



**NORFOLK ISLAND LEGISLATIVE ASSEMBLY  
13<sup>TH</sup> NILA HANSARD – 7 MARCH 2012**

**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.

Thank you Honourable Members. Gentleman please feel free to take off your coats on this warm day, and at the same time turn off your mobile.

**CONDOLENCES**

**SPEAKER** Honourable Members we commence this morning with condolences, are there any condolences? Mr Snell.

**MR SNELL** Thank you Madam Speaker, Madam Speaker it is with regret that this House records the passing of Richard Clarence Hamilton-Irvine was born in Mt. Albert, Auckland on the 5th September, 1929. He was the eldest son of Cyril and Iris, brother to Bruce and Susan, husband to Lina, father to Wayne, Lee and Troy, grandfather to Drue, Danni'Elle and Skye, great grandfather to Alyssa and Tiare and still more to come. Rick, as he was affectionately known to most and Dick to his Mum and brother, began his working career as a cattle farmer at fifteen, but soon moved to New Zealand Rail as an apprentice cabinet maker. Although he couldn't swim well, he soon began building and racing yachts. He had a secret weapon ~ he used cedar wood instead of the much heavier ply. Rick would study charts and currents before any race and practice starts and this gave him a huge advantage over his opponents. He was a great architect and this took him to many places. He loved sailing, diving, fishing and ballroom dancing, and won many trophies for doing these things that he loved. Rick moved to Norfolk in the early sixties with his family. He was a successful businessman and his motto was "if you want anything, I'll get it for you, even an elephant!" Luckily no one took him up on that! His travels took him to Russia where he found more than just a friend and companion, he soon returned with a beautiful extension to his family in Lina and her family. Rick's love of the sea took him and Lina cruising to almost every corner of the world and whether he was coming or going on a cruise he loved to talk about it. He remembered everyone he met and with his bright personality, people who knew him would always have a lasting impression of his sense of humour and mannerisms. He was an adventurer, a father, a brother, a husband and a genius. He will be missed by many in our small community. To Lina, Wayne, Lee and Troy and their families and to his many friends, this House extends its deepest sympathy. May he rest in peace.

Madam Speaker it is with regret that this House records the passing of Penelope June Eggins. Penny was the first child of a Master Sawyer father and a schoolteacher mother, Charles and Ruth Christian in Mill Road in June 1922. She was born with striking red hair which she wore proudly all her life. Born in the years of the banana boom, times were good. In 1929 came the depression and times were a lot tougher. Over the next 12 years 8 siblings were born, Consett, Dalyell, Pam, Sydney, Esme, Ena, Fletcher and Mera. As

the oldest child she had a lot of responsibility and she loved it. Penelope was schooled at home until 6<sup>th</sup> class. She was an excellent student and athlete, and won the Queen Victoria scholarship twice. At the age of 15 Penelope left Norfolk on the HM Merinda to complete her schooling at Normanhurst Girls School. During the war she completed a course in teacher training and was sent to the North Coast, where she met and married Ernest Eggins in 1944 and started her own family, Ruth, Elaine, Joyce, Richard, Marlene and Gary. Unfortunately the marriage did not last and Penelope returned to teaching ~ a single mother with six young children. She retired from teaching in 1982 and in 1988 returned home to Norfolk. Penelope's life revolved around her family and Norfolk Island. She met life with courage, resilience and a persistent compassion. Penelope passed leaving six children, 15 grandchildren, 23 great grandchildren ~ 22 surviving ~ and 3 great great grandchildren. She will be sadly missed in our community and to her family, relatives and friends this House extends its deepest sympathy. May she rest in peace.

**SPEAKER** Thank you Mr Snell. Honourable Members, may he rest in peace. Honourable Members as a mark of respect to the memory of the deceased, I would ask that we all stand in silence.

### **PRESENTATION OF PETITIONS**

**MR SHERIDAN** Thank you Madam Speaker, I have a petition to table today; this petition is signed by some 236 residents of Norfolk Island of who have an interest in the employ of a certain doctor at the NI Hospital Enterprise. I note that at standing order 86 that no discussion is allowed of petitions but with the Speaker's agreement I would like to make a short comment in regard to this petition. This petition reads "we the undersigned being residents of NI hereby seek that you as the Minister responsible for Health matters on NI, take all necessary steps and seek all possible means to retain and engage the professional services of Dr Mark Szolkowski for the benefit of the community of NI as the community is in urgent need for the provision of the professional services and expertise held by Dr Mark Szolkowski in the fields of : psychiatry, emergency medicine, general practice and rural and remote medicine". I thank the convenor of this petition who presented it to me, Mr. Don Reynolds, esp. for his interest in mental health. I have already replied to Don in regard to my inability to employ Dr Mark Szolkowski at the NI Hospital Enterprise for reasons that I am unable to disclose.

### **GIVING OF NOTICES**

**SPEAKER** Giving of notices, are there any notices to be given this morning Honourable Members? No Giving of Notices.

### **QUESTIONS WITHOUT NOTICE**

**SPEAKER** Questions without Notice, are there any questions without notice this morning? Mr King.

**MR KING** Madam Speaker a question for the Chief Minister. Can the Chief Minister advise if like me he has received over the past recent days a bundle of documents which suggests that one of his Ministers is engaged and has been engaged during his term of office in private commercial activities in direct conflict with his ministerial responsibility, and if so is the Chief Minister prepared to tolerate such conduct from one of his Ministers.

**MR BUFFETT** Madam Speaker I have anonymously received a set of papers in the post. The business transaction that was referred to was a small transaction \$200 or less. I have had some discussions with people who were mentioned in these documents. Two things are clear. One is that the transaction referred to has not taken place, there has been no funds exchanged in that process and the Company that is

mentioned is one that is shown on the Register of the particular member and Minister in the Register of Interests in Norfolk Island's Legislative Assembly. I am having some further examination of that situation but I see no reason at this time but to continue as I am continuing to make examination of that situation.

MR KING A supplementary question Madam Speaker. Chief Minister are you therefore saying that there are circumstances where you continue to support a Minister who had betrayed the trust of the House by placing himself in a position of gross conflict of interest and whether wittingly or unwittingly had sought to gain personal financial reward from information supplied to the Administration.

MR BUFFETT Madam Speaker they are strong words, unfounded at this time. I am saying properly examining this and I have endeavoured to put it in context by my earlier words.

SPEAKER Thank you Chief Minister and the point I was going to make Mr King was Standing Order 63 and there are proper processes in this House to deal with matters of that nature.

MRS GRIFFITHS Further supplementary if I may Madam Speaker.

SPEAKER Be mindful of that Standing Order please.

MR KING Madam Speaker

SPEAKER I just brought to your attention personal reflections.

MR KING I'm not reflecting on anyone I've not mentioned anyone's name Madam Speaker.

SPEAKER I understand that Mr King I'm just pointing out to the House.

MR KING I've certainly not finished my line of questioning in relation to this and if there is specific words that the House finds offensive they might bring them specifically to my attention.

MRS GRIFFITHS I would like to ask whether or not the Minister will be retaining office while the Chief Minister makes his enquiries.

MR BUFFETT Madam Speaker the answer to that is yes

MR KING A supplementary question Madam Speaker. Is the Chief Minister saying that he finds it acceptable in one way or another that one of his Ministers pursues or promotes policies which are to the detriment of a person or organisation in the community who or which is in direct competition with the Minister's own commercial activities.

MR BUFFETT Madam Speaker I don't at this stage interpret those to make the same interpretation as Mr King is endeavouring to infer.

MR KING A supplementary question Madam Speaker. Does the bundle of documents suggest that the same Minister has not only placed himself in an unacceptable position of conflict but has again whether knowingly or unwittingly sought to

gain personal financial benefit through the use of information directed to the Administration. Do those documents reflect or infer that that is the case.

MR BUFFETT Madam Speaker those documents I am at the stage of examining in detail and further to the information that may be within those documents and when I have a result of that then I'll be able to make a response to those things that Mr King is saying. At this stage I do not make the inferences that he is making.

MR KING If the Chief Minister is to conduct an enquiry into the conduct of one of his Ministers will he be conducting the enquiry by himself, when will it take place, who will he report to and what authority does he have to dismiss or involve himself in the dismissal of office of one of his Ministers.

MR BUFFETT Madam Speaker all of those things are matters that I am examining as to the best way that those factors that have been brought to my attention may be properly examined.

MR KING A supplementary question Madam Speaker can the Chief Minister not inform the House not me in particular, but inform the House and therefore the community the length of time over which he will conduct this enquiry. Shall it be 1 day, 1 year, 5 years or 10 years. Which of the closest.

MR BUFFETT I think there is a great deal of hypothetical and supposition about a lot of that. Madam Speaker I received these documents at the close of business on Friday. I have endeavoured to make some examination between now and then. There was a Public Holiday in between that time and this time. I will endeavour to make that as expeditious as I am able.

MR KING A supplementary question Madam Speaker.

MR NOBBS Thank you Madam Speaker I also have a supplementary and that is that given we've recently launched our connectivity of AAT, the Ombudsman and privacy mechanisms I would see that one of the key roles that that serves is to provide some form of enquiry and investigation into slurs and accusations against any Member of the Legislative Assembly in any way. I would recommend that these type of allegations go down that path and I would ask whether the Chief Minister is intending on considering that as an option.

SPEAKER Your Point of Order Mr King, I'm going to point out to the House that the House has its own ? by legislation and Standing Orders with which to deal with matters of this nature.

MR KING A supplementary question Madam Speaker. Will he detail to the House the authority established in the Norfolk Island Act for his role in the dismissal of a Minister of his Government

MR BUFFETT Madam Speaker if I remember the provisions correctly there were introduced by the Territories Law Reform Act, the Chief Minister has capacity to make a recommendation to the Administrator as to the appointment or disappointment in terms of Minister

MR KING Disappointment. Dismissal perhaps

MR BUFFETT Well you may use all these flowery words I am endeavouring to respond to the question.

MR KING It's dismissal rather than disappointment but I understand what your saying

MRS WARD Thank you Madam Speaker. It's a policy question for the Chief Minister. What level of private commercial activity is allowed to take place by a Minister while holding office

MR BUFFETT Madam Speaker the time of Ministers are expected to be spent primarily, primarily on their ministerial tasks and that is a sincere expectation of all Ministers. That does not mean that there may not be some small element of activity that may for example continue to keep alive some business activity that they may need to return to after life in the Assembly and factors of that nature. But the prime time and purpose is to be spent upon ministerial tasks.

MR KING A supplementary question Madam Speaker Chief Minister are you saying that it is acceptable and appropriate that a Minister of Government continue to pursue private commercial activities which cut across the areas of which he has been given Executive responsibility by this House.

SPEAKER I have to rule that out of order Chief Minister it's asking for a matter of opinion.

MR KING Is the Chief Minister saying that it is acceptable that one of his Ministers continue in private commercial activities of a nature in an industry for which he has been given Executive authority by this House.

MR BUFFETT Madam Speaker I need to couple my response now to what I said earlier. Prime purpose ministerial duties. If there are any other activities of a minor nature they are not expected to be in conflict with their ministerial tasks.

MRS WARD Thank you Madam Speaker. My question is to the Minister for Tourism. At the last meeting the Minister tabled a Fishing and Marine Report including a copy of the Fisheries and Marine Activities Bill 2010. The Minister has also said that the Bill is part of a discussion paper and that it is not his intent to bring this exact Bill to the House. He intends to break the area into 2 separate Bills, Marine Safety and Fishing. Is it the Ministers intent to concentrate on a Marine Safety Bill only at this stage and what does that involve.

MR NOBBS Thank you Madam Speaker. Thank you Mrs Ward for the question. Yes it is my intent to concentrate with the working group on the Marine Safety Bill and the significant amount of work that has gone into that has also is worth reflecting that has come from a great deal of work that NIFA itself has put in place to seek the best outcomes for safety on the water.

MRS WARD Thank you Madam Speaker a supplementary question, and I'm assuming that a registration system would need to be put in place and I'm wondering if that, the question is would that cover jet skis as well at this stage and would Administration be responsible for the issuing of permits.

MR NOBBS Thank you Madam Speaker. At this stage that is the proposal, yes.

MRS WARD Is the proposed Marine Safety Bill intending to ratify and give teeth to existing Norfolk Island Association Safety Rules and Catch Data Reporting System.

MR NOBBS Yes. In real terms NIFA already carry out a number of these mechanisms. This is to give them a bit of legislative backing to help it to be enforceable.

