasonable or responsible. I fully expect as I'm sure that the Commonwealth will or does accept that our joining with the Commonwealth income tax is a reasonable and

responsible and equitable endeavour. That is yet to reflect in any revenue flow to the tax coffers. That is yet to reflect on any impact on the community here but nevertheless we have made that policy decision, we have committed to making a reasonable and responsible revenue raising effort. I don't believe that the Commonwealth expects us to make unfair, or harsh and unjustified calls on the community in the meantime. I would expect for example that the Commonwealth would find it unreasonable and maybe even irresponsible in the present economic circumstances that for example, hospital charges if I recall correctly are proposed to be increased by 3.7% or something in that order, or 7.8% over the next two years and that's something to look forward to. Perhaps it might have been more acceptable to announce a policy whereby there would be incremental catch up where that occurs as part of a medium or long term plan. Similarly the present economic climate loudly cautions against an increase of some 33% in transfer fees on real property transactions. I can't understand for the life of me, where anywhere else in the world a Government would dramatically increase such fees in the midst of the worst and most prolonged economic depression ever experienced in a particular place and in a place where no first home buyer or land buyer schemes are in place to assist those transactions. It is clearly an unintelligent and ill-considered response to our present situation and one which if it is passed will simply dampen investment even further. It is stupid in the extreme and it would be more reasonably addressed by small incremental increases over a number of years in direct response to economic circumstances and change not as a dampener to economic activity. Let me turn to the planned increase in tobacco duty. Resulting I'm informed in a likely increase of some \$5 or \$6 for the cost of a packet of cigarettes. Do I see any nods or shaking of heads? Is that the situation? I understand that an attempt may have been made on the last occasion that the Supply was debated or it may come forward today, an attempt may be made to justify this increase as a health related measure when clearly it is not. It is quite positively a revenue related measure. Unfortunately I'm not aware of the substance of the debate last Wednesday. I attempted to inform myself. I mentioned earlier on I think that the recording delivered to my house was entirely blank. Nevertheless whatever may have been said in relation to this particular proposal last Wednesday could not have convinced me that this was a health related effort. I say this because I have neither seen nor heard of any policy measures which are to be directly funded from the additional taxes or funds raised from this source. The reality is that a particular segment of the community, those who smoke, are to be called upon, separate from other community segments, to carry the can on the biggest tax grab in the budget. I think it is unfair. Dreadfully unfair and imposes an unacceptable burden on that group. It hasn't been justified in health policy terms and it cannot be justified in tax terms. Clearly, little consideration has been given to the quantum of the additional burden placed on smokers, particularly with the lower income earners about whom I am largely concerned. Just where are those people, those lower income earners going to find the average additional cost of some \$2000 per year. And of course there may be Members who will sit here and say, well if they don't like it, they can give it up. And that would of course demonstrate not only no compassion, but it would show no understanding whatsoever of the addictive nature of tobacco or the extreme difficulty and anguish brought about by trying to kick the habit. The result in many cases will be increased anxiety and upset in family homes and income directed away from household expenditure, the normal household expenditure to continue to support the habit. What happens elsewhere of course is that Governments at least offer some hope in the form of support programs or targeted advertising and the like. Nothing like that here. Just slug the smokers with a 100% tax hike. The Government seems from the limited debate I have heard, to not care less. I'm a reformed smoker and they tell me that reformed smokers are the worse. Tobacco smoke stinks but this stinks even worse. It's a punitive measure and it's an irresponsible measure and I will not support it and I will call on others to



was closing the door after the horse had bolted. Providing the context for a budget is important and should be up front. Goodness knows this Government has had the time to do it. They've been working on this budget since the beginning of this year and they've known our situation well before then. The revised budget we have before us today simply require a revision of the original context for this appropriation. I also note from the last meeting that Mr Anderson did try to tell us that the performance management was being addressed when he was Minister for Finance. I disagree with that. I disagree to the extent that I would like to table for the benefit of this Legislative Assembly a performance based budget. I now table the SPC budget for the year 2005.

SPEAKER

That paper is so tabled

MRS GRIFFITHS

Thank you Madam Speaker. Ministers might like to note the inclusion of objectives, outputs and performance indicators in the budget for each department, there is more information contained within this document than the realms of paper we have before us today. Before I speak on proposed income and expenditure of our budget I would like to mention another major concern I have. I'm particularly concern that we've been asked to pass a budget knowing full well that we don't have the funds to cover it. Without a doubt we are over a barrel and it isn't a comfortable feeling. To not pass it though is committing this community to close its doors and I won't do that. Instead I have to hope that the Commonwealth comes through for us. Be rest assured though that I hate being in this position as I'm sure most of us in our community do. I'm also concerned that while previous issues we've had with the Public Monies Act have been addressed with the consolidation of the budgets into the general Revenue Fund, I believe this has caused another major problem. Public Service Managers are no longer able to manage their own budgets. The income that each Department receives through their own revenue raising has disappeared. One area of overspend in any part of the budget can be a recipe for disaster. Let me now turn to revenue. I have to say I share the concerns by many people of this community on lowering of the duty threshold from \$300 to \$100. I may be wrong but I believe that this threshold was lowered with the introduction of GST yet here we are, today, GST is higher than it ever was and we are now reducing the threshold. I do not support this. The individual who chooses to buy online has access to goods that may not necessarily be available here. Living in an isolated community already reduces our limited choices and it's not a good decision in my mind. It just makes it even harder to live here. It also seems crazy to apply this duty when goods made be purchased from different places at different times but when they all arrive on one ship then the duty is applied. Consumers here don't have the luxury of having goods arrive within days of ordering them. It's not just a duty threshold for personal use but I'm aware that there are some retailers who also buy on line that give people in our community who may not necessarily have access to online goods, more choice with their shopping too. Every other private sector business has the same opportunity. In terms of expenditure it's not all bad news. I'm very pleased to see the removal of the proposed \$20,000 for the Minister for Tourism, Commerce and Development. I can't help but say, if we did have a proper performance based budget we might have been better able to see what the Minister achieved last year with his own little fund or what he was planning to achieve this year. I intend to support this Bill but I reiterate my reservations, that we have fundamental problems with our budget process, that we haven't solicited the broadest range of views where we can generate additional revenue, that we are being asked to pass a Bill that we have no money for and that we are depending on the benevolent Commonwealth to help us out. Thank you Madam Speaker



expect there will need to be monthly reviews if not weekly until the good Samaritan arrives with a handout to save the day. If the good Samaritan fails to materialize in time, Norfolk Island and its finances will have to become a hot potato politically in Canberra but our hot potato will struggle to get much recognition with everything else that the Commonwealth Government and the opposition are arguing about at present. In my view our timing could probably not be worse. As far as our current position with Canberra goes, there's two versions of an email circulating in the community that suggests the Commonwealth has already decided the way forward. The community seems to think the email is accurate although I expect it is bogus and I have told anyone who raises it with me that it is totally unreliable. The email suggests the Commonwealth has said the GBE's must be sold off or they will be forcibly sold in two years time. The email also suggests that reforms agreed to are being dragged out by the Norfolk Island Government and that the Commonwealth expects legislation to be introduced related to self funded retirees. Allegedly, the Commonwealth has said, do not bother coming back until these matters are dealt with. Madam Speaker I table one of the versions of the email and invite the Chief Minister to comment on its contents. I've already supplied him with a copy. I do not think it is appropriate to withhold supply so I will not oppose the Bill despite the basis of it being hope. Thank you

MR BUFFETT Thank you Madam Speaker. I thank those who have made a serious contribution to the debate. I just want to make a brief comment upon that, that Mr Anderson has just commented upon in terms of the email. I see this as less than serious debate. The contents of that email, I might say this, it appears to have come from Mr Derek Gore. It seems to have been addressed to Mr Derek Gore. I assume on that basis therefore it has a distribution list but one can see the context of it there. I do want to make it very clear that the contents of that email, the contents are inaccurate and therefore irresponsible. It's rather scurrilous really to send around an email of that nature, especially in the difficult times we're facing where we are seriously trying to address problems in lieu of that sort of matter, we should try and concentrate upon the real difficulties and the real facts. They are not real facts.