MR SNELL Thank you Madam Speaker a supplementary. Minister it is under my understanding that Regulations pertaining to the proposed Marine Safety Bill will have some bearing on people fishing from rocks or the pier. Can you elaborate any information on that at all,

MR NOBBS Thank you Madam Speaker. At this point in time although the working group has certainly discussed and acknowledged some of the fatalities that occur in fishing from the rocks and piers around our regions and we've had some accidents ourselves the intention at this time is not to install permits or the like before someone could fish from the pier or the rocks.

MRS GRIFFITHS Thank you Madam Speaker. My question is for the Minister for Community Services. How much is the Administration paying to maintain the area previously set aside for Landcare down in the Cockpit area.

MR SHERIDAN Thank you Madam Speaker. I'll have to take that question on notice because I'm unaware of the costs.

MR SNELL Thank you Madam Speaker this again to the Minister responsible for the Marine Safety Bill. Minister are the Police currently responsible for search and rescue and search and recovery operations and if so will the responsibility change in any way under the present proposed Bill.

MR NOBBS Thank you Madam Speaker. At this stage they certainly be key co-ordinator for that sort of search and rescue operation and I can't see that changing in the future. From recollection there's an MSAR arrangement for Marine Search and Rescue that the senior member of the AFP qualifies himself for and is able to then assist in co-ordinating rescue efforts.

MR SNELL Thank you Madam Speaker. Supplementary is that Norfolk Island fishermen and Norfolk Island's culture has always been to look after oneself and to take natural care of what one does in this particular area and the involvement of an outside authority may have some difficulty in responding. Will the Minister consider that in any future legislation.

MR NOBBS Thank you Madam Speaker, absolutely. I mean keep in mind that there is also an Emergency Management co-ordination group that facilitates a lot of these things and there's a lot of collaboration between all those areas. So I'll certainly keep that in mind.

MR KING Thank you Madam Speaker. A question for the Chief Minister. What information has been gathered about the profitability or otherwise of the Government owned, Government run Café at the Kingston Pier and what consideration consequent upon that information has been given to the divestment of this operation to the private sector.

MR BUFFETT Madam Speaker that question was asked of me at an earlier time and I think that I asked that it be placed on notice so that I could do some homework.. It hasn't been placed on notice however, the instrumentalities within Administration did provide me with some information. I haven't got it in front of me I've got to say otherwise I would be able to present it now had it been placed on notice as requested I could be more helpful about it. I'll communicate that to Mr King.

MR KING Just a small supplementary, brief supplementary. Chief Minister can you glean from information that has been provided to you whether the business operates at a profit or not.

MR BUFFETT There are 2 factors in terms of the Café, one is its turnover and therefore the business component that relates there, but the other is that it brings people to that particular location in terms of the Museum arrangement and also is a principal place of sale for tickets in the Kingston area relating to the Museums arrangement. They are hard to judge in terms of monetary value but they are factors to consider. I will need to look at those papers to give you a more fulsome answer but I'm happy to do that and I really have most of the information but not in front of me.

MRS GRIFFITHS Thank you Madam Speaker. My question is for the Chief Minister. Chief Minister what is the process for making complaints against MLA's.

MR BUFFETT Most complaints in terms of dissatisfaction or whatever word you may like to use in the context is reflected at the ballot box stage. There are not overly formal arrangements to examine Members of the Assembly on a daily basis. They have much more licence in how they go about their duties. There is the expectation however that they all obviously act according to law and if they do not act according to law then the normal remedies of people who do not act according to the law may well be brought in to play. In saying that I bear in mind that there is an Administration process for people to lodge complaints, that's not necessarily the same about lodging complaints against Members of the Legislative Assembly however. One of the accountability processes is this Chamber. We've experienced some of that just this morning and I have endeavoured to make some explanation as to where that particular matter sits but the point I'm making is that it can be publicly aired in the way that it has been which brings people to account.

MR KING Could I just ask another supplementary. Is it not possible for a complaint to be made to the Speaker of this House which would then trigger a formal mechanism under the whatever Committee it is, Committee of privileges or something?

MR BUFFETT I think that's an administrative process answer that rests with Madam Speaker. I'm not too sure that it does work that way but it's really not for me to answer.

SPEAKER I'm comfortable to be of assistance as the Speaker. The Legislative Assembly Register of Members Interests Legislation sets out quite clearly the process. I won't go into the details but they give you guidelines where to go.

MR KING Sorry I've gone past that I was talking about the conduct of a Member. Ok well I'll look to that for some guidance thank you.

SPEAKER I'm happy to sit down and discuss that with you further if you would like.

MRS GRIFFITHS Have you received any complaints on that

SPEAKER No

MRS GRIFFITHS Thank you

MRS WARD Thank you Madam Speaker. My question is to the Minister for Community Services. The Minister recently told Members that the air curtain incinerator concept is dead. Would the Minister please explain his comment.

MR SHERIDAN Thank you Madam Speaker. I think in the context in my response to a previous question in regards to the air curtain incinerator as being dead, it's dead as in far as we can proceed at this time. What we do need is a, we need a report on the omissions that such an incinerator would omit and I think I gave that explanation when I answered the question previously. So whilst I was saying it's stopped at this point in time when we are able to fund/obtain a report on what omissions would be emitted from such an incinerator then that project would then proceed onto the next step but that's where we are at in this point in time.

MRS WARD Thank you Madam Speaker. So is it a fact that 18 months have passed and \$6,000 has been spent to date on this project and we are still at the stage where we are unable to test omissions. When and how does the Minister imagine that we are going to be able to test omissions on something which is basically a home made incinerator. Where are those guidelines going to come from.

MR SHERIDAN Thank you Madam Speaker. That's part of the problem, it's not that it's home made it's because that the expertise or the areas that we need to obtain are scarce you might say up there, but the main reason is our lack of funds to obtain the professional services that we require to have a report done you might say. We did expend some money on a EIS for that incinerator and that was the part that was missing in that EIS was the omissions part. This is what needs to be filled in and until we can source that from a company and we can identify the funds that are required unfortunately we can't proceed with the project.

MR SNELL The Minister just mentioned the words unfortunately we can't proceed with the project, under whose authority that we can't continue with this project, whose stopping us, why is it being stopped. Is it legislation that's within your sphere or is it legislation from Federal Government or why is it being stopped.

MR SHERIDAN Thank you Madam Speaker. No the reason why it has stopped is that a project such as this has to go through the normal development application process and that means that application has to be lodged with the Administration to conduct such an activity, that goes through a review process, through the Planning and Environment Board etc etc and the recommendation from them at this point in time is that, and it goes up for public comment and we have had some adverse public comment in regards to this and the recommendation from the Planning and Environment Board at this time is that we need more information and also the Planning Officer, we need some more information so that it can proceed to be fully analyzed by those people who are tasked with making these recommendations about projects that come before them in the planning process.

MR SNELL Thank you Madam Speaker. Supplementary on the question. Is it the feeling of those and I will use the words complain and criticize this home made incinerator, are they happy with the situation that is being conducted now whereas we have mass burning at Headstone with no control what so ever. Surely what was intended before is a far more satisfactory arrangement than what we have now so really it affects the question – why can't we get on with it.

MR SHERIDAN Thank you Madam Speaker. Well the reasons why we can't get on with it is just as I explained before. I'm as frustrated as Mr Snell is because I see it as a good alternative to open burning out at Headstone but unfortunately until we work through the process and the processes are there to safeguard everybody. The Government or the Administration just can't fast track a proposal because they see that in their minds it's the right thing to do. They can't do that. They have to go through the process and unfortunately we are stuck with the process and what I think or what Mr Snell thinks whether it's right or wrong, some in the community will think it's the right thing

to do and some obviously think it's not the right thing to do. Whether they prefer to open burn out at Headstone, I don't believe they are fully supportive of that either, but it's just that we have to come to some agreement that satisfies everybody, well not everybody you never get that, but satisfies all concerns that are raised are in regards to this project, and we are progressing it but slowly, but we will be trying to get this done in the future.

MRS WARD Thank you Madam Speaker. The Minister has spoken of identifying funds. Does the Minister know how much the Omissions Report would cost to do.

MR SHERIDAN No. At this point in time I don't know what it would cost because we are finding it very difficult to find a company who would provide such a report. So that's part of the equation and funds is the other one.

Speaker Thanks Minister Sheridan. That exhausts the supplementary on that subject. Further Questions Without Notice.

MR SNELL Thank you Madam Speaker. I direct a question to the Minister for Finance. Minister the previous Assembly had an arrangement for the acceptance of Bartercard dollars particularly with Norfolk Air. Can the Minister give any indication as to what credits are still being held by the Administration in favour of Bartercard dollars and any proposal for its utilization.

MR BUFFETT Madam Speaker I'll take that on notice in terms of what the figure is at this moment because I don't have that figure in my mind. But I just confirm that there is a figure so there is a balance of Bartercard dollars. That is progressively being drawn down in terms of its use and the Administration have instructions to endeavour to identify areas where those dollars can be used so that we progressively quit the holdings there, but I'll provide some detail to you if you just let me have that on notice.

MR KING It's in the nature of a supplementary Madam Speaker. I wonder if Minister Nobbs may be able to answer whether the function plan for the former staff of the Norfolk Air, whether it's going to be funded by Bartercard dollars accumulated by the Airline.

MR NOBBS Thank you Madam Speaker. That arrangement is certainly being explored to see whether that was a possibility.

MR KING Minister Nobbs may be able to inform the House then what appropriation vote authorises or is to be charged for the expense of the planned function, given that Bartercard dollars is an asset of the Administration.

MR NOBBS Thank you Madam Speaker. As I've reported to the House earlier the Bartercard trade dollars form part of our audit so any usage goes through an audit process. There is also the Bartercard evaluation review group which determines the higher expenditures Bartercard in much the same way that the BRC determines cash expenditure to the Public Service.

MR KING The Minister just said something totally unrelated to the question that I asked. The Minister just said something totally unrelated to the question that I asked. I asked him what appropriation vote authorizes the expenditure of dollars, the Bartercard dollars for that function.

MR NOBBS Thank you Madam Speaker as I said. I've just explained that there are some evaluation

MR KING Are you going to ask the Auditor to come up later on. Well maybe I have another supplementary. Could I ask whether similar functions are to be provided at public expense for other Administration staff who's services are discontinued or who contracts expire for example perhaps a function for Mr Henderson who after 9 years service failed to have his contract renewed. Does he get a function, Bartercard dollars or other dollars monopoly money or what.

MR NOBBS Thank you Madam Speaker it's a little bit hard to take question seriously given that the Service would make determinations on some of those elements.

MRS BUFFETT I'd like to add a further response to that question at risk of entering the risk of firing line. What we've got here Madam Speaker is the Norfolk Island Government has run a n airline service for a number of years. It has done that well. The reason it has done that well is because it had excellent staff who have performed in those roles that are appropriate to be performed there. We all know the reasons why we've had to relinquish the running of an airline and in doing so we recognise with great regret that it has meant that some positions have needed to be lost, we are no longer able to offer employment. And given that situation at the end of the time we are endeavouring to make an honourble recognition of those who have so provided that service and that's what's being referred to here and I think it needs to be in that context. It is not in the matter of the wider Service where somebody has not had employment renewed for example. The Administration is continuing the airline is discontinuing and it does need to be seen in that context and I'm making this additional response because I want it to be clearly seen that there is appreciation of those people who have made that service. There is appreciation of many others too but it needs to be in the context of the discontinuance of that airline arrangement.

MR KING Madam Speaker I feel need to respond

MADAM SPEAKER This is Questions Without Notice

MR KING I'm pursuing the legitimate line of questions Madam Speaker. I really want to know regardless of whether or not we want to honour service and I have no difficulty with that but my legitimate line of questioning firstly is in relation to how the Government gets their sticky fingers on the Bartercard dollars for an unplanned and unappropriated function. Will someone answer the question. Mr Buffett has entered the list. He may care to add to his long speech.

MR KING I find it offensive that a Member of the Assembly refers to the Government and sticky fingers in endeavoured to go through proper processes. There are proper processes in which the Government needs to identify tasks, needs to go through the processes of requisitioning and the like. I have no personal oversight of that at this minute but I have no doubt that they in the normal course will be undertaken and adhered to.

MRS WARD Thank you Madam Speaker. My question is to the Chief Minister. What response have the Norfolk Island Government had so far to the competition discussion papers released and printed in the paper a couple of weeks ago.

MR BUFFETT Madam Speaker there has not been a great deal of response on a direct basis. I understand that it has engendered some significant discussion in the community if one just picks up the vibes about that, that is part of the intent of the paper so the people do recognise the components, talk about it, come to grips with it., In terms of direct response to the Government to my office for example there has not been a great deal of that at this moment, but the matter of conversation and discussion within the community is happening and that is important.