MR SNELL Thank you Madam Speaker. I've said on a number of occasions the disappointment of this situation we see ourselves in and I also expressed a disappointment that some type of revisiting of the areas which have really brought us down to this desperate situation we find ourselves in. We have a knowledge of some of the causes of the loss of such revenue, such as poor contractual arrangements in the last three or four years particularly in the Tourist Bureau, particularly in the airline situation. We've known that the loss of revenue in these areas is going to cause us a problem in the future and it has come to that fruition today. I agree with Mr Anderson in his summation of the situation vis-à-vis ourselves and the Department. Minister Crean may have been kept in the dark and he may not be totally aware of the seriousness of our situation here on Norfolk Island and we hope that the likely indication that they treating us with some demeaning aspect of let them sweat for a while before we give them some financial assistance, I hope that's not the case. I think that we have to be prepared to relook at our total expenditure items. Rather than nitpicking on what seems to be small insignificant amounts in the total scale of things, for example, the reduction of the \$300 to \$100 duty on imports, I don't think that's going to save us a huge amount of money, nor do I think that picking on the smokers is a fair and equitable way of raising revenue. I appreciate exactly what the Treasurer is trying to do in this respect but under the circumstances I don't think it goes far enough. And of course, we couldn't of course look at revenue saving areas, in our own backyard. We look at the secondment of certain offices, and the Chief of Staff is one of them and to promote our own staff

accordingly and to do away with this position in this time, would certainly be a wise move. I don't intend to oppose the appropriation of this Bill and it just puts us in a very, very awkward situation and I commend the Chief Minister in his endeavours to try and rectify this as best as possibly under the circumstances.

MR NOBBS Thank you Madam Speaker. I intend to support the Appropriation Bill. Obviously for all of us around the table this is not an easy process to be going through or to be part of. Some of the aspects that we are dealing with in terms of the communication framework for example, things that go back many, many years in attempting to ensure a more expeditious and some ways traceable form of communication intergovernmentally, and that's certainly been a focus of the Chief Minister. It's certainly been the focus of the previous Chief Ministers but I do think that in our current context there are some connectivity's and positive signs from Minister Crean in that regard, although I do intend to agree with some of the statements made earlier about the communication going through all levels departments and the like. How we got here is an issue of debate in a number of areas and we've heard some various statements about that with regard to airlines, some issues with the Tourist Bureau. If we were to go back we would also see that we've had some issues with our Healthcare service costs in that they have increased not through any changes within Norfolk Island, they have increased globally they have changed. They have increased our operational costs. Additional to that have been our support costs in areas of Healthcare for those people in serious illness or injury demands. In the last year for example that amount of additional assistance to the Healthcare Fund was very close to \$900,000 if I'm not mistaken.. These are things that are no ones fault, these are things that have occurred and in affect will continue to occur for Norfolk Island. We have a community that understands what first world access means in terms of availability of services, availability of health options and the like. Madam Speaker I've listened as everyone has raised their objections to the increases in Fees and Charges, those charges being the transfer fees, the cigarettes, the customs duty and the like. I don't think any Government or any assembled chamber has ever welcomed any increases in charges. However in just the same way as Healthcare charges have increased globally and they have had to be accommodated in other States, Territories, Municipalities we're in a similar situation and I'm not particularly focussing on the Healthcare issues themselves Madam Speaker I'm just using that as an ongoing indicator for some of the areas that this community is subject to increases in costs, Education is another. If we were to look at air service costs, that's another. Madam Speaker I would suggest that in terms of this Government being decisive on the issues of implementation of suitable change on hearing out the Commonwealth on suggestions for appropriate reforms that this Government has been quite expeditious in putting into place many of those reforms. Some of those reforms I will point out that Norfolk Island Government has pushed for in this Government and previous Governments. One of the perhaps issues at the moment is that we face a fairly significant constitutional change from people of Norfolk Island. So in moving through some of those decisions we need to bring Norfolk Island with us. It's not just about the Norfolk Island Government making significant immigration change on the whim. As both the Government agreed the Norfolk Island Government and the Australian Government within the Roadmap there are a number of areas for consultation, there are a number of areas for reform, the Public Service evaluation to come up very shortly will provide us immeasurable material to be informed of what appropriate services and service levels according to that analysis are appropriate for Norfolk Island and in effect will map out our budgeting for the longer term progression of service delivery on Norfolk Island and even to some degree the level of governance. Madam Speaker I couldn't finish without just referring to the oft referred to Commerce Development Fund, easily. Thank you Madam Speaker. Attempt to keep them in line. Madam Speaker \$20,000

to commerce development was put into place at the start of this budget, it's a pittance when you look at the tasks, however it was also closely guarded and only spent where absolutely necessary and in that case it still remains completely unspent. A portion of it was used to evaluate the system of charging, whether there was an ability to enable competition on the telecommunications network in effect the options of expanding commerce within that area. As we've spoken about that that did not eventuate to providing competition on the network, instead it raised the issues that were detrimental to the broader community and on that basis the Government made the decision. The only other expenditure that has come out of commerce development has been Norfolk's attendance upon invitation at the Australian/China summit which I've given some brief outline to the House previously, which also expands our opportunities for commerce development, tourism and the like. Madam Speaker in the original outlay for that \$20,000 there was also to be the freight costs for bringing over the renewable energy systems. Those renewable energy systems are still a work in progress although their obviously a tangible work in progress at this point given that there are patent papers and the like available. So Madam Speaker that has cost us nothing, being in the loop with that has certainly brought benefits with other areas showing an interest in Norfolk Island, but in real terms as the Chief Minister has said previously we're here for the serious debate about what we are moving ahead with for the next 3 months. As I've already stated I intend to support this Appropriation Bill and I certainly intend to support the Chief Minister and us moving forward to finalise the arrangements for the ingoing budget. Thank you.

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

QUESTION PUT  
AGREED

SPEAKER We move now to the detail stage and Chief Minister you have tabled in the House on the 22<sup>nd</sup> detail stage amendments dated 17 June and I look to you to proceed.

MR BUFFETT Thank you Madam Speaker. I refer to those amendments that I earlier tabled and I now formally move them Madam Speaker. I explained this earlier but I just give a brief mention again. This in fact reduces the 12 monthly budget to a 3 monthly context. It doesn't carve it neatly because it's not possible to carve it neatly. Expenditure and revenue both vary throughout the year and this is making projections in terms of the first 3 months. It is a provision for provision of essential services, it takes into account the taxing measure of which we have spoken. There is no capital expenditure during this period of time although as I mentioned when we looked at the total budget there was very little expenditure in capital expenditure in terms of the full year. The description about an earlier maintenance budget and this being a subsistence budget, whilst that is regretted is accurate. This is very much a subsistence budget, it's how we need to conduct our affairs at this moment. Madam Speaker that's the real context, it's a quarterly budget, in other words a 3 monthly budget in lieu of a 12 monthly period to cover those essential things that we do need to cover during that period of time.