MRS WARD Thank you Madam Speaker my question is to the Minister for Tourism. If the accommodation industry is to be deregulated how does the Norfolk Island Government intend to ensure that appropriate industry standards are maintained.

MR NOBBS Thank you Madam Speaker. In answering this if I could also provide a little bit of further response to the question about discussion on the discussion paper with regard to competition. The ATA, the Accommodation Tourism Association has certainly provided that discussion paper to their membership and have invited feedback in that regard and they have a special meeting to discuss some of the options within changes to the or potential changes or proposed changes or discussed changes for their area of operation in the accommodation industry. The standards that you refer to there, at this stage the standards are rated and it's a legislative requirement that those accommodation properties be rated. At this point in time I don't see the removal of that, I actually see that we've gained much benefit from that affiliation and service delivery and recognised service delivery is a major part of tourism and tourism planning.

MR KING Thank you Madam Speaker. I have a question to the Chief Minister and it does seek specific detail. I appreciate that he may not have the answer now and may put it On Notice if necessary. Can the Chief Minister provide some clarity to the claims made in his Press Release dated 2<sup>nd</sup> March about the impact of federal income tax. Is it possible for example that in arriving at the suggested maximum tax of \$78 per week for a person earning \$575 that the low income tax offset of \$1500 or \$29 per week has not been taken into account and is it not a fact that a person earning less than \$16,000 per annum would pay no tax at all.

MR BUFFETT I think that is likely but I'm happy to check those figures and let you have some response and they can be examined properly.

MR KING Just a brief supplementary. Is it the normal practice given the partnerships that we are in with the Commonwealth in the progression of the Roadmap would it have been a normal practice to clear the information contained in that Press Release with Commonwealth agencies and was that undertaken.

MR BUFFETT We didn't clear that with the Commonwealth Agency, nor would be necessarily see it as normal, but let me say this in terms of dealing with the tax office. We have endeavoured to open dialogue with the Tax Office for over 12 months, over 12 months rather unsuccessfully we have encouraged the Department and that is the Regional Australia to use their influence to position people from the Australian Tax Office on Norfolk Island so that the issues that Mr King is now raising may be personally discussed with them by people who want to discuss their situation and all we can do is endeavour to give averages and useful guidelines. Hopefully that is of some help but the other would have given more detailed information to individuals whether they be in business or employers or employees. We continue to try and achieve that but to really answer your question given all of that background, no we didn't necessarily have this conversation with them.

MRS WARD Thank you Madam Speaker. My question is to the Minister for Community Services. It has come to my attention and I understand that the Minister is planning to present to the next sitting of this Assembly a Bill updating the Mental health Act. What type of consultation took place with professionals and the community before the Minister made the decision to review the Bill.

MR SHERIDAN Thank you Madam Speaker and thank you Mrs Ward for the question. Yes the Mental Health is currently undergoing a review and this has

come about by numerous recommendations you might say by the people who administer the Act i.e the Mental Health Tribunal, the Mental Health Advocate, comments from Solicitors, visiting professionals you might say in regard to that area and community members who have approached me with regards to what they see is shortfalls within the legislation and the ability to administer in a more local sense some needs for people with mental health needs. So those are the reasons why it is undergoing a review, it is well past time for a full review Madam Speaker and I am hopeful that by the April sitting that I will have a draft Bill to present to the House.

MR KING Madam Speaker thank you. I refer to the Chief Minister's other recent Press Release wherein he called for public comment on the question of local GST versus Federal GST under some proposed new tax package. How is it justified that the community be only given 2 weeks to consider this important question and the need for the Government to adopt a position in relation to it has been apparent for 16 months.

MR BUFFETT Madam Speaker there are a number of factors that come into play in terms of our ongoing financial situation, number of factors we have hoped to be helped by delivery of the Economic Development Study. The Economic Development Study I will say this in another statement that I've got to say a bit later but I'll mention this part now. The Economic Development Study was first of all scheduled to be delivered on the 19<sup>th</sup> December of last year, it wasn't. It was extended until end of January. I understand it wasn't necessarily delivered on that date but may have been delivered soon there after. It is now with the Department as I understand it, it has not been delivered to the Norfolk Island Government. In fact a recent conversation with Minister Crean indicated that it has not been delivered to his office at that time. I have been pressing the Department strongly that we receive it so that that report can assist us in some of the considerations including that that relates to local GST versus Commonwealth GST. The reality is that we just can't sit around much longer, we need to start putting things out into the community and therefore notwithstanding that we haven't got that report, notwithstanding that it may provide us with much good information we've got to be active in doing the things that we have done, and therefore you can gather that that report is valuable to us, it may have a different slant on how we tackle that but that is how we see it at this moment and we are endeavouring to share the views and seek comment upon it.

MR KING Does the Chief Minister really see that 2 weeks is an adequate time for an informed response from the community on this very complex question number 1 and the second part of the question is why does the discussion or the comment sought not lay out the other option and that is that option adopted in the Indian Ocean Territories that like them we be exempt from Commonwealth Federal GST. Why is that not an option. A couple of questions in there I'm sorry.

MR BUFFETT The exact figures are not in my mind but just let me allow you to put out this generality. We're of course exempt from Commonwealth GST at present. It doesn't apply in Norfolk Island and that's the way it exists in the Indian Ocean Territories as I understand it there, although I don't claim to be an expert on the Indian Ocean Territories. The delivery of the Commonwealth Grants Report gives us indicators that if we enter the Australian GST sphere there are some benefits for us, the first is of course that it's 10% instead of 12% so people will pay less in Norfolk Island. The other is that in the Australian sphere it isn't as wide in its coverage of goods for example it doesn't cover some element of foodstuffs, so they may well be benefits, may lower prices for example in Norfolk Island. But the principle benefit is that if we pay into that pool then the Commonwealth Grants Commission calculations indicate that we may expect from that pool would be more, millions more than we would raise on our own account. So that would be of benefit to the Norfolk Island community. I haven't got that Press Release in front of me but the overall figures is an estimated sense were quoted in that, and you've

probably got it in front of you and you can... So that needs to be taken into account. Now that is further detail if one reads in detail the Commonwealth Grants Report but it is however an inch thick, that's endeavouring to encapsulate some of the components.

MR KING Just one more supplementary. So Chief Minister has it categorically been ruled out that we will not be treated the same as Indian Ocean Territories in respect of the question of GST

MR BUFFETT No. that can't be claimed. What the Norfolk Island Government is saying that it sees that benefit and therefore given that benefit needs to feed that into the discussions with the Commonwealth. That's not an agreed position at this moment. In fact it may well be that it might need to be wider than just the Commonwealth because the participants to the GST arrangements are all the other States and Territories. So it's not an easy path.

MR ANDERSON Thank you Madam Speaker. A question for the Chief Minister now that he's in the firing line. Is the Chief Minister aware that his trial of the \$100 threshold for the payment of duty on goods received by mail appears to be interpreting literally and applied to each item in an invoice if it is under the \$100 threshold which is actually resulting in an invoice value much greater than \$100 being treated as exempt if each item in the invoice is under \$100. Was this the intended interpretation where the goods are not small personal packages as referred into the Press Release and was it endorsed by the Government.

MR BUFFETT The instructions that were pursued to the Customs arena were as earlier advertised. If that's the interpretation and I would need to make some checks just to see how all of that is travelling and I'm happy to do that.

MR ANDERSON There are instances where what would probably be classed as small personal packages are being treated along this line and given that your trial was for 6 months and started in August I'm assuming therefore that this trial will come to an end shortly and you will put a report in?

MR BUFFETT I will get a report yes.

MR ANDERSON The next question crosses across all 3 Ministers portfolios but I have given a heads up to the Minister for Community Services. In the event of a blackout in Norfolk Island do the employees of the Electricity Section have an exemption from the application of the road rules or is driving down the centre of the road forcing other vehicles off the road on both sides and overtaking on the inside acceptable practices that the Government would not consider either wreck less or dangerous driving as set out in Section 30 of the Traffic Act or negligent or inconsiderate driving as set out in Section 31 of the Traffic Act.

MR SHERIDAN Thank you Madam Speaker. In response to Mr Andersons question the only vehicles under the Road Traffic Act that have the ability to sound their sirens, flash their lights are vehicles that are authorised vehicles which are the ambulance fire engines and police vehicles. Under the Act the only thing that they could do outside of the Road Traffic Act is to go faster than the sign posted speed limit. But even those vehicles must then obey all other road rules. There is no blanket absolution you might say for them to go through stop signs or go through the give way signs, overtake on the wrong side, drive on the wrong side of the road. There is no ability for those emergency vehicles to do that. All other vehicles if they are responding to a situation must abide by the Road Traffic rules. So therefore yes if there is an emergency down or if there is a power failure on the island and the on call person with Electricity has to attend that situation they must abide by all the Road Traffic rules and regulations when they are proceeding to the Powerhouse.

MRS WARD My question is to the Minister for Tourism and relates to comments that he made both in the December sitting of the House last year and this February sitting regarding the Bio regional Marine Network. In December the Minister said and I will quote "We're certainly endorsing the parameters of the Bio regional Plan" and in February he repeated and I quote " We are certainly endorsing the parameters of the Bio regional Plan". My question to the Minister is and yes or no will suffice. Did those parameters include the Box.

MR NOBBS The parameters included recognition of the Box.

MRS WARD Does that mean that the Minister was endorsing the inclusion of the Box in the Marine Reserve Network.

MR NOBBS Thank you Madam Speaker. I was endorsing the overall concept of the plan and the environmental elements that it seeks to protect. I was also endorsing that within the comments that we had had there was recognition of the Box as an established plan of management.

MRS WARD Madam Speaker the Minister is not answering the question. Did his endorsement of the parameters of the Bio Regional Plan which is the Marine Reserve extend over, include the inshore fishery, known as the Box or not, Yes or No.

MR NOBBS Madam Speaker I have answered that. I have said yes but there was recognition given to the management of the Box.

MRS WARD Thank you Madam Speaker. Seeing that the answer is yes. No this isn't a supplementary, this is a question now to the Chief Minister and he has just heard the Minister for Tourism say "yes" Okay so we're including the inshore fishery. Is the Chief Minister aware that 2 weeks ago his Government Ministers ensured that a submission was sent to the Temperate East Division asking for the inshore fishery or the Box to be excluded from the Bio Regional Marine Reserve Network.

MR BUFFETT I don't recall seeing a letter to that effect. I'm happy to consult with my ? to see where that stands.

MRS WARD A question that will add onto that is an explanation to the community I'd like the Chief Minister to give an explanation to the community of the subsequent submission which was in fact a backflip on the original position taken in this House by both the Minister for Environment who very firmly said that he was a supporter of the Marine protected area, that it would be, that the Box would benefit greatly and taking on board what the Minister for Tourism has also just said that the Norfolk Island Government endorsed the inclusion of the inshore fishery in the Marine Reserve. Thank you.

SPEAKER There isn't a question but I think we're looking for ..

MRS WARD If the Minister would by way in time and I'm happy to put this question On Notice provide an explanation to the House.

MR BUFFETT Yes I will consult to see where that is.

SPEAKER Further Questions Without Notice and I'm mindful that we have 2 minutes before time expires and we cannot use the clock that's up on the wall at the moment, the batteries were changed yesterday but something that has gone wrong. We have a clock here that we are following.

- MR KING Can I move an extension of question time.
- SPEAKER Certainly Mr King. How long.
- MR KING Would 30 minutes be a big ask?
- SPEAKER It's up to the House. I put the question
- MR BUFFETT I propose 15
- SPEAKER Shall we at this time entertain the Motion that we extend question time for Questions Without Notice be extended by 15 minutes.
- QUESTION PUT  
AGREED
- MR KING Madam Speaker the original question was 30 minutes.
- MRS GRIFFITHS My question is for Minister Nobbs. Has there been any progress on the listeners survey for VL2NI
- MR NOBBS Thank you Madam Speaker. Following the discussion that we had around the table here I met with the Manager of the Radio Station asked what mechanisms they were able to put in place in terms of constructing a survey and they are working through an online survey as far as I understand it and hopefully that will be handled as soon as possible if it has not already been done at the moment.
- MR KING Thank you. A question for Minister Nobbs. Is it a fact or is the Minister aware of any ongoing mechanical problems with one of the million doll plus Rosenbauer fire engines which are perhaps not covered by a warranty and are the problems capable of being addressed.
- MR NOBBS Thank you Madam Speaker. I might take that one On Notice.
- MR KING I wonder if he might also take On Notice the question whether it is a fact that warranty on the vehicles has been voided or on the brink of being voided by the fact that there is too little use of the vehicles and seek some information on whether that caveat was identified and understood at the time of purchase.
- MR NOBBS Madam Speaker that certainly hasn't been raised with me that that's an imminent issue but I'll find that out.
- MRS WARD Thank you Madam Speaker. My question is to the Chief Minister and it is a question about the treatment of children or our young people under the law. Senior Officers within the Regional Department are obviously aware of the deficiencies we have in our juvenile justice system, particularly when sentencing but they say that that is a matter for the island. What is the Chief Minister doing to address the matter.
- MR BUFFETT I'm really not too sure of the specifics of what we're about. May I mention this however. This is in my mind but I may not be what your seeking about. Under the sentencing legislation in Norfolk Island there are provisions as to how you go about that and there is a lack of definition between adults and younger people in that process, and given that situation it has given I would say insufficient

flexibility for sentencing options for younger people. That is being addressed and that is being addressed by the Legal Services Unit and I have given them a timeline that they should have some provisions that I may discuss with the Chief Magistrate when he next visits which I think is next week. That's where that is at. So there is a recognition of that situation, it has been identified, and there are some proposals to discuss with the Chief Magistrate to see whether there are sufficient options for him to handle matters when they come before him and his Magistrate colleagues.

**MNR KING** Thank you. I ask the Chief Minister this question in his capacity with responsibility for Immigration. Is it correct that Air New Zealand unlike earlier carriers to Norfolk Island will not issue open dated tickets for return travel from Norfolk Island and if so, how does this impact on the requirement for a Temporary Entry Permit holder to hold a ticket for return travel from Norfolk Island, that is how does it impact on the Immigration requirement for a TEP holder to hold a return ticket.

**MR BUFFETT** Madam Speaker I'm happy to double check with the Immigration authorities but my understanding is that people do need to have an open and onward ticket from Norfolk Island if they are in the Temporary Entry category or in fact lodge a bond, and I understand that those from the New Zealand sector who may travel with Air New Zealand of earlier times, this is before the introduction of the Australian sector needed to comply with those arrangements. I assume therefore that we may need to enter the bonding arrangement more widely than have been earlier, but before I give you a categorical answer about that maybe I should do some double checking with the Immigration authorities as to how that is currently being handled.

**MR KING** A supplementary. If considered appropriate Chief Minister would you ensure in the light of some complaint that employers are given appropriate guidance through the local print media on the arrangements for their engagement of offshore staff.

**MR BUFFETT** I can include that in my conversations with the Immigration people with a view to some publicity, press release or something like that to give clarity to it.

**MR SNELL** A supplementary if I may Madam Speaker again on the same subject., If the Chief Minister is making enquiries of the Airline could he please enquire as to the policy of the Airline as I believe that they will not issue children's fares. Is it true or not. Would you please ask that.

**MR BUFFETT** I can certainly enquire but I doubt that that is an Immigration matter.

**MR SNELL** No probably not but

**MR BUFFETT** May I say that the Government no longer runs an Airline and in that context those matters probably would lay within the bailiwick of the Airline operators but I can certainly raise the matter and I will do so.

**Mrs ward** Thank you Madam Speaker. My question is to the Chief Minister and again it is on Immigration it relates to the media release made by the Government reminding employers of their obligation under the Immigration Policy and Guideline to genuinely seek applicants when filling a position and that the words "this is a TEP renewal" etc are no longer acceptable. The question is it's all Members understanding here that the Governments have sat back or this Government has sat back and basically accepted that practice for the 2 years that we have sat there and I'm wondering what has happened in recent days or weeks to make the Chief Minister or the Government take action on this issue.



the people who import the fuel and to distribute it. It's like when Foodlands runs out of milk is that an emergency situation for Norfolk Island? I don't really think so. It's left up to those people but it doesn't really come under the purview of the Emergency Management of Norfolk Island situation.

MR KING I have another question for Mr Sheridan if I may. Can I ask the Minister given his recent advice to the House that he will maintain a watching brief in relation to the importation of plastic bags until it is demonstrated to him that plastics pose an environmental problem for the island whether he is aware of the following. That the United Nations Environmental Program regards marine plastics as "the new toxic time bomb" and is he aware that the Pacific Regional Environment Program whose membership comprises 21 Pacific countries and 4 developed countries being Australia New Zealand, France and the USA acknowledges that 100,000 sea animals die each year from plastic debris including plastic bags, and is he aware that the Secretariat of that program launched its Clean Pacific 2012 campaign just last month which focuses on sustainable practices in waste management and pollution control and which embrace local commitment and solutions, and is he aware that Lord Howe Island has embraced practices consistent with objectives of its biodiversity management plan and an acknowledgement of the environmental problems associated with plastics including the fact that studies have revealed that 90% of Shearwater chicks have ingested some form of plastic and that their practices that is Lord Howe practices have resulted in a situation where hardly a plastic bag is seen in the island. Is he aware that well over 300 towns throughout Australia have adopted regulatory measures whether by legislation or otherwise to control and limit the use of plastic bags and Madam Speaker can I then ask the Minister how he along among so many can adopt a do nothing watching brief and not show some policy initiative in respect of the issue.

MR SHERIDAN Thank you Madam Speaker and I'm just mindful about what Mr Kings was saying about Question time running out the answer is no I'm not aware of all those things about 4 or 5 items that he's just referred to. No I'm not aware of those and as to my keeping a watching brief as I indicated to Mr King previously it is demonstrated that Norfolk Island does have a problem with plastic bags in its sea life around Norfolk well then maybe I will consider the problem, but Mr Kings' quoting figures from world wide organisations which most, regional worldwide, those numbers that he came up to or the facts that he quoted, do they indicate studies done on Norfolk Island. I'm not aware of any that's been done around Norfolk Island as to see the affect of plastic bags on sea life, on our natural habitat. I'm only too willing to take up the issue but if I come to the House with a Bill that proposes to band plastic bags the first question I would be asked is what is your rationale.

SPEAKER Thank you Minister Sheridan. Time for Questions Without Notice has expired. One more question.

MR KING A question for the Chief Minister. How can the Chief Minister be satisfied that he can conduct an independent and impartial examination of purported misconduct of one of his Ministers. What other the mechanisms are available given that we do not have access to the intervening commission against corruption for misconduct or alleged corrupt activities. What independent body is available for the Minister to place this matter before for independent examination.

MR BUFFETT Madam Speaker I thought that I responded to that earlier. I mentioned that I had made some interim examination and also examination of how it should proceed from here, including those areas which Mr King has referred to. When there is an answer to that well then I'm able to progress it further.

**QUESTIONS ON NOTICE**

**SPEAKER** And the first one Honourable Members is Question on Notice 326, Mr King to the Chief Minister. Would the Deputy Speaker please take the Chair.

**MR BUFFETT** Madam Speaker the question reads, recognising that government policy is almost always directed to the permanent section of the community; can the government confirm that additional census data will be published to restore the capacity to follow trends in the permanent section of the community? Mr Deputy Speaker I agree about the capacity to follow trends in Census Reports but I would really like to consult with Mr King to elaborate on the areas of his concern with a view to remedying that if needed and I'm happy to do that.

**DEPUTY SPEAKER** Thank you Chief Minister. Honourable Members Question on Notice 327, Mr King to the Chief Minister.

**MR BUFFETT** Madam Speaker the question reads, can the Chief Minister advise what percentage of fines imposed by the Courts and remaining unpaid in the last two years are overdue for payment? Is it a fact that administrative follow up of fines is adequate in terms of supporting judicial decisions? I have this information Mr Deputy Speaker. For the calendar year 2010 there were 80 matters filed in the Court. Of these matters there were 33 matters which were dealt with and fines were imposed and all of these have been paid. There are 14 matter for which fines remain unpaid but it was pointed out to me that 12 of these matters relate to company fines as a result of the Chief Revenue Officer taking action against a local company which has no assets so there is some unlikelihood about seeing those funds. There remains one unpaid fine for a matter that the time to pay has expired. That is the year 2010. 2011 the question was asked for 2 years. For the calendar year 2011 there were 113 matters before the Court. Of these matters there were 13 matters which were dealt with, fines were imposed and all of these have been paid. There are 5 matters which have fines outstanding but again it's pointed out that the defendant in 2 of these matters are off island so it's difficult for these to be enforced, and unless they return to the island it's unlikely that we will see funds before that time. There are 14 matters with fines that still have time to pay. There are a further 21 matters that were filed in the 2011 calendar year that are yet to be dealt with to finality by the Courts. Those matters are progressing in that fashion.

**MR KING** Just a brief supplementary. I wonder whether the document that the Chief Minister has referred to is in any form able to be circulated among Members. Given that I really couldn't add up the numbers that quick and the answer wasn't clear to me is what I'm saying.

**MR BUFFETT** Listen carefully

**MR KING** I did listen carefully. I couldn't add it up.

**MR BUFFETT** I asked Officer to prepare all this information, I provide it and you say you don't want it

**MR KING** I can't understand it I'd like to see it in front of me in black and white. Let me give you an example if I may very quickly. You said in 2011 there were 113, 13 were dealt with an fines were paid, 5 have got fines outstanding what does that mean.

**MR BUFFETT** Notwithstanding Mr Kings uncertainty I'm happy to circulate the information to Members.

DEPUTY SPEAKER Thank you Chief Minister. Honourable Members  
Question on Notice 339, Mrs Griffiths to the Chief Minister.

MR BUFFETT Mr Deputy Speaker the question reads, in the context of the Road Map, will the Chief Minister provide this house with a list of initiatives that the Norfolk Island Government is waiting on to be undertaken by the Commonwealth? I have had prepared a list Mr Deputy Speaker and I table this list, some 3 pages. It ranges through matters from the Ombudsman Bill, KAVHA area, Immigration, Border Protection, Customs Act, Quarantine, Private health Insurance, Planning, Memos to the Public Monies a range of matters and I will table those in accordance with the question.

DEPUTY SPEAKER Thank you Chief Minister. Honourable Members  
Question on Notice 340, Mrs Griffiths to the Chief Minister.

MR BUFFETT Deputy Speaker the question reads What is the process that is followed when a teacher determines that a student should see a Counselor? This has been provided to me by the Education authorities. The School Principal is ultimately responsible for all decisions, programs and services in a School and this extends to counseling services. The NSW Department of Education and Communities who's policies the School uses states in this context "School Counselors are administrative responsible to the Principal, they are responsible to the respective Principals for service, planning and delivery". In a School with a School Counselor Teachers would refer a student to the School Counselor who would then discuss the referral with the Principal. A colleguel decision on whether to proceed or not is usually made but the ultimate decision rests with the Principal. The Norfolk Island Central School uses the services of the Norfolk Island Hospital community Counselor and the Principal liaises with that Counselor. If a staff member wishes to refer a student to the Counselor they make the referral to the School Principal who will then discuss the referral with the Teacher. Again it is ultimately the Principals decision. It must be noted that no student or parent can be forced by the School to use the services of a Counselor. The NSW Department of Education and Communities Policies on Counselor services states "In all activities related to the individual psychological or educational assessment of a school students by the school Counselor except in the case of a students self referral, a students self referral, the parent or caregiver will be involved from the outset by the Principal of the School. At the Norfolk Island Central School all students who are considered in need of counseling are given the opportunity but as the above policy indicates not all parents or students accept this opportunity.

MRS GRIFFITHS Thank you Mr Deputy Speaker. Am I to understand that the Principal himself makes an assessment on whether or not a child should see a Counselor and what qualifications does he have in doing so?

MR BUFFETT Mr Deputy Speaker I'll advance to the next question because I think that answers that in part if that's ok with you.

DEPUTY SPEAKER Thank you Chief Minister. Honourable Members  
Question on Notice 341, Mrs Griffiths to the Chief Minister.

MR BUFFETT Madam Speaker the question reads, Has there been any occasion when, a teacher making a recommendation for a student to see a Counselor, that this recommendation has been denied? The answer to that is yes on a small number of occasions. I don't have a figure for that. In these instances the Principal was involved in confidential issues relating to these students that the Teacher could not be made aware of. The Teachers were told that the Principal had made a decision to monitor the student and institute other welfare strategies available in the school. School Principals are appointed this may be helpful. School Principals area appointed due to

their experience, management and welfare skills. Principals deal in situations with staff, with parents, and students that often require high levels of confidentiality not only with individuals but with Police, Welfare Agencies and other Government bodies. For these reasons decisions are often made on a need to know basis. The NSW Government, may I just pause to say that these responses that I am giving are in accordance with the NSW Government's Department of Education policies and that's the package that we buy in terms of education. The NSW Government in being aware of the wide ranging responsibilities of Principals covers their decision making powers in the NSW Department of Education and Communities Teachers code of conduct. Teachers at Norfolk Island Central School use this code. Principals and teaching staff are provided with clear directions and guidelines in regards to these decision making processes.