MR SHERIDAN Thank you Madam Speaker. I'd just like to point out some areas that will be hampered with regards to this interim budget and these items that have been deferred until at least October and I'd just like to demonstrate to the community how this mini budget or this interim budget will affect some of the proposals for the following 12 months and I just jotted down a few here this morning and of course first on the list is the \$220,000 that was allocated to Roads for the

rectification of a washout of the Marsh's Road down at Ball Bay. Now this has been put off until at least October and if we can find some funds from elsewhere this has had to be put off. Madam Speaker this is a very important road down at Marsh's Road going down to Ball Bay and I understand the reason why this has been deferred but I'd just like to point out that if that road does wash out any further if we do get some more substantial rain then we'll find ourselves in a right pickle. These are some of the hard decisions that we've had to make. Also one of another items that has been deferred is the white paper on Strata Title, now it's a few more dollars than the \$90 that Mr King referred to, I don't think that would buy the paper but it's due to be printed on but it's around the \$90,000 that's been allocated and of course that's been deferred. Now the ramifications there is and Mr King and some other believe it's a complete waste of money, not in those words but he has alluded to the fact that it was unnecessary and the benefits of Strata Title introduction into Norfolk Island would be some revitalisation of our building game. People would be able to invest in areas such as a retirement village which there is one who wants to get his village up and running at this point in time. There is the ability for people to invest into this type of buildings. They can then sell of those units or apartments, then they would have their money back to reinvest into something else. This had the ability to really invigorate the private sector but with the deferral for 3 months of the actually going out for the tender for the white paper so will the provision of the introduction to Norfolk Island and the ability for these people who would like to invest in Norfolk Island in regard to this. Another area that has been taken out for the 3 month interim budget is the \$79,000 that's been allocated to the new service of homecare. Now whilst we will still be working down the roads and we are working with a provider at this point in time, we are trying to get some provider documentation so that we do have everything covered off. I this does come in before October it will have to be funded through other areas of Social Services, other areas that can carry the can for a short period until we identify in October whether or not this money will be forthcoming, then it will have to be replenished. There had also been \$100,000 taken out for the Argentine ants. Now whilst we may not need any funds prior to October there is still a concern there that there was the intention to monitor these ants throughout the winter months, what ramifications this will have on that project is yet to be seen but that \$100,000 has been deferred at least to October so those funds won't be available. \$25,000 for the audit on the Water Assurance Scheme that's been deferred so that means that this audit that I've been hoping to undertake will have to be put off for another 3 months. A Loader for the Waste Management Centre that has been promised to them, it's been promised the last financial year or the one this one that we are still currently in but for reasons I won't go into right now it just wasn't able to be purchased and one of them was due to the local funds. I think there is \$120,000 there, again this has been deferred until at least the next quarter. Talking about the Waste Management Centre we're trying to get out of burning out at Headstone we've got a development application in for a high temperature pit incinerator. This is going through the process at the moment, I believe it's on public exhibition until the end of this month and then it will go through the firmer assessment process but there was some money in there \$27,000 I believe for some high temperature resistant lining for this pit incinerator, that has been deferred until the October. So all these projects as you can see what I'm trying to say is all these projects that we've identified that we'd like to commence work on will have to be deferred for a further 3 months at the minimum and of course it's to the detriment to our community because these are services that we'd like to get up and running, services that we'd like to assist our community with and as a few people have alluded to our budget deficit in this interim budget is \$3m and for the full year is something like \$9m. Now I think we will have to revisit this as a Government. We have these deficits but when we try and fund them by increasing fees such as the Hospital a 3.9% increase in fees and they still had a \$2m subsidy. Who subsidises that – the

community does. So I think we've been going down the wrong track. If we can't fund the deficit by increasing charges or taxes which we don't have too many of, usually a fee for service, the only tax we do have is a GST, if we can't fund them through increases in all those areas then we have to reduce services. So I think the Government now has to put its head together and start to reduce services so that the budget can be met. If that means reducing the Hospital by \$2m a year so that they can be fully funded themselves there is going to be some drastic changes up there Madam Speaker if we have to reduce funding there by \$2m a year. It would mean less services, some services not available as is at this point in time we've got a lack of suitably qualified Doctors so some people have to be sent offshore for their medical treatment. This may become the main, it's very expensive to do that, but this is what this island, this Government has been trying to do for the last 30 years is fund everything that the community wants but unfortunately it's got to the stage now that the community does not want to fund these things anymore, we can't fund them. So if we can't fund them and we don't want to fund them we don't want to have increases in areas then we have to reduce the services. So that will mean a great big change in the way Norfolk Island operates but this is the repercussions of deficit budgets. If the community can not afford to pay anymore increases then the services have to be reduced and unfortunately this might be where we have to go. A lot of debate around the table has centred on the Government as in the failing the community etc and that we haven't been up to the standard, up to the slate. What I note that heat got too hot here when earlier this year when a Minister resigned. I don't recall anyone else sticking their hand up to help the Government handle the problems that we find ourselves in today. People in the experienced of the say the financial sector, people with experience in that area did they put their hand up and say I'll have a go – no they sit back and all they want to do is throw rocks. Madam Speaker that's fine that's why we put ourselves into this position, we find ourselves in this position I should say Madam Speaker, is because things when we have to try and finance the problems and there are some hard decisions to be made, yes the Government holds the can and the community has to unfortunately we make decisions for their betterment and this where we don't make decisions to hurt the community we want to see all the services here, we want to see the service that we have remain so we try and fund them but unfortunately when we try and do this all you get is criticism at times. So Madam Speaker just those few words I just pointed out what areas of mine will be disrupted you might say. I will be supporting the interim budget because without it well things will get worse than they are now. Thank you.

MR SNELL Thank you Madam Speaker. I take on board what Minister Sheridan has had to say in the last few minutes. He's quite right in a lot of his comments. Madam Speaker it really is surprising to hear that the \$200,000 to repair Marsh's Road has been put on hold. I would have thought that would have been the highest of priorities considering the nature of the fuel supply to the island and if it deteriorates any further then as he quite rightly points out Norfolk is in a pickle. And when you look at Madam Speaker the allocations of the budget to various other areas and I hate to do this but I continue to do and that's pick on tourism areas of Norfolk when you consider there's \$400,000 still allocated and you look at the details of the allocation Madam Speaker and you see business travel still allows \$7,000. You see advertising in Australia \$79,000 and you see advertising in New Zealand \$10,000, you see advertising on the Web \$25,000, you see Madam Speaker marketing \$22,500 and events marketing still allocated, public relations in Australia \$21,000, product development \$13,000 and it goes on Madam Speaker. Representation in New Zealand we can't hold that for a while, that's still allocated \$13,000, we have road shows of all things still being allocated \$6,000 and we have seminars and famil Australia \$5,000, we DDI production costs which I'm told Madam

Speaker that the contract can't be severed in any way and we are committed to pay them \$20,000 and we see EDM contractual arrangements \$18,000. Surely Madam Speaker some of those can be looked at in the light of the present situation here on Norfolk and that's just one of the examples where we have to take some more serious look at the amendments but getting back onto the facilities that are provided for at the Hospital. We are all of the understanding what is needed up there. Madam Speaker when you go to Medical Centres in Australia and other places you see the evidence of private sponsors for services provided by these Medical Centres and I think it's high time that we as people on Norfolk Island should be looking at that Hospital and providing private sponsors to some of the services that are currently expect and receive for very little input and I think that's an area where private sponsorship of services to the Hospital is highly needed.

SPEAKER Thank you Mr Snell. Further debate. There being no further debate I put the question that the amendments be agreed to.

QUESTION PUT  
AGREED

SPEAKER Question before the House now is that the Clauses as amended be agreed to

QUESTION PUT  
AGREED

SPEAKER Finally the question is that the remainder of the Bill be agreed to

QUESTION PUT  
AGREED

Chief Minister I seek a final motion from you please

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

SPEAKER Thank you Chief Minister, the question is that the Bill as amended be agreed to

QUESTION PUT  
AGREED

That motion is so agreed. The Bill as amended is agreed to

### **DEPARTURE FEE (AMENDMENT) BILL 2011**

SPEAKER This stands suspended from the 22<sup>nd</sup> June and we resume on the question that the Bill be agreed to in principle.

MR BUFFETT Thank you Madam Speaker. This is a Motion to reduce the Departure Fee which presently stands at \$40 to reduce it to nil. There are a number of reasons for that notwithstanding that some are probably controversial. One of the factors that has been constantly said to us here in Norfolk Island is what are you doing to reduce the cost of the fares to come to Norfolk Island and of course the Departure Fee is written into the ticketing arrangement and therefore this is an effort to respond to that. It's not only the market place itself but it's also the Commonwealth that we're approaching for funding, in other words they are saying to us why don't you make it easier. We've already mentioned that it's not possible any

further apart from the incentive fares offered by the airline to permanently drastically reduce the airfare itself but this is an endeavour to respond to both customer wants, Commonwealth indicators to us and therefore this Bill has been presented. Part of the difficulty of course is that people see that we lose this revenue and therefore may need to reduce some services or introduce other fees that might take up this amount of money. The benefit in this of course is an endeavour to attract people into the island and once they are in the island and they spend money. So it's an effort to maybe relinquish some to draw in more and that's the theme of pursuing this particular piece of legislation. I commend it to Members.

MRS WARD

Thank you Madam Speaker. I will say a few words. I said enough last Wednesday everybody knows what I think and I know that I am a lone voice and it's all very well for Air New Zealand or the Commonwealth to say remove barriers and make fares cheaper but that leaves a shortfall for this community to pick up and while it might make their ticket price more attractive are they going to cover the revenue – no they are not. We as working families are. When I look at the Departure Fee Amendment Bill which was only placed in front of us on the Wednesday morning so I didn't get to have an opportunity to have a good look but of course it leads you straight to the Airport Regs 1992 and to the Passenger Movement Charges which were in those Regulations. I guess I just want to point out one thing first and that is that if this Bill is supported today it removes the \$40 Departure Tax and legislation but it pushes across to Regulations the provision to place a fee and Departure Tax and I can tell you right now it won't be long before this Government is back around this table putting a Departure Fee back in place under Regulation and history shows us that Regulations have a habit of slipping through unnoticed by many. Might be one where it would be nice to be proved wrong. The Passenger Movement Fee again under the Regulations covers \$120 worth of taxes and I'll ask the Minister for Tourism now whether in the budget there is a proposal just to make the Departure Fee or whether there is a reduction of passenger movement fees as well under this. I'll come back to that I'll continue on. I will assume that that is the case for the purposes of debate. That would take the revenue shortfall to, again the Minister can correct me \$1.75m that's an even larger shortfall in the totality of the budget that we're just dealing with in the Departure Fee. It's a pie in the sky aspiration and we've seen today that Minister Sheridan has had to cut out many things in his area you know to cover that shortfall. My opponents will say indeed the Chief Minister and probably 95% of the community think about the increased activity. Yes well we have a special on right now at 50% reduced fare and apart from the beautiful red hatters last week I don't see an increase in tourists. The Minister for Tourism will come straight on top of me and slam me coming forward with those statistics that will show of increased bookings but what happens is when those people come to cover the shortfall of \$1.75m for example they would need to spend another \$500 each and from what I hear around town in the shops is the average person, is they are coming but they are spending less that's what people need to understand is these people not only need to come they need to spend more to cover the shortfall so that we can then recoup the GST. Lets hope it works. If the community is certain that they will come and yes indeed the Chief Minister and the Government providing that opportunity if they are certain that they will come and that will happen then you have a safe bet, but I'm not convinced. It actually goes against the advice of the professional in the field who is the Airline CEO who says you cheapen your fare you cheapen your product you are actually bringing a person with a lower yield. For what you have here is a Government no doubt led in this instance by the Minister for Tourism with his vast financial experience and no doubt under calculations done on the back of an envelope perhaps provided by the previous Minister for Finance declaring that this must be done. On top of that so is 95% of the population, I do appreciate that, but of course Madam Speaker there is always

another way and Mr Snell has just touched on it and it's called a reduction of expenditure. When I have asked the Minister Nobbs who is the Chair of the Airline Board it would appear what experience that he brings to the table to justify his role on the Airline Board he has said "I was elected by the people", so we are now wearing those decisions and the Chief Minister asks "well what would anyone else do" well what I would do is being done in a sense, the door to the Federal Government has been opened Deloitte has done a preliminary report into both the Administration and the running of the Airline and unfortunately the report to date has been unavailable to me, or my regular Member colleagues. I'd be very interested to see what it says about the running of the Airline. I would say it showed a disturbing picture because very quickly there was a term in the funding agreement which said that bona fide negotiations with our Airline must commence, it's a slanted term, bona fide negotiations must now commence, and Deloitte were very quickly contracted to enter those bona fide negotiations. So that is happening and I will continue to support the review, and I'm pleased to say that the Chamber of Commerce, the criticism that they get and a couple of members of the community have come forward with a suggestion of a Government role well that's how debate begins by having the guts to stand up and say "ok well this is my idea", I would encourage everybody else who has constructive comment to come forward and start opening the Government's model debate. I would seriously consider an address for KAVHA governance model options as well, 3 options are highlighted in the ( Ayliff) Report it's a conversation that the Chief Minister knows very well we will have to have with the community and Minister Nobbs does point out very well that there is no point the Government or the Assembly riding up on the white horse with all these visions for the future and where we're going to be if the community isn't with us, there is absolutely no point but these conversations have to be had, they are in the Roadmap, they start at the beginning of the coming financial year and they have to be had. I would go so far as to look at different options. I would look at having the National Parks take on the management and funding of .....

MR SHERIDAN

Point of Order Madam Speaker

MRS WARD

Point taken thank you Madam Speaker. As one point was made that was probably off the line as well but it was to do with and Minister Sheridan made it himself was to do with the Chief Minister having a serious look at the Cabinet line up, Thank you.

MR SNELL

Thank you Madam Speaker. I don't intend to support this Motion and I have certain reservations that financial impact. Madam Speaker I support the reduction in airfares but at this particular time the reduction of the Departure Fee is going to cause us financial stress, more than we are already experiencing, so we have to take that into serious consideration. I take into account also Mr Anderson's comments of Wednesday last when he quite rightly pointed out that the reduction of the removal of the Departure Fee doesn't necessarily guarantee that there is going to be a reduction in the airfare particularly from New Zealand where we don't have control over what they charge and whilst we can with our own services Norfolk Air from Australia and to Australia we can ensure that the reduction is passed on there, it will have an affect. Now in the next 3 months most people who have booked to come to Norfolk Island have already paid so there's going to be a clause that we need to look at to whether there will be refunds or some other administrative function that is necessary to be passed onto them. Madam Speaker it has a negative affect on the revenue as quite rightly pointed out by Mrs Ward but at this moment I prefer not agree to the Departure Tax removal and leave it in abeyance for maybe a future consideration. Thank you.