**SPEAKER** Thank you Chief Minister. Honourable Members  
Question on Notice 342, Mr King to the Minister for Community Services

**MR SHERIDAN** Madam Speaker the question reads, can the Minister advise the House of the regularity with which inspections of licensed premises take place under the Sale of Food Act and the extent to which random spot checks occur? Advice received from the Administration's Public Health department of whom it is responsible to undertake inspection of Sale of Food premises indicate that inspections are done annually on all premises of which apply for a sale of food licence including licensed premises. These inspections are conducted at random with only inspections of premises who conduct progressive dinners arranged prior. A record of inspections are placed on individual files but Madam Speaker I know Mr King does have a problem with this area and I will be requesting the department to lodge with me in the future 6 monthly reports on inspections completed with results of these inspections indicated.

**SPEAKER** Thank you Chief Minister. Honourable Members  
Question on Notice 343, Mr King to ask the Minister for Tourism, Industry & Development

**MR NOBBS** Madam Speaker the question reads, can the Minister advise the What was the specific nature of the advice which lead to a petrol rationing arrangement which lasted less than 24 hours.. Madam Speaker between the 3<sup>rd</sup> and the 28<sup>th</sup> February some 5 fuel rationing directions were issues. Given the quantities of ULP at the time of notification a broad range of measures were put in place to facilitate community, emergency and tourism operations through the ULP shortage, I commenced an investigation into the fuel shortage on the 21<sup>st</sup> of February and information provided from that investigation will be available to Members to provide any further specific nature of the advice. Part 2 of the question reads; What was the major contributor to the February fuel crisis. Unprecedented weather conditions Madam Speaker. The TDO The Distribution Officer has certainly provided in former advice that delays longer 4 days would be equal to or less than 5 over the last 44 years and to give some further background to that, at the time of departure with our vessel going through from Fiji to Norfolk there was also a cyclone in Fiji from what I'm informed that also made the delay go right to the threshold. Part 3 reads; What faith can the community have in an island emergency plan when basic reserve stock assessments and reordering arrangements are unable to be carried out?. Madam Speaker I've proposed within the investigation a minimum stock trigger level, I've documented this to the Service to provide reasonable remaining fuel capacity and timely notification of an imminent crisis. This will enable more flexibility in the future. I've also spoken to the distribution agent to request periodic information on bulk fuel levels and an evaluation of bulk storage reconfiguration. Part 4 reads; What measures will be taken to ensure that the risk of this occurring again is minimised? At this point I am awaiting a response to the investigation. I have however suggested and discussed with the Acting CEO and the distribution agent minimum stock trigger level notification at no less than 50,000 litres, multi level monitoring and reconfiguration of the second aviation bulk tank to hold ULP. Part 5 of the question; Would the Minister provide written detail to the House for publication disclosing full costs

(incurred or expected) associated with the procurement, transport and distribution of fuel supplies from New Zealand during the recent fuel crisis and the outcome of cost recovery arrangements; I've requested that from the Public Service and the supplier Madam Speaker. Part 6; At what point can consumers expect the fuel price to revert to normal and how is that being determined. I'm informed that at the current rate of usage all drum petrol purchased from New Zealand will be delivered to service stations by the end of this week which is March 9 and consumed by the end of the week ending March 16. Fuel prices for each shipment are calculated based on the invoice price from the supplier. This invoice is not available until the tanker has returned to its port of origin and all costs are included, This process can take the supply of 3-4 weeks after the tanker has discharged on Norfolk Island. Oil price increases since the last shipment and the movement in the Australian US dollar exchange rate indicate that the tanker price will be higher than the October 2011 shipment. The supplier has not been able to give a definite date for the invoicing of the last shipment. Part 7; If the Minister is proposing to conduct an enquiry into the crisis when will this be completed and will the Minister table the findings of his enquiry in this house? As I initiated the inquiry on the 21<sup>st</sup> February with the specific request that findings be made available to all Members. I appreciate that extreme weather events are happening all around our region therefore we cannot afford not to evaluate the recent fuel crisis and install better notification and management processes.

MR KING I appreciate the lengths that Mr Nobbs has gone to to answer the questions but I was left wondering as I listened to his answer to the first question when he was asked what was the specific nature of the advice that led to an arrangement which lasted less than 24 hours. I'm not sure that I heard a clear answer in respect of that. Were you advised and on what basis were the calculations made that the arrangement that was to be in place wasn't sufficient to meet reasonable demands in a fair way throughout the community. What was the specific nature of the advice. Why did an arrangement which was decided upon last less than 24 hours.

MR NOBBS Thank you Madam Speaker I'll answer the last part of that question first up and that it there was certainly a human nature element that got involved in those distribution arrangements as a result of that direction whereby for example in the 2 hours between 7 and 9 of the day after the direction being issued some 20% 15-20% of the weekly fuel was consumed between 7 and 9 that morning, in particular one of the stations. I had numerous complaints which led to the putting in place of the vouchers where persons were filling up at one station after another and a number of other outcomes from that unfortunately affected the ongoing nature of it. As indicated in the last part of responding to that question that from the investigation that I've requested that the specific nature of the advice will be provided to all the Members.

MR KING I appreciate Minister that there is an inquiry underway and some advice is coming to the Members about that and I look forward to it. Did I hear correctly in your answer that you have requested that minimum stock trigger levels presumably meaning reserve stock trigger levels be imposed. Are you saying that no such trigger mechanisms were put in place or were in place.

MR NOBBS Thank you Madam Speaker it's a very good question Mr King. At the time of notification I think when I was notified there was from recollection 1,000 litres in the bulk storage facility to give you an idea of what our weekly consumption is that's somewhere in the range of 25,00 to 34,000 litres per week so hence you would notice there was some immediate movements by myself, by the rest of the Government by the Administrator to put in as many formulas to encompass all those areas as possible. Hence the specific suggestion that I have made within the investigation to have trigger levels of notification regardless of whether the ship is just about to connect or whether the ship is some way off.

MRS WARD Just a supplementary if I may Madam Speaker. The question is who is carrying out the investigation the mouse guarding the cheese factory or is there an independent investigation going on.

MR NOBBS Thank you Madam Speaker. Good question Mrs Ward. At this stage it's gone to the Internal Auditor as I've also said it comes back to all of us if there are some findings in there that there is consensus that needs to be evaluated in another forms then we can certainly consider that as well.

SPEAKER Thank you Minister Nobbs. Honourable Members Question on Notice 344, Mr King to ask the Minister for Tourism, Industry & Development

MR NOBBS Madam Speaker the question reads, is it a fact that there is no agreement in place between the federal government or any of its agencies and the Norfolk Island Administration which authorises the Administration to regulate the use of facilities atop Mt Pitt; Madam Speaker I'm advised and this actually relates to Question 1 and 2 so I might just read out Question 2 as well. If such an agreement does exist can the terms of that agreement which the Administration relies upon as authority for its control and regulation of facilities, be made publically available; Madam Speaker I'm advised that the Administration of Norfolk Island has for many years been allowed exclusive use and occupation of part of the summit of Mount Pitt for the purpose of critical communication aerials and associated infrastructure facilities situated there. These facilities fenced off to exclude access other than by authorised Administration personnel. The Administration use of such critical infrastructure is expressly recognised in the management plan 2008/2018 for the Norfolk Island National Park and Norfolk Island Botanic Garden. The management plan is a legislative instrument prepared under the Environment Protection and Biodiversity Conservation Act 1999 against Commonwealth. A formal written agreement with Parks Australia has been drafted and is in the process of being finalised. Part 3 of the question; If such an agreement is not in existence will the Administration refund all charges it has imposed on users? Madam Speaker no, no refund is due to private business interests that have previously been allowed limited access to the Administrations infrastructure on Mt Pitt

MR KING A supplementary please Madam Speaker. In short you have said and correct me if I'm wrong that there is no agreement in place and there is no authority, formal authority for the Administration to control or regulate or charge in relation to those facilities.

MR NOBBS Madam Speaker I think Mr King is taking an interesting interpretation to a pretty straight forward answer. There are allowances and recognition in the legislative instrument that I earlier discussed.

MR KING Just say No

MR NOBBS Madam Speaker are you in control of the Parliament

SPEAKER I was just going to say to Mr King order. Please continue Minister Nobbs

MR NOBBS The commercial arrangements for charging and for providing the facilities and the technical support their entirely appropriate.

SPEAKER Thank you Minister Nobbs. Honourable Members Question on Notice 345, Mr King to ask the Minister for Tourism, Industry & Development

MR NOBBS Madam Speaker the question reads, given that the major objective of the structural changes to Telstra announced by the Prime Minister on



March 12<sup>th</sup> with a view to finalising those accounts that I have just referred to. I also advise the House that the Australian National Audit Office has recently advised the appointment of the Executive Director and Audit Manager to conduct the 2011/2012 audit, that is the year following that is being asked of me. In terms of Section 48 b 4 of the Norfolk Island Act I will be tabling in papers a Statement of the reasons why that 2010/2011 financial statement was not given to the Auditor General within the 5 months. I just mention what it is there but the formal paper I will be coming to in a moment.

SPEAKER Thank you Minister Nobbs. Honourable Members  
Question on Notice 347, Mr Anderson to ask the Chief Minister

MR BUFFETT Madam Speaker the question reads, at the February sitting the Minister took on notice the question of freight rates and the use of volumetric measures to determine charges for bulky items. Can the Minister now advise the Community, to the extent that he is aware, of Air New Zealand's intentions with volumetric measurement of freight and whether the Government will be having any input into the Air New Zealand's three month trial of rates? Madam Speaker Air New Zealand are currently running a 3 month trial of freight rates without a volume charge. The trial is aimed at assessing a compromise in the transition to the standard aviation air freight charging systems of volume metric cargo while they decide the best approach to operate to Norfolk in the long term. From recollection the Norfolk Island Government provided input to the request for tender documentation to support the continuation if possible of the Norfolk Island or Norfolk Air freight charging system formulas and it's worth pointing out even though its self explanatory that the Norfolk Island Government no longer has a role in the commercial arrangements of an air service.

MR ANDERSON a supplementary please. I appreciate that there is no longer a role for the Government but the question says will the Government have any input into it. I mean the Government can make representations, is there any intention to put something to Air New Zealand.

MR NOBBS Thank you Madam Speaker. As I stated we did put input into this at the request for tender. Certainly I've had discussions with Air New Zealand reps in terms of the sensitivity for freight rates impacting on private sector operators. So it goes without saying in that regard.

SPEAKER Thank you Chief Minister. Honourable Members  
Question on Notice 348, Mr Anderson to ask the Chief Minister

MR BUFFETT Madam Speaker the question reads, what is the amount owed to the Legal Aid Fund by past recipients of aid where they agreed to partially or totally repay the aid provided? What steps have been taken to collect the amounts outstanding from those individuals? In response I say this Madam Speaker. The Legal Aid Fund is owed \$62,974-01 in total by past recipients of aid. This is contributed by 4 debtors in the respective sums of \$13,088, \$13,088, \$34, 422-01 and \$2,376. Supreme Court proceedings have issued as to the first 3 debtors and 2 debtors have been served. One debtor has been has put forward a proposal for payment while the other debtor is disputing the debt. An application to extend time for serving the 3<sup>rd</sup> debtor has been filed in the Supreme Court. The proceedings have issued as to the 4<sup>th</sup> debtor who owes \$2,376. Recovery action against all debtors is currently being reviewed after advice received from the Legal Services Unit.