MRS GRIFFITHS Thank you Madam Speaker. I do support this Bill. I think this Bill responds to many of the concerns that have been raised by the visitors to Norfolk Island. In the visitor exit surveys they are always screaming out for reducing the airfares and it's good to see that this Government actually takes that initiative, particularly when so many in the community already are making that cut. We have accommodation proprietors offering stay five, pay three, so they're already doing what they can to attract as many people as they can and this is a way that we are able to match that commitment. If it generates more people on the seats, well and good. However I must point out one area that Mrs Ward touched upon, and that is in yield. The Norfolk Island Tourism Strategy is very clear in as far as its saying that Norfolk Island must not sell itself on price but on value and so we have to bear that in mind, but I do support that Bill. Thank you Madam Speaker

MR NOBBS Thank you Madam Speaker I'll be very brief. We talked about in various statements this morning about this proposal. Whether or not it could increase activity and the like. As I spoke at the last sitting the current fees and charges associated with departure tax and passenger movement charges are a detriment to us. They impact on the sale options being able to be offered by various operators, wholesalers, agents, airlines. I can tell you right now, that to not do anything to address this issue, we will get a decrease in activity. Perhaps not immediately but certainly in what I would call the short term. That's not a scare tactic. That's a fact. If you look at what the charges and taxes are, in other destinations, what we are proposing brings us down to in line with some of perhaps their higher levels still. We seriously need to address this issue as one that has had negative impact on Norfolk Island in the market place and just by the way, the response Mrs Ward gave about my responding to being on the Airline Board, is absolute

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

QUESTION PUT  
AGREED

MR SNELL NO

The ayes have it. The Bill is agreed to in principle. Mr Snell your dissenting voice is noted.

Is it the wish of the House to dispense with the detail stage? Thank you. Could I therefore have a final motion please Chief Minister

MR BUFFETT Madam Speaker, I move that the Bill be agreed to

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

QUESTION PUT  
AGREED

MR SNELL NO

The ayes have it. The Bill is agreed to. Mr Snell your dissent will be recorded.

**FISCAL CHARGES AND IMPOSITIONS BILL 2011**

**SPEAKER** Honourable Members we resumed debate last Wednesday, the 22<sup>nd</sup> June, on the question that the Bill be agreed to in principle and Chief Minister you have the call to resume and if I could just say now that I will be abstaining on voting on this Bill because of a conflict of interest

**MR BUFFETT** Thank you madam Speaker, continuing in respect of this Bill, this Bill just to state that, that I mentioned earlier, covers two areas, one an increase in the Land Administration Fee from 3% to 4% and the Business (Transaction) Levy equally from 3% to 4%. This was explained when we came together on the last occasion and it's as the Bill stands at this moment. When we come to the appropriate detail stage I will have a detail stage amendment which is a transitional amendment so that those who have entered upon this arrangement prior to the introduction of this Bill on the 22<sup>nd</sup> of this month, will not be impaired in the process of that arrangement. Apart from that, the remainder of the Bill stands.

**SPEAKER** Thank you Chief Minister. Any further debate.

**MR KING** This is debate on which question Madam Speaker

**SPEAKER** That the that the Bill be agreed to in principle Mr King

**MR KING** Thank you. I foreshadowed in my contribution to the final budget debate my opposition to this and I maintain that opposition. It is in itself an economic dampener and fully inappropriate in current economic circumstances. It's excessive in its quantum with 33% although if you asked Mr Nobbs to be consistent with the members in deciding these things as they did in the last Legislative Assembly it would be a 1% increase from 3 to 4 but it is in fact a 33% increase. Excessive. It is ill timed and I call on the Government to reconsider its approach to this as part of a medium and long term financial plan

**MR SHERIDAN** Thank you Madam Speaker I just thought there might be a bit more debate on this. It is unfortunate that we've found ourselves in the position where we have to try and fill a budget deficit gap and unfortunately Norfolk Island at this point in time we don't have a staged percentage stamp duty for want of a better word, as do most other States. They start around the .5 or the 1.5 or 1.4 and they go up to 7% so they do have a staggering of the percentage and ultimately I do think that would be the best system for Norfolk Island to adopt. Whether or not it is feasible to adopt that in the short term I think a lot more work would need to be done, and I think Mr Anderson mentioned that, where with it going up to 4% we'd be well above most other jurisdictions in Australia. Well that's just been proven I think that it's not necessarily the case. We're in that middle line but they do have a staggered approach to it. Their maximum is 7 and it starts off around the 1.4 or 1.5 and in some cases for a very small transaction of say \$25,000 in some areas well its absolutely free so you might say zero even, so it would be beneficial if we did review this, maybe not right now but in the immediate future to try and reassess it and try and come up with a more fair system but there's a lot of talk in Australia about how they have cheaper rates etc but in Australia they also have other charges as well as just the stamp duty, so that would put an added cost onto the purchase of land. Over here I believe at this point in time it's 3% for the transaction levy and that's about it. In Australia there are other charges on top of this levy that would bring the Norfolk Island's total amount virtually in line with some of the charges over there. I did an

exercise the other day with regards to New South Wales, Queensland and Victoria's stamp duties, and as I said they range from 1.5 to 5%, nil to 5.2% and 1.4 to 5.5 and did a few exercises in regards to sale of properties on say \$100,000, \$200,000, \$500,00 and \$1m and up to the \$200,000 mark, Norfolk Island's take would be a little bit more excessive than say, New South Wales, Queensland and Victoria but once you got up around the half a million dollar mark or particularly the million dollar mark for sale, and I know some properties and there might not be that many of them here, their value of take is a fair bit more than Norfolk Island's and that would even be the case with the increase to 4% and that's just on their stamp duty fee without their other charges included so I don't have a problem with raising this to 4% today but I would like maybe the Chief Minister to indicate that maybe he would like as a Government to review this so that we could maybe have a staggered approach to it and I think Mr King mentioned prior about people buying homes for the first time whether or not there could be some relief as in Australia's First Home buyer Scheme, etc. of course it's a bigger argument than today but just for this exercise I will support it today but I would like to have the longer argument in the near future. It would be beneficial I think to a lot

MR KING Thank you Madam Speaker. I can't understand the Minister's reasoning. You accept the deficiencies in relation to it. Suggest that it be staggered, and then proceeds to say that he agrees on its implementation now. Now I have some major concerns. Not only in relation to the impact on first home buyers but in an economic dampener. Who wants economic dampness at this point in time. If there's going to be a review, let's review it over the course of the next three months and include it perhaps, maybe in a different fashion. Maybe as a result of having a look more closely at it, and providing us with more information, you'll get a greater deal of support for it at the end of the three month period as part of a substantial supply bill. I can't understand that you say it's deficient on the one hand and ought to be staggered but in the meantime let's go with this deficient scheme. There are State...you know first home buyers not only get ~ and I know there's the staggered situation that applies in other jurisdictions also have grant schemes and what not that apply, not only at State but often both State and Federal which apply to first home buyers. We don't have that here so yes, I'm concerned about that and I'm concerned largely about the dampening effect on economic activity.

MRS GRIFFITHS Thank you Madam Speaker, I too have concerns with this. It seems to me that when this was being raised it was in the context of self funded retirees and new people coming to the island but I have to ask what thought has been given to our own people. How many people are overseas and may wish to come home? This raise makes the price of land even further out of reach of our own residents and if there was to be a review of first home buyers grants, please let us look at what we can offer for residents returning. If we need to boot our immigration and our population these are the people I would like to have come back to Norfolk Island first. Our own people

MR SHERIDAN Thank you Madam Speaker just a point that I didn't include just previously when we were talking about the exemption for first home buyers, it must be noted that only Victoria, Western Australia and Queensland have stamp duty exemptions for the purchase of a property. All the other four States still charge first home buyers exactly the same as regular stamp duty so it's not across the board. We're not out there by ourselves but it's something that does need to be discussed in the near future

MR KING Madam Speaker this sort of information ought to have been compiled and circulated to Members. You want to sell us this Bill and

attempt to get our support for it. Where's the white paper on it? Where's the one page document setting out this comparable data?