SPEAKER Thank you Chief Minister. Honourable Members  
Question on Notice 349, Mr Anderson to ask the Minister for Community Services

MR SHERIDAN Madam Speaker the question reads, It has been reported that the MOU in relation to the provision of health services in NSW for Norfolk

Island residents, that was to be signed by the NSW Governor during her recent visit was not signed because the Commonwealth had concerns. Can the Minister advise what those concerns were and why they could not be resolved? What has been done subsequently to resolve the concerns? Did the Commonwealth provide a workable alternative rather than allowing Norfolk Island to proceed with the arrangements it had made? Firstly, just to correct the first part of the question in regard to the NSW Governor's signing the MOU, the actual intent was for the this MOU to be signed between the NI Hospital Enterprise Director Mr. David McCowan and the South East Sydney Local Health District Chief Executive Mr. Terry Clout of whom was on Island together with Director of Mental Health Dr. Murray Wright during this same period, in the presence of the NSW Governor who was fully supportive of the arrangements that had been agreed upon. It was unfortunate that this MOU could not actually be signed off upon during this visit; however the visit enabled the finalisation of the agreement and for two of the top persons in SESLHD to see first hand the health facilities that Norfolk Island has to offer and the difficulties that is experienced. This MOU came about after various parties had discussions with NSW Health during 2011 in regard to streamlining the current arrangement that was in place with NSW Health. NSW Health nominated the SESLHD as the preferred area for residents of Norfolk Island to facilitate health services to be provided for them. During this period an agreement was reached to facilitate urgent and emergency medical transfers from NI to the Australian mainland. This MOU stated under the Terms of Understanding "that the MOU: is not a legally binding document and its provisions do not create rights, obligations or duties for all parties; and record's the mutual intentions of the parties to work together collaboratively for the benefit of the NI community and to provide assistance for access to other services available in the District and Network. This involves working collegially and collaboratively with all parties both Government and Non-Government as a conduit for services not available in the SESLHD or the SCHN. This also records the commitment by both SESLHD and NIHE to work with NSW, other State/territories, and the Commonwealth health and community service agencies in the development of a whole of Government approach to assisting the NIHE to improve access by NI residents to required medical services and treatment in the Australian Mainland." The concerns that have been referred to in the question stem from the advice that was received indicating that this MOU would have to be approved by the Commonwealth to ensure compliance with the Funding Agreement that was signed off on by both parties for the FY 11/12. This process involved the Administration providing to the Commonwealth a copy of the MOU together with indicative costs of the proposed service, together with an explanation as to the reason why this MOU was required. Upon submission of the MOU to the Commonwealth, advice was received back which indicated that in the Departments opinion they had "concerns that the proposal does not demonstrate that the NI Government is acting in a reasonable and financially prudent manner, and is therefore not compliant with the Funding Agreement for the Norfolk Island Territory 2011/12 (the Funding Agreement). An estimate of the anticipated costs of the MOU has not been provided to the Commonwealth, and no information has been provided as to the anticipated cost recovery or the NI Administration's ability to afford any likely costs under the new arrangement." The advice also indicated that 9 clauses under the Funding Agreement which may be relevant for the NI Government to comply with. The Department requested that "in order to provide approval of the funding, the Department would require, at a minimum, a costed analysis of the financial implications for the proposal including cost recovery arrangements, a comparison of services available by agreement with other jurisdictions or an explanation as to why it is not possible to source the services elsewhere, and an explanation of why the expenditure cannot be deferred. The Department would need to receive this information within a reasonable timeframe to consider the proposal and provide approval before any arrangements are entered into." Also the Department stated that "Until such a time as these matters are rectified, the Commonwealth cannot consider approving the proposal to execute the Memorandum of Understanding." It was frustrating when this advice was received, as the whole intent of the MOU was to facilitate access to improved medical services of which were not available on NI. Access to health services of which are available to all Australian citizens

and which is a big part of the Roadmap to which the Commonwealth is a signatory. It was frustrating as in discussions with the Commonwealth it has been indicated that NI has to pursue matters in their own right and not rely on the Commonwealth to pursue matters for NI; NI has to be proactive and not rely on handouts. It was also considered that the cost of this MOU would have been negligible on the Hospital Enterprise, as the majority of the costs incurred would be on a cost recovery basis, either from the patient or the Healthcare Scheme. A comparison of services available by agreement with other jurisdictions or an explanation as to why it was not possible to source the services elsewhere was not deemed to be possible nor practicable, as the current agreement with NSW had been in place for a long period, and also attempts to achieve an agreement with QLD Health at the time were considered to be not achievable in the short time. The Commonwealth were fully aware of this as Ms. Gillian Savage had been present for discussions when the Hospital Director and the Administrator visited QLD late last year to ascertain as to whether an agreement could be achieved for the provision of health services to the residents of NI. These discussions are continuing to this day. A response was provided to the Department of which in part indicated that the draft MOU was provided to the Department at its urging and to inform the Department of the measures that the NI Government is taking to improve outcomes for residents consistent with requests from Minister Crean for action in areas such as these. Upon the receipt of the advice, it meant that the NI Government then had to obtain legal advice to ascertain whether the Funding Agreement or the CFM Orders applied to the execution of the MOU. Advice that the Government received indicated that neither the Funding Agreement nor the CFM Orders apply to mere execution of the MOU. Commonwealth approval is therefore not required in respect of, or prior to, that event. The advice also indicated that out of abundance of caution an amendment could be inserted into the proposed MOU to assuage Commonwealth concerns. This advice was relayed to the Commonwealth as part of the response to their concerns which stated "Legal advice confirms that Commonwealth approval of the MOU is not required under the Funding Agreement or the Commonwealth Finance Ministers (NI) Orders. The MOU relates to an existing arrangement between NSW Health and NI that has been in place since 1989 and predates the CFMO's and Funding Agreements. It acknowledges the schedule of fees and charges that applies to NI residents treated by NSW Health under this agreement. The MOU also states NSW's willingness to provide additional services when and if asked by NI and subject to terms and price being negotiated and agreed by both parties. Clause 1(a) of the MOU also expressly states that the MOU "is not a legally binding document and its provision do not create rights, obligations or duties for all parties". Execution of the MOU does not give rise to any liability regarding payment therefore it would not be in breach of any of the quoted clauses of the Funding Agreement. Similarly because the MOU is not a legally binding agreement and no payment is payable or may be payable under the MOU it does not constitute an "arrangement" within the definition of that term in clause 49 of the CFMO. Although advised that it is not required, NI proposed to insert into the MOU the following under the Terms of Understanding, the clause inserted reads;

(c) Out of abundance of caution the parties expressly recognise that the NIHE may not enter into any arrangement or incur liability regarding the expenditure of public moneys without prior compliance with all applicable terms of -

(i) a "Funding Agreement for the NI Territory" executed on 22 September 2011 between the Administration of NI and the Commonwealth of Australia; and

(ii) the "Commonwealth Finance Minister's (NI) Orders made on 24 February 2011 under subsection 48T(1) of the NI Act 1979 (Cth). This letter was provided to the Commonwealth on Monday 13 February 2011, four days prior to the intended visit by the NSW Governor and Chief Executive of SESLHD in an attempt to have the MOU approved for sign off on the Friday. Verbal advice was received from the Department on the Thursday that they had received their own legal advice on the MOU and that the Department were not satisfied and still had concerns with the MOU and further information was required, so therefore approval could not be given. The Commonwealth representative also indicated that a response to our letter would be received by the close of business of Thursday 16 Feb 2011. To date no response has been provided and it



advertised on Norfolk Island? Are all installed inverters to be checked or are the manufacturers controlling the recall? If the inverters are to be replaced is the Government insisting the replacements be at no cost to the consumers and that all costs be met by the manufacturers, as would occur in a mainland recall? Madam Speaker I've sought an answer from the Electricity Undertaking and I'll read directly from it. It is incorrect that 380 inverters are being replaced as part of a manufacturers recall. There have been about 12 inverters replaced under warranty. There has been no product recall so why would it be advertised. As per terms and conditions replacement under warranty of the inverter are free but the freight and install costs are at the owners expense same as on the Mainland.

SPEAKER Thank you Minister Nobbs. Honourable Members  
Question on Notice 353, Mr Anderson to ask the Chief Minister

MR BUFFETT Madam Speaker the question reads, the previous CEO engaged a local consultant to review the operations of the Customs and Immigration area with the intention of determining the desirability of a restructure. Was the report that was commissioned ever completed and if so what action has the Government taken arising from its recommendations? Madam Speaker a request for tender was issued on or in late 2010 to review this area that is Customs, Immigration and Quarantine functions at the Administration but the tender process was terminated with the signing of the Road Map as it may have had some duplication in terms of some of its components particularly paragraph 4 g of the Road Map. That really refers to review application of the Migration Act to Norfolk Island in order to enable its full application to the island. So that may have had a flow on effect to that area and the earlier arrangement was terminated. There is another factor also to take into account into this and this is the Public Sector Review. It itself is looking at a wider range and the results of that review are still obviously being examined in terms of implementation and will pick up some of the components that were earlier wished to be addressed.

SPEAKER Thank you Chief Minister. Honourable Members  
Question on Notice 354, Mrs Ward to ask the Chief Minister

MR BUFFETT Madam Speaker the question reads, At a recent Senate Estimates Committee hearing, senior officers from Minister Crean's department said that the lack of capability of Administration is a barrier to progression of measures in the Road Map. Would the Chief Minister inform the House which areas of Administration lack the capability to carry out reforms under the Road Map; and 2) At the same Estimates hearing, the same senior officers said that our inclusion in the Australian taxation system would take quite a few years and was something for the future. How do those comments fit with implementation of federal taxation under the Road Map and its timeframe? The first bit first, lack of capabilities. In terms of those comments overall there were a number of incorrect statements that appear to have been made and I have asked Officers and they have done so to write to the various people to give them the proper perspective, so that has been done, but in terms of the particular part of the question they weren't specific about which areas. I can only draw inference that they may have been referring to the results published in the Public Sector Review and there are 5 areas which they are proposing a capacity building team and they are HR, IT, Finance, Legal Services and Project Management. But I haven't got that in confirmation to the Estimates Committee commentary but that will come in due course. In terms of the taxation system you will know that we have been pressing for the Australian taxation, I had a question earlier in the House today, we have been pressing them for some time so that we might better equip both the Government for its considerations and individuals who live in the community about the way forward. Whether we will be able to meet the timeframes that are so set remains to be seen but we press them in terms of delivering their product.

SPEAKER Thank you Chief Minister. Honourable Members  
Question on Notice 355, Mrs Ward to ask the Chief Minister

MR BUFFETT Madam Speaker the question reads, there is a proposal in the Road Map to develop a model, by 30 June 2012, for Norfolk Island's full transition to Medicare and Australian Social Security from 2012-13 through to 2013-14. Will this model be developed within the stated time frame? Again I've strongly pressed for transition to Medicare and Australian Social Services arrangements here and my Minister colleague Mr Sheridan has added weight to this in his particular area of Social Welfare. My last visit of one to Canberra endeavoured to talk to some of these areas. We were successful in some but not successful on others and I emphasise that we continue. So I'm not able to guarantee the dates but it depends upon how Minister Crean is able to convince his colleagues and I will be speaking to him within days.

SPEAKER Thank you Chief Minister. Honourable Members  
Question on Notice 356, Mrs Ward to ask the Chief Minister

MR BUFFETT Madam Speaker the question reads, do all proposed actions within the Road Map have the endorsement of each Commonwealth Minister responsible for a particular area in need of reform? Well this is a vexed question. Minister Crean has endorsed where we are to run in terms of the Road Map but some of his colleagues remain to come aboard. I have confidence in Minister Crean's rationale and capacity to secure their agreement.

SPEAKER Thank you Chief Minister. Honourable Members  
Question on Notice 357, Mrs Ward to ask the Chief Minister

MR BUFFETT Madam Speaker the question reads, has agreement been reached with the Commonwealth on implementation of the Public Service Review recommendations? No

SPEAKER Thank you Chief Minister. Honourable Members  
Question on Notice 358, Mrs Ward to ask the Chief Minister

MR BUFFETT Madam Speaker the question reads, is it a fact that the Regional Department is recruiting a team of public servants from across Commonwealth departments, focusing particularly on information technology and financial skills, human resources and legal, to work in the Norfolk Island Administration? If so; when will the team start; what is their task; how long will they be here for and who will they report to? I understand Madam Speaker from Officer discussions that this is planned by the Commonwealth but I have no advice about start dates or other information but when I have it I'll share it. It's one of the things that still need to be tidied between the Norfolk Island Government and the Commonwealth Government.

SPEAKER Thank you Chief Minister. Honourable Members  
Question on Notice 359, Mrs Ward to ask the Chief Minister

MR BUFFETT Madam Speaker I'm going to take 359 as being answered because I'm going to make a Statement later on which will encompass this matter and provide the information there and so therefore I'll move to 360

SPEAKER Thank you Chief Minister. Honourable Members  
Question on Notice 360, Mrs Ward to ask the Chief Minister

MR BUFFETT

Madam Speaker the question reads –

- 1) Have discussions taken place between the Norfolk Island Administration and the Federal Department on the Norfolk Island Government's budget for the 2012-13 financial year;
- 2) What is the amount of Commonwealth financial assistance being sought for that year; and
- 3) If funding from the Commonwealth is not to be provided, what alternative plans are in place to financially manage the islands affairs? Madam Speaker I lodged a funding request with Minister Crean with the Governments 2012/13 budget on the 10<sup>th</sup> January of this year 2012 and whilst the Governments budget it's a sustenance budget is not to be prematurely released it is dependent upon an injection of Commonwealth funds and that's no different from this year, no different from the previous year and we have heard figures from time to time, me quoting about those particular years, but this particular budget we're referring to here is for discussion with Minister Crean next week and I'll share the outcome of that when I do have it.