MR SHERIDAN Thank you Madam Speaker just the available data. I obviously did a little research on myself but what I was reading from then came from an email that Mr John Brown forwarded to all MLA's only last week so Mr King would have had the information that I'm referring to

MR SNELL Thank you Madam Speaker it's a complicated situation that we're raising, these different aspects at this late stage and one of the questions I would like to have answered is the financial impact that this will have on our current revenue raising methods. Have we done a paper on how much this is going to effect the revenue situation as it is now? What are we talking about? Can anybody tell us how much money is involved in this? What are our expectations from the increase?

MR BUFFETT Madam Speaker may I just say this. I understand the difficulties about raising things. Particularly in this climate but the reality is the Government needs to ask the people to continue to make contributions and this is thought to be an area where it may be able to sustain that which is asked. The indicators that we have about this, and I might say that the comments made earlier by Mr Anderson and taken up by Mr Sheridan, are matters notwithstanding what Mr King has said, could be addressed. We can improve it at a further way down the track. I'm all for improving no matter what it is, whether it be this or another matter and if that can be done with this I would be very happy about that. The indicator is that we may be able to get something like \$140,000 from this particular activity. That's the estimate that we have at this moment

MRS GRIFFITHS Thank you Madam Speaker I was just picking up on what the Chief Minister said when he picked up on the point of Mr Anderson and Mr Sheridan. Does that mean that you have no intention of looking at this in the context of residents returning

MR BUFFETT The matter of residents returning is new. That you have just mentioned. If that, or other factors... let me just say there has not been a Government consideration about the first home ownership arrangement and that's rather what you are talking about in that context. There hasn't been consideration of that to be quite frank, we've not been able to afford consideration of that at this time. I'm quite happy to put that in the mix of consideration but it would need to be seen in the financial context of today

MRS GRIFFITHS And I would be very happy to receive a paper on that, taking that into consideration

SPEAKER Thank you Honourable Members. Is there any further debate on the question that the Bill be agreed to in principle? There being no further debate I put the question

#### QUESTION PUT

Madam Clerk could you please call the House

MS ADAMS	ABSTAIN
MR SNELL	AYE
MR SHERIDAN	AYE

MRS GRIFFITHS	AYE
MR BUFFETT	AYE
MR NOBBS	AYE
MRS WARD	ABSTAIN
MR KING	NO
MR ANDERSON	NO

SPEAKER The result of voting Honourable Members, the Ayes five, the noes two and two abstentions. The motion is agreed. The Bill is agreed to in principle

We move now to the detail stage and the Chief Minister has foreshadowed a detail stage amendment. Such as leave may be required from the Chair, leave is so granted. Chief Minister

MR BUFFETT Madam Speaker the amendment that I have relates to a transitional provision and it provides that if contractual arrangements have been made in respect of either of these two categories of transactions, prior to the 22<sup>nd</sup> which is the date that this was public, then they would not be subject to this increase in levy and I move that amendment

SPEAKER I put the question that the amendment dated 24 June 2011 be agreed to

MRS GRIFFITHS Thank you Madam Speaker I only just received this paper today and in light of what I've been saying is if this could be further amended that any residents returning or any local resident purchasing homes that they also be exempt

SPEAKER Thank you Mrs Griffiths but it's not possible to do that from the floor of the House at this time without a Legal Draftsman and that's a policy of the House that we don't amend from the floor. I'm sorry. I cannot entertain that amendment

MR NOBBS Madam Speaker I would think that anyone returning who has bought in these time frames would have the same exemption

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

QUESTION PUT	
AGREED	
MS ADAMS	ABSTAIN

The ayes have it. That motion is so agreed. I now put the question that the clause as amended be agreed to

QUESTION PUT	
AGREED	
MS ADAMS	ABSTAIN

I put the question that the remainder of the Bill be agreed to

QUESTION PUT	
AGREED	

Could the Clerk please record the dissent of Mr King, the abstention of Mrs Ward and myself.

MR KING Perhaps the House could be called

SPEAKER If you would like the House called

MR BUFFETT That was just on the clauses Madam Speaker

SPEAKER So we are now voting on the question that the clauses as amended be agreed to

#### QUESTION PUT

And the Clerk is now calling the House

MS ADAMS	ABSTAIN
MR SNELL	AYE
MR SHERIDAN	AYE
MRS GRIFFITHS	AYE
MR BUFFETT	AYE
MR NOBBS	AYE
MRS WARD	ABSTAIN
MR KING	NO
MR ANDERSON	NO

SPEAKER The result of voting Honourable Members, the Ayes five, the noes two and two abstentions. The clauses as amended are agreed to

The final question is that the remainder of the Bill be agreed to

#### QUESTION PUT

The ayes have it. Would you like the House called or the same vote recorded. You would like the House called.

MR KING As you wish Madam Speaker

SPEAKER Well if you're comfortable it is proposed that the noes of Mr King and Mr Anderson be recorded as dissenting and Mrs Ward and myself as abstaining which gives the vote 5, 2 and 2

AGREED	
MS ADAMS	ABSTAIN
MRS WARD	ABSTAIN
MR KING	DISSENT
MR ANDERSON	DISSENT

I look now to the Chief Minister for a final motion please

MR BUFFETT Madam Speaker in its final form I propose that the Bill as amended be agreed to

SPEAKER Thank you Chief Minister. Any further debate?  
There being no debate I put the final question that the motion be agreed to

QUESTION PUT

AGREED

MS ADAMS ABSTAIN

MRS WARD ABSTAIN

MR KING DISSENT

MR ANDERSON DISSENT

The motion is agreed and with your indulgence the Minutes will record the same voting. The Bill as amended is agreed to

### **CUSTOMS (AMENDMENT NO. 2) BILL 2011**

SPEAKER Honourable Members once again we resume from the 22<sup>nd</sup> June on the question that the Bill be agreed to in principle and Chief Minister you have the call to resume. Thank you Chief Minister and I would ask the Deputy Speaker to take the chair please

MR BUFFETT Mr Deputy Speaker this is the Customs Amendment No 2 Bill and this addresses the matter of tobacco duty and cigars and the like and also addresses the matter of the reduction in applying duty earlier at \$300 on import value down to \$100 on import value. Now this has been earlier explained when I presented the overall picture in terms of this particular piece of legislation and the budget itself. There was one that we've adjusted and that is the earlier duty on what I shall term everyday cigarettes. That has been removed. It has remained in terms of the tobacco products in the higher range and that has increased the duty from \$500 to \$1000 and that's where we stand at this moment Mr Deputy Speaker

MS ADAMS Thank you Mr Deputy Speaker. I'm unable to support this Bill in its current form and I foreshadow my intention to seek leave of the Chair at the appropriate time to move an amendment to the Bill to paragraph (b) and (c) to the schedule in the Bill be deleted. Mr Deputy Speaker there is no doubt that there is a need to raise additional revenue and the Chief Minister and the Assembly are caught between a rock and a hard place. We're damned if we do and we're damned if we don't. However to raise revenue by using measures that target only one section of the community cannot be said to be fair. Smoking can be a curse. I don't deny that but it's not for me to sit in judgement of people who smoke. There is no doubt that smoking can be addictive however, I'm unable to further penalize people who are addicted in order to raise revenue. It's a known fact that smokers when stressed smoke more. There is enough stress in this community at this time without us further adding to it in this way. If the Bill is passed, by enquiries from suppliers is that the cost of a packet of cigarettes which currently costs \$8.85 would double. \$18 for a packet of cigarettes. Now I can't tell you whether those figures are correct or not. I rang a supplier and that's what I was told. We have already agreed an amendment to the Bill before it was introduced. That amendment waived an increase in respect of low duty cigarettes so as not to impact on visitor spending on cigarettes. I seriously suggest to you that our island residents deserve, at the very least, equal consideration as our visitors. Customs is a Schedule 3 matter and possibly will require Commonwealth assent if the Bill is to become law. That could take months. In the meantime the revenue being sought to be raised by this Bill will not be realised. I would urge Members to support the amendment that I'll be proposing in the detail

stage and to just proceed at this time with the increase in duty from 10% to 12% to bring it in line with GST. Thank you Mr Deputy Speaker