SPEAKER

Thank you Chief Minister. Honourable Members

Question on Notice 361, Mrs Ward to ask the Minister for Community Services

MR SHERIDAN

Madam Speaker the question reads, is it a fact that the Minister is satisfied with the current level of health service provision on the island, particularly in the area of mental health? If so, does the Minister remain confident in the local professional or layperson advice he is receiving, relating to mental health issues which lead him to believe that there is no need for further outside assistance when assessing our community's mental health needs? Madam Speaker First part of the question the answer is yes. As for the remainder of the question in regard to the advice, and type of advice, and from whom, that I am receiving and therefore the insinuation that I believe that no outside assistance is required. I don't believe this at all. I receive advice from various areas, professionals, non-professionals who work in the health area, community organisations and members of the community who may not necessarily have experience in mental health areas but who are concerned in regard to the provision of services. I take all the advice to hand and assess what can be achieved and at times not all concerns will be achievable. What I am confident in is that all needs for mental health persons on Norfolk Island can be adequately catered for within the current framework that is available already on NI. A number of facilities are available of which are: access to a free counsellor, access to free 1800 numbers for a variety of things, crisis counselling, violence against women, kids help line, Karitan access to on-line organisations such as understanding depression, men line Australia, youth help on-island medical facilities access to off-shore medical facilities, including access to psychiatrists, mental health teams for assessment reasons, placement for mental health patients if required facilities under the Mental Health Act to provide for orders to be made access to large family support for mental health persons access to free mental health medications (upon assessment) Outside assistance is very helpful and at no time have I indicated that this assistance is not required. Currently the NI Government is awaiting the report on the Children and Family Support Review of which may indicate areas that are not covered at this time or lacking in there support. I am also aware that Father Riley was recently on Island looking at youth issues, and I look forward to his assessment to see as to whether he believes there are areas that are lacking in support. It has also been budgeted in next years funds to provide for a full time Health Education/Promotion Officer which as a requirement for this role, experience in alcohol abuse and mental health issues will be necessary. It has also been budgeted in next year's funds to renovate one of the hospital rooms to facilitate accommodation for persons with mental health disorders and who require containment. The NI Hospital in its recent agreement with SESLHD has access to their full range of facilities that cater for patients with mental health problems. The Mental Health Act 1996 is currently undergoing a full review, particularly with the ability to provide

for community mental health orders to be made, without the requirement to proceed to the Mental Health Tribunal. This Government is committed to the provision of and access to mental health facilities, and I am confident that the arrangements that are in place are sufficient and if any improvements can be made, then they will be. This is only part of the Governments commitment to the provision of medical services of all types, not just mental health.

MR KING Madam Speaker I seek leave to move a Motion, a Motion that the House take notice of the Chief Minister's answer to the first Question Without Notice asked of him in relation to Ministerial conduct.

MADAM SPEAKER Is leave granted Honourable Members? Leave is so granted Mr King

MR KING Thank you I so move.

SPEAKER Mr King has sought leave to move a Motion at this time.

MR BUFFETT To be heard now without Notice in other words

MADAM SPEAKER That is my understanding

MR BUFFETT It doesn't have my consent not that it needs my consent. I'm very happy to tackle whatever matter he would like but maybe he would have the courtesy of letting us have notice in the normal course of processes so that we can give it valued consideration and proper discussion

MR KING One might say the very same things about the Statements and muttering of the Ministers in this House. May I move suspension of so much of Standing Orders as would prevent me moving such a Motion

MADAM SPEAKER Thank you Mr King. Debate Honourable Members on that Motion

MR BUFFETT Yes I have no difficulty with Mr King's Motion coming forward but in the proper process

MADAM SPEAKER I understand Chief Minister

MR KING Ample precedent Madam Speaker to this

MADAM SPEAKER Now we have before us a Motion that Standing Orders be suspended that requires the support of 6 Members of the House and that is to bring forward a Motion to suspend our Standing Orders which are preventing that happening at this time. Is there any debate on that question. If there is no debate on that question I will put the question that Standing Orders be suspended such as would prevent Mr King moving a Motion to this affect at this time.

#### QUESTION PUT

MADAM SPEAKER Would the Clerk please call the House

Ms Adams	No
Mr Snell	No
Mr Sheridan	No
Mrs Griffiths	Aye



when he took on that responsibility that this was going to be an open and new era of financial accountability and responsibility. The system has broken down simply because the Commonwealth won't give us some note about their terms of the outstanding loans with the Commonwealth. I think that that's absolutely ridiculous and unacceptable.

MRS WARD I just wanted to say that by way of comment that surely the Commonwealth isn't allowed to sign off a piece of paper basically proving that they will prop us up and show that we are a going concern until they have been through a robust process of their own to ascertain the situation. So if indeed that is the case I'm glad that's taking place. Yes it does slow down the process but you know the reality is when we came in we were not a going concern, we found a complete mess and it will take time to rectify that situation. Thank you.

MADAM SPEAKER Further debate. Would you just clarify for me Chief Minister that you did table a paper.

MR BUFFETT Yes

MADAM SPEAKER No further debate I put the question.

QUESTION PUT  
AGREED

MR BUFFETT Madam Speaker thank you. I have a statement which will I will briefly entitle the Road Map update, and in commencement may I Remind members that the Road Map is a structure erected to achieve long term sustainability over a period of time – 5 years contained within the signed Road Map document. Although given how some matters are handled it may extend beyond that, it's not a short period and it's erected as a partnership between the Commonwealth and Norfolk Island Governments. The Road Map which identifies - immediate measures; mid-term measures and longer term measures and initiatives. There are a number of distinct Headings of actions :

1. Governance Reform
2. Economic Development
3. Public Sector Management
4. Immigration, Health, Welfare & Education
5. Taxation
6. Environment
7. Extension of Commonwealth Laws.

The need for a Road Map as you will no doubt readily recall arose when our financial reserves to meet the modern needs of our community became exhausted. To be overly succinct this meant that our small pool of people 1800 living here or say 2,500 including visitors – in our small and relatively isolated place, was not able to generate sufficient funds to sustain us particularly given the pressures of the Global Financial Crisis (GFC) and its flow on effect upon our principle industry of tourism – more later. The financial exhaustion was not just our call, but the call of our own auditors, that of Commonwealth financial assessment, and the evaluation of external independent advisers - Deloitte - engaged by the Commonwealth. This financial exhaustion, compelled us to seek financial assistance from the Commonwealth. Why the Commonwealth ? Because the Norfolk Island Act prohibits Norfolk Island from seeking funding elsewhere, other than with Commonwealth approval. On the occasions we have sought such external funding, it has been declined. The negotiations to secure funds was protracted. The Commonwealth's financial response upon final discussions with Minister Crean in November 2012 was two tranches of funds in the years 2010/2011 totally \$5.629 Millions [3.829 plus 1.8] and in the current year – still running 2011/12 – is \$2.9 – Recurrent Budget provision, plus \$10 Million plus airline exit costs (Total over the 2 years period ahs been approximately \$19 Million.) I again reinforce my words of earlier occasions, the appreciation of the Norfolk

Island Government to the Commonwealth Government, for its funding to continue the essential provision of services to Norfolk Island, including the operation of an airline to continue the principle industry of tourism and continue to bring in essential supplies to the community, and to facilitate travelling from the Island. These funds were, and continue to be, subject to funding agreements. The Commonwealth provide funds, we undertake to do specified things. The specified factors in the main, reinforce the requirements of the Road Map. There have been 2 Funding Agreements – one for last financial year and is no longer current. One current for the present financial year. And so we have in play 2 principle documents a) The Road Map itself; b) supported by the current funding agreement. The Structure of the Road Map, calls for a number of surveys to provide detail and evidence and substance to the Road Map Structure. To proceed on a sound basis we need to gather evidence, to proceed as planned or to adjust our plans, based on sound evidence. Completed and Delivered are these Reports: The Well-Being Study, Grants Commission Update, Public Sector Review Concurrently we have undertaken our own Census in August 2011.

We have developed a preferred Model of Territory Government - our method to deliver services. All of the above reports are publicly available both in hard copy form or by electronic means. These Reports have progressively collated information and undertaken further research. Other Reports whether from the Road Map or Funding Agreement, are awaited. Example: Economic Development Study (More Later) Supposed to be delivered 19 December extended to end of January, its with the Department who I understand have had it since 5 February, Minister Crean and I are awaiting a copy. Children and Family Support Services Review & Report – understand this is due shortly – it is vital to the collation of evidence based material. As all of this material is progressively gathered we are able to progressively make arrangements on the way forward. An example, mentioned in a press release a couple of weeks ago, is the assessment that entry into the Australian GST arena, and relinquishing our own, will provide greater financial benefit to the community. a lesser rate 10% in lieu of our 12%. doesn't apply to a range of food items – as ours does. But more importantly, the amount we would receive from the GST pool is significantly more than we collect here – according to the Grants Commission Report. I do expect upon delivery of the Economic Development Study, we may be in a position to model groups of citizens within the Island, individual people, business examples (groups identification are enabled by the Census for example), to enable people to more closely examine the financial impact – benefit or otherwise – upon individuals, families, businesses. We put out some brief information to model of average wage earner in press release a week ago, for example how this might work. The Economic Development Study I trust will increase the information and professional advice on our circumstances. Overall, the Road Map and Funding Agreements have placed a number of demands upon the Norfolk Island Government ranging from :

1. Reports of above-mentioned Studies..
2. Introduction of Legislation eg Immigration; Ombudsman
3. Policy changes (Immigration)

Supporting and enabling AAT Launched 1<sup>st</sup> March, FOI, Privacy and the like. Reduced costs of travel to the island by abandoning the Departure Tax and reducing the passenger movement charges as an example. Norfolk Island has been the subject of criticism alleging it is not delivering on some of these requirements. And in this context it must be refuted and put into context. The only areas of non delivery, is where non delivery is impossible until delivery by the Commonwealth on an essential ingredient upon which our delivery depends. For example Ombudsman (awaiting drafting through the Commonwealth Attorney General's office); Report on Competition is dependent upon Commonwealth delivery of the Economic Development Study and Action Plan – I tabled a list of items earlier today. It needs to be clear that Norfolk Island is meeting its obligations IS meeting its obligations. Non delivery by the Commonwealth on many fronts is impairing Norfolk Island in its capacity to move towards a remedy to our financial difficulties.

There is a perception that if we lift our visitor numbers, as the new Tourism General Manager and the Minister are progressively planning coupled with the operation by Air New Zealand of our service to the east coast of Australia –

If we lift our visitor numbers, then prosperity will return to the Island; and our crisis will be over. Not so. With great regret not so. It is essential that we return buoyancy to the tourism industry. It will restore jobs, build buoyancy, provide income, put food on the table, meet commitments to financial institutions, and the like. All of that we must achieve. But surrounding that flow of money, is the significant infrastructural need for :

\*Hospital – not just the building of a new facility but its ongoing million dollar annual costs of medical services.

\* Welfare services

\* Education

\* Telecommunications

\* Harbour facilities

\* Roads, and many others.

Each of the above make multi million \$ demands annually on our Budget.. We are not able to meet such costs today. Our pool of 1800 people is insufficient in revenue raising capacity to meet such demands. This is why we are examining and negotiating to enter into a larger pool, where we make a contribution according to our capacity, and the larger pool has greater resources to meet the needs of Norfolk Island as I have outlined previously. Our contribution is entry into the Australian Taxation regime, the Welfare scheme. Entry into the Australian GST Scheme means we will receive equal access to the wider benefits, by which means we gain long term sustainability.

The next major step is to receive the Economic Development Study and Action Plan. It must be made clear that we are not yet at this destination. In fact we are far from it. We face debates and difficulties – on our home front, and in the Australian sphere. There is no case to do nothing, the past path is difficult but the future can be bright and it can be beneficial if we do have the courage to tackle the problem and embrace the changes that are absolutely essential. And I just wanted to share that overview with all of the factors that are around today so you will hopefully see some of it in context and these things that have appeared from time to time over the past 4 or 5 months are gradually coming together and it's one assisting the other and all of them assisting us to give substance to our planning on the way forward. It is prospective that we might may need to make some adjustments but that does not jeopardise the overall Road Map plan and that we need to get to the destination of long term sustainability. Madam Speaker I thank the House for its indulgence in listening for that period of time this morning but I think it important to just stress how we are travelling.