MR KING Thank you Mr Deputy Speaker. I foreshadowed earlier my intention to oppose these proposed increases and there's really no need to elaborate much beyond what I said earlier. Let me summarise by saying that these measures are unreasonable and they are excessive. By any stretch of the imagination a 100% increase in duty, if it results in doubling of the price of a packet of cigarettes, and that surprises me a little, that is absolutely preposterous. Outlandish. Outrageous. If it increases by \$5 or \$6 that's simply ridiculous and outrageous as well. It ignores the inability to pay factor. Madam Speaker in her debate made mention of the resultant stress that will be caused in households. That is a fact of life. We have difficulties in that area at the present time, exacerbated by economic conditions, reduced work hours. This will divert money from essential family requisites. There's no doubt in my mind. It's unfair and inequitable in that it impacts significantly only on one particular segment. You simply can't target smokers in this fashion for the purposes of raising revenue and that's exactly what it's for. It's also irresponsible and immature and it fails to reflect current economic circumstances or reflect in any way any medium or long term planning. I will support Ms Adam's proposal. In the event that, that fails, I will be opposing the Bill. I would in no way have balked in supporting an increase, perhaps in the nature of 20%, 25% even perhaps 30% increase in the amount of duty on cigarettes. That's not particularly unreasonable. This is an unreasonable and excessive endeavour on the Government's part. Outrageous and I will not support it. Thank you Mr Deputy Speaker

DEPUTY SPEAKER Thank you Mr King. Is there any further debate? There being no further debate I will first put the question that the motion be agreed to

QUESTION PUT  
AGREED

We move to the detail stage. Thank you Honourable Members. We now have an amendment to the motion. The amendment to the motion as authorised under Standing Orders by the Chair, which I do authorise and the amendment to the motion is that sections (b) and (c) of the motion is so deleted and I would put that amendment

QUESTION PUT

Madam Clerk could you please call the House

MS ADAMS	AYE
MR SNELL	NO
MR SHERIDAN	NO
MRS GRIFFITHS	AYE
MR BUFFETT	NO
MR NOBBS	NO
MRS WARD	NO
MR KING	AYE
MR ANDERSON	NO

DEPUTY SPEAKER The result of voting Honourable Members, the Ayes three, the noes six, the amendment to the motion is defeated.

The motion is that the Bill be agreed to and Chief Minister I call on you to conclude

MR BUFFETT I don't think there's anything further to be said in respect of that

DEPUTY SPEAKER I now put the motion that the Bill be agreed to

#### QUESTION PUT

Do Members wish the House to be called or to have the vote recorded as previous. You wish the House called. Madam Clerk could you please call the House

MR SNELL	NO
MS ADAMS	NO
MR SHERIDAN	AYE
MRS GRIFFITHS	NO
MR BUFFETT	AYE
MR NOBBS	AYE
MRS WARD	AYE
MR KING	NO
MR ANDERSON	AYE

The result of voting Honourable Members, the ayes five the noes four. The motion is so carried

SPEAKER The records will conclude that the Customs (Amendment No 2) Bill 2011 was agreed

#### **OMBUDSMAN BILL 2011**

SPEAKER

Once again Honourable Members we resume from the 22<sup>nd</sup> June on the question that the Bill be agreed to in principle and Chief Minister you have the call to resume.

MR BUFFETT Madam Speaker we're addressing the Ombudsman Bill. This particular has been introduced into the House on an earlier occasion when that happened it was referred to the Commonwealth for their comments. We have received comments from the Commonwealth and we also received comments from our Legal Services Unit, commenting upon those comments. Both of those sets of comments have been circulated to all Members. At the last debate in this House Members also mentioned some factors in respect of the Bill from a number of Members. Those have been noted and taken into account so since those last comments which was only last week, there have been a series of amendments that I have now had to prepare the Ombudsman Bill to its finality. I'm going to ask the House Madam Speaker if they would move to the stage of agreeing the Bill in principle, then I will put on the table the amendments, if they are prepared to do that. Those amendments have not been seen by me until this morning and therefore not by Members either. I would then propose a pause on that Bill until we come together in a fortnights time and it would be then an endeavour to finalise it then. Those amendments that are being made will equally be sent to the Commonwealth. I don't know if they'll have any further words to say about that but it may determine how we progress in a fortnight's time. That's the plan that I have Madam Speaker. If Members have discomfort with any of that, I would welcome them saying so or making some other proposal to me, but I think that's the practical way to proceed at this time.

MRS GRIFFITHS Thank you Madam Speaker. Madame Speaker, I do intend to support this bill, not because of the Territories Reform Bill and not

because I, as a member of this Assembly, gave my word so we could meet our obligations under the funding variation. I support it because this bill was developed by us – for us. Having said that, and I've ploughed my way through the Commonwealth's comments and those of our own Crown Council, I do have reservations. What stood out to me in looking at these comments is the lack of policy capacity we have here on the island before we go to the time and expense of drafting legislation. To me there are conflicting views between both party's comments, making me think that some of the policy issues haven't been ironed out yet. Having said that I do intend to support the Bill in principle

SPEAKER Thank you Mrs Griffiths. Is there further debate Honourable Members on the question that the Bill be agreed to in principle. I understand Chief Minister that you would like me to put that question at this time and I would so do that. I put the question that the motion be agreed to

QUESTION PUT  
AGREED

The Bill is agreed to in principle

We move now to the detail stage and the Chief Minister has foreshadowed detail stage amendments dated 27<sup>th</sup> June. Such as leave may be required from the Chair, leave is so granted. Chief Minister

MR BUFFETT Thank you Madam Speaker. I place on the table detail stage amendments in terms of the Ombudsman Bill 2011. These are the ones with the date on them of the 27<sup>th</sup> June. There are really nine components in this. I'm not going to go through them page by page but I'm going to give nine components that are contained within this, and within the time frame between now and our next sitting, Members will be able to look more closely on their own account at the words. That document has been circulated now amongst Members. The amendments to the Bill relate to these points. Firstly clarification of the nature of a complaints officer. That is giving greater clarity to the explanation there. Again I mention these are some things that have been raised by the Commonwealth and there are some things that have been raised by Members themselves around this table. The next point is, it's providing for the determination of standards regarding complaints handling by agencies to be injected into the piece of proposed legislation. The next point is clarification of exclusions from the Ombudsman's power of investigation. The fourth point is the clarification of inclusion of police within the scope of Ombudsman's investigatory scope but excluding decisions in relation to actual prosecutions. The Courts decide that when matters go to Court. This is the other range and I remember that being raised by two Members when we were around this table so they have now been included. The next is clarification of Commonwealth control over appointment and removal of the Ombudsman and the grant of further functions to the Ombudsman. That is also covered in the amendments. The next point, introduction of a facility for matters to be referred by the Legislative Assembly, the committee of the Legislative Assembly or the Commonwealth Minister to the Ombudsman for investigation. The next point is inclusion of protection for providing information to the Ombudsman. The next point is improvement of provisions regarding secrecy requirements surrounding investigations by the Ombudsman and the last one is correction of some minor drafting errors that have occurred in a couple of places. In mentioning those Members will recognize some of the points that they will have raised themselves and so I just wanted to give emphasis that they have been taken into account and the amendments accordingly have been written. May I say this in terms of our officers. I mentioned to you earlier some comments last week towards the end of last week on Thursday. I

met with the Legislative Draftsman to pursue this, consequent upon those comments, and there has been work done over the continuing days including the weekend so that this can be brought to us on Monday morning so that we might meet a number of things. I wanted to demonstrate to Members that their words are of importance and so they have been entered. I also wanted to demonstrate also that we want to get this matter done. Its part of the funding arrangement and whilst we will come to the end of the month quite quickly, I want to demonstrate that we are doing all that we are able to pursue this matter in a timely fashion. I might say, also in saying that, that this is something that the Norfolk Island Government prior to this Legislative Assembly, have been about to introduce and equally want to give it impetus whilst we are handling the matter.

SPEAKER Thank you Chief Minister. Further debate Honourable Members. Chief Minister were you proposing to move in respect to the amendments that you have put before the House that they be taken as read and agreed to as a whole

MR BUFFETT Madam Speaker I'm very happy to do that. I had not put them on the books and I want to put them on the books today thank you

SPEAKER Yes. Would you like to move that motion

MR BUFFETT Yes, I move that he amendments that I've circulated be taken as read and agreed to as a whole

SPEAKER Thank you. Is there any debate Honourable Members before the Chief Minister moves to adjourn debate. Chief Minister I now look to you to move the vote

MR BUFFETT Madam 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 Thank you Chief Minister. The question before the House 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

#### **FIXING OF THE NEXT SITTING DATE**

Thank you Honourable Members we move to the fixing of our next sitting day and Mrs Ward I look to your for a Motion to fix the next Sitting day to Wednesday the 6<sup>th</sup> July 2011 at 10.00am. Do you so move Mrs Ward.

MRS WARD Thank you Madam Speaker I so move

SPEAKER Thank you Mrs Ward. Is there any debate Honourable Members. The question is that the Motion be agreed to.

QUESTION PUT

## AGREED

The motion is agreed. I now look to Minister Sheridan to move a Motion of Adjournment.

**ADJOURNMENT**

MR SHERIDAN  
House do now adjourn

Thank you Madam Speaker I move that the

SPEAKER  
Honourable Members

Thank you Minister. Is there any debate

MRS GRIFFITHS  
Thank you Madam Speaker. Before this meeting closes I'd just like to welcome to Norfolk Island Miss Meralda Warren from Pitcairn island. Meralda is here to promote her TAPA exhibition which will take place at the Museums this week. I'd also like to congratulate Meralda on her being the first Pitcairn Islander to win a Commonwealth Foundation International Arts Residency. These Residencies enable artists from Commonwealth countries to exchange, to promote creativity and individual cultural expression and to give opportunities to learn new skills that can help individuals develop their livelihood as artists. As part of this residency just several weeks ago Meralda and our own Pauline Reynolds attended a symposium at Te Pap Museum in New Zealand, both Meralda and Pauline have done substantial work on Tapa making which is one of the expressions of culture that has already died out here on Norfolk and on Pitcairn. Their revitalisation of such precious expressions of our culture is essential but also makes good economic sense. Unfortunately our cultural survival is dependent on the will of committed individuals such as Pauline, Meralda and the many other artists and crafts people who have gone before and done their bit to maintain our culture and identity over the years. Today however in this time of globalisation and westernisation it is not enough. Without a doubt Norfolk has seen the degradation and loss of its traditional knowledge in culture. Its low visibility contributes to the low priority given to its preservation, protection and promotion. This contributes to a lack of appreciation of the essential role that culture plays in economic and social wellbeing and development. Norfolk Island's legislative and policy framework for culture is inadequate. This can be explained by a lack of resources, a lack of trained policy makers and cultural Managers and definitely a lack of political will over time. Instead Norfolk has implemented a cultural political measure or rescue actions such as the Norfolk Island Language Act of 2000 and the Protection of Moveable ? Cultural Heritage Act of 1987. Neither addresses the broader policy issues of preserving and promoting Norfolk's culture. Institutions, community groups and individuals are largely unsupported on Norfolk. While they are responsible for safeguarding and promoting Norfolk's culture and knowledge they lack finances and/or skilled human resource assistance. Technology and equipment is often inadequate. Throughout the years they have lacked sufficient political support. At the same time the young people of Norfolk who were traditionally raised in an environment that taught them their culture language and skills are not being taught the essential elements of their own culture nor how to express it. Although culture is not directly an economic activity the economic benefits of culture are ignored on Norfolk. It contributes to the economy through employment and other opportunities. Money spent on cultural products and on institutions influences our economy. Benefits can be expressed in dollar output earnings or the total number of jobs the sector supports. Other industries benefit from the ripple or multiplier effect that lead the cultural industry with the rest of the economy. I recall last year when the Chief Minister informed us that we needed help from the Commonwealth that my greatest pain was from the fact that

by integrating we were certain to lose even more of our identity and culture. I wish I could say this wasn't going to happen but with the already inadequate funds being removed from the budget for activities to support culture being taken away then what else can I think. I also recall in 1997 there was a proposal to create a Cultural Officers position on Norfolk yet here we are today over a decade later still with institution or support. We are indeed in dire straits. Perhaps if we had a Cultural Officer in place for the past decade we might not fear everything we have to lose. Madam Speaker through you I urge the Commonwealth and our own Government to remember that the most precious thing we have is our identity. It is intensely personal it is ours. Every decision we make every decision made for us and about us must bear this in mind. Thank you.

MRS WARD Thank you Madam Speaker. Can I make a few comments on Mrs Griffiths debate. Both Governments have certainly ensured to protect our heritage and culture as we move through and I don't intend to talk about cultural debate, I think it's a very personal subject and everybody has their own very strong opinion but I will just touch on the tangible heritage as the things we can touch and see. Last month we saw the sale by tender of Norfolk Island Airport's D8 Caterpillar bulldozer and ancillary equipment and the sale of this machinery appeared to be a logical concept because the equipment was obviously past its working prime. The sale of the D8 is now also history but what needs to be considered by this Government is the future of our remaining publically owned heritage items and I know that Mrs Griffiths is taking this on as a personal project. I guess I'm offering support to her. Of course it's not only our existing items such as those that are housed in the Museum or the Whaling Station or the engine out at Puppys Point but it's also about items that will one day become part of our history and the questions are do we want heritage items to remain in public hands and if so to what standard do we want to preserve them and manage them and how much are we willing as a community to pay for that. These are questions for the community to ask itself and then relay to the Assembly because at the moment it's not top priority for the Government apart from KAVA and Museums of course, but again it's limited, it falls neatly into the not enough resources category I sense, and it will remain there unless the community demands that heritage items are given a higher priority. Norfolk's tangible items are obviously part of our fascinating history and I'm looking forward to doing more research in this area and having discussion with people in the field such as the Curator for the Museum and her team and the KAVHA team as a whole who as we know do a wonderful job to maintain what we have the best we can within the resource frame. It is our history and we're part of history we have the potential to develop what we have into something that's a major attraction for our major industry and now that the KAVHA area is a World Heritage listed part of the convict trail it's a very useable feather in our cap, we just need to be open minded to all options to how KAVHA and the Museums future and where it takes us and any other tangible heritage items that the community see as vital to preserving our history and our heritage. Thank you Madam Speaker.

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

QUESTION PUT  
AGREED

Therefore Honourable Members this House stands adjourned until Wednesday 6<sup>th</sup> July 2010, at 10.00 am