MRS WARD

Madam Speaker I'd like to move that the Paper be noted.

MADAM SPEAKER

Honourable Members the question before the House is that the Statement be noted. Debate.

MRS WARD

Thank you Madam Speaker. I would firstly like to thank the Chief Minister for his heartfelt progress report on the Road Map which is a highly complex job that he and his Government and indeed this whole Assembly is working through together in a partnership arrangement with the Commonwealth Government. The Chief Minister is correct and I think I will just pick up on 4 points to reiterate what he has said. I think his terms have been very simple but mine might be even simpler. We are at the early stages, the early but very critical stages of the reform process. It's deciding once we have all the evidence based independent reports how we shall proceed going forward within the framework of the Road Map and there may be adjustments, that's what getting the evidence and community input is about. So there is no denying that that there may be tweaking as we go through the process, but what we are doing is the Chief Minister has said is laying down the foundations. We are redefining the direction of Norfolk Island's future in a governance and financial sense and this is about laying down new strong foundations in order to ascertain and then maintain long term sustainability. So while the

Road Map says that's a 5 year process that may extend out to be 5,7, 10 years and hopefully not much longer. So again I would just like to thank the Chief Minister for that update. I think the community will find that very useful.

MADAM SPEAKER Any further debate? I put the question.

QUESTION PUT  
AGREED

### **GOODS AND SERVICES TAX (AMENDMENT) BILL 2012**

MR BUFFETT Madam Speaker I present the Goods and Services Tax (Amendment) Bill 2012 and move that the Bill be agreed to in principle.

MADAM SPEAKER The question before the House is that the Bill be agreed to in principle. Debate Honourable Members.

MR BUFFETT Thank you Madam Speaker. GST was introduced into Norfolk Island 5 years ago and upon introduction there were goods imported into Norfolk Island prior to the commencement of the GST upon which Customs Duty had been paid and upon commencement of GST those articles, that is Customs Duty paid when sold would also then attract GST. They would attract 2 sorts of duty both the Customs and GST, and this was thought to be not a fair deal. So the GST legislation provided that you could claim reduction of your GST component on the goods up to 25% of your GST commitment each month, that is that you have paid earlier times under the Customs arrangement. The obvious thought in doing that was that with normal business turnover of stock you would have turnover over the pre introduction of GST stock on a given period of say 5 years and that 5 years was mentioned in the legislation. That 5 year period now is about to expire on the 16<sup>th</sup> of this month. In that period of time we have suffered unusually in our financial situation. A considerable downturn of business in Norfolk Island and whilst most businesses have been able to complete the Customs Duty drawback claim some I understand 18 or so remain outstanding, there are still something to be paid back, and given all of that the Chamber of Commerce have requested extension of time to allow further opportunity to recover the Customs Duty paid. They seek our assistance in these difficult times. And put succinctly I seek to offer some assistance to the business community recognising that in more fluid times this is where the bulk of taxes are raised, but I've got to acknowledge that the resources to make a response in a satisfactory way are severely limited, but the offer I am endeavouring to make is in this Bill. I'm only able to offer to financially project to the conclusion of this financial year, that is the 30<sup>th</sup> June 2012. The year beyond that we have not been able to settle how it will be funded or assisted by the Commonwealth and so I'm not able to offer anything at this stage about that. So this is only for the first period since expiry on the 16<sup>th</sup> of this month to the end of the financial year. And the proposal is that the drawback arrangement should be 50% of whatever they might need to pay in the GST component. I make that proposal to the House. I do understand that it's not, there are not unanimous thoughts about this matter but I do need to illustrate where we are at and put this on the table.

MR SNELL Thank you Madam Speaker. I intend to support the Motion. Madam Speaker I sympathise with those in the tourism industry and others that have stock which is now 5 years old and having difficulty moving that particular stock but one must ask oneself will the stock ever be moved, will it ever be sold, and even if tourist numbers is increased will it help them at all. I appreciate their situation, I support the extension and hopefully at the 30<sup>th</sup> June there may be some further light at the end of the tunnel. Thank you.

MRS GRIFFITHS Thank you Madam Speaker. I'll support the Motion, I'll support it for 2 reasons. The first is without a doubt there has been a downturn in tourism and the retail sector like many other sectors has suffered the direct consequences. The ? at the last Assembly in its eternal search for more revenue changed the goalpost and slowed the ability for retailers to claim back their duty. Having said that there are other points to consider. The current Norfolk Island tourism strategy states that the tourism industry has developed a strong dependence upon Government to accept and undertake almost total responsibility for its direction and future. This issue and its resolution is a prime example of that dependence. I was astounded to attend a Chamber of Commerce meeting when the issue first arose. What shocked me that coming to the Legislative Assembly and pleading the case for the retailers was the preferred and indeed the only option put forward for dealing with this issue. What particularly appalled me was that this was just 4 days before our Chamber of Commerce Christmas Pageant. There was no discussion on what other measures retailers could do to move their stock. It is a shame that for the past 5 years the Chamber has done little else for retailers other than promote a 30kg baggage allowance during the time of Norfolk Air. I realise that advocacy is one of the main roles of the Chamber of Commerce but I would prefer to see a Chamber take a greater leadership role than it does know. Without a doubt we are in unprecedented times and its time for the industry to step up to the mark. I'd like to see a Chamber work for its members. I want to see a Chamber build its numbers in the capacity of its members. I want to see a Chamber that formally informs its members and the rest of the business community and I'm not just talking about the minutes of monthly meetings. I want to see a Chamber work with the Government and play a greater role in promoting business opportunities for the island such as has been laid out in the Road Map. The Government can't do it alone, it needs industry support. I've shown my support today but the road must go both ways.

MR ANDERSON Thank you Madam Speaker. I have some reservations relating to the proposed amendment. Firstly it's a bandaid approach to a problem which I appreciate is because of the perilous state of the Territory's finances and because the Government is unable to commit beyond the 30<sup>th</sup> June as the Commonwealth have not provided any comfort related to deficit funding for the next financial year. Secondly it allows to seek further drawbacks at an accelerated rate but resulting in reductions of GST revenue that has not been budgeted for and the approach is the Government should be able to find the money to cover it. That is not in my view sound financial management. It sounds like the procedure followed by former Assembly's which ultimately has significantly contributed to the financial mess the Territory now finds itself in. Fiscal responsibility means we should provide for it only if we know we have it. I'm a member of and therefore a supporter of the business community. The proposed legislation is for their benefit, I should therefore as a matter of course support it. My problem is overcoming the bandaid approach and the lack of dedicated funding plus the justification for the continuation of the scheme. Representations made to me and other Members of the Assembly were in part that the duty paid is money that belongs to the businesses who are seeking to draw it back and that the Government has an obligation to repay it. That's clearly wishful thinking as this Assembly must not necessarily adhere to suggestions made by previous Assembly's. The duty was a levy imposed on the importation of goods. It was lawfully paid to the Administration in a previous Assembly when introducing the Goods and Services Tax in 2007 introduced a system of drawbacks based on a percentage of GST collected from sales made. They estimated 5 years should be adequate to clear the value of goods and merchandise on hand and enshrine in legislation that scheme. There was no obligation to return the duty but it would have amounted to a double duty but only on goods that were subsequently sold. Have those goods been sold and will they ever be? Those businesses that have not been able to achieve the full rebate clearly have had very slow sales for the last 5 years which is understandable or possibly they are overstocked in slow moving lines which possibly it would be inappropriate to rebate duty on anyway given they may not be saleable or may never be sold. Presumably it will need to be readdressed before the end of June as there

will still be a substantial amount on the books at that date. I will support the amendment to support the business community despite my reservations but I have to reserve my position if this comes before us again. Thank you Madam Speaker.

MRS WARD

Thank you Madam Speaker. I can reassure the retail sector that they have been heard on this issue. In fact we've had 3 separate sets of papers highlighting different options on how to deal with the issue and there's clearly a desire around this table to assist people in the private sector or the retail sector and obviously that's why the Chief Minister is proposing to not only extend the timeframe but also increase the percentage rate over that 3 months from 25 to 50%. That of course would mean there would be an estimated GST revenue shortfall of approximately \$40,000 which would mean that that spend would need to be reduced in another area of an already appropriated budget, and when I have asked the Chief Minister where the reduced spend would occur he couldn't tell me. Now he can't tell me Madam Speaker because this is a new demand that is not budgeted for and there are no contingency funds. We were told just the other day at MLA's meeting that a recent health related emergency issue that needed to be funded by the Administration and meant finding \$50,000 quickly was not easy to find. So we all understand how pressed we are for cash at the moment and of course I imagine the, indeed we were told the recent fuel crisis and the need to buy additional fuel has not helped either. Now if the Chief Minister was planning to find \$40,000 in the ministerial travel budget line then he need only say so and I will understand then, it will be clear where the money will be coming from. Like Mr Anderson I have no doubt that the affected residents feel that they are owed this money by the Government, they feel that it's theirs and that they will be taxed twice, once the cut off date comes. I am also sympathetic to the retailers who believe that they would have had a chance to drawback 100% of the duty paid over a period of grace and in fact members of the previous Assembly felt that 5 years was a fair and reasonable timeframe but it was a period of grace, and it has been suggested that the tourist numbers is the reason for the lack of ability to drawback but I have to ask why some retailers and some businesses have been able to fully recover their duty while others have not. I'll admit that I'm not across every detail of how the arrangement was entered into by the previous Government but I feel in no way responsible for what went on between 2 party's 5 years ago, and what really needs to be put on the table is the fact that this House normally appropriates tax payers money at the beginning of each financial year and had the Chamber or individuals come and lobbied members of this House back in February last year then we could have considered their case. What we cannot do is budget on the run we cannot single out sections of the community without considering others. We cannot move in this instance to potentially assist 16 people although only 2 would be paid out without recognising those who have argued that they have cleared their stock through measures that they didn't necessarily want to take, for example slashing prices to reduce their stock holdings but they did. They took proactive measures and it paid off. Now if the Chief Minister was presenting a Motion today to discuss an economic stimulus package for the entire retail or private sector that would be a very different story, that is something that I would fully support within the framework of the Road Map of course but what we have here is an extension that will assist 2 people to finality and I imagine that the other retailers will find this proposal insulting. I would like to close Madam Speaker by assuring those people listening that apart from the 2 people who have let me know that their business will be affected I and indeed I imagine all of us have no idea who the affected community members are because the GST office is obviously a strictly confidential area and we're certainly not privy to private financial information. So I can only hope that I will still be welcomed as a customer in the future because the fact remains it is our job to make fiscally responsible decisions and to allocate funds through appropriation. This Amendment is an unbudgeted demand and I cannot morally support it. Some will see my vote as cold and heartless, others will see it for what it is, its fiscal discipline and that's what I'm here to do. Thank you Madam Speaker.

MR SHERIDAN Thank you Madam Speaker. I think we've just found our next Finance Minister but in all sincerity there just a quick few words on the Bill Madam Speaker. Back in 2007 when the GST was being considered they had a trial of the NSL at 1% for 12 months I believe it was and just having a look back at the handsard there at March 2007 and they did a review of the NSL and the review group, one of their recommendations was a reimbursement of Customs Duty already paid, and in it they stated that the review recommends that 25% of the NSL/GST liability be retained by businesses to fund duty refunds and that the ability to qualify for refunds should require a business to lodge acceptable proof of stockholding with the Chief Revenue Officer, and the ability to claim a refund will expire after 5 years. This is of course what was put into law, that recommendation that 25% of the GST liability will be retained by businesses, they had to lodge acceptable proof of stockholding with the Chief Revenue Office and they had a 5 year sunset clause on it. The only problem with it was after that was introduced the Government, and I must admit it's the Government who has created the position themselves because they did not, they accepted proof of stockholdings from all of these businesses but they did not carry out any audits to quantify what they were claiming was correct. You talk to a few of these retailers who had to lodge these stockholdings or proof of stockholdings was very short, so was a rushed job. So I'm not very confident that the actual what was provided to the Government would have been necessarily correct. I'm not saying there were some obvious going out of their ways of retailers to try and claim more than they were due. I think just the timeframe and that the Government of the day did not undertake any audits left us open for some liabilities. The other thing Madam Speaker is that after the scheme commenced they changed the 25% GST liability to be retained by businesses to be after the input credits were credited. So therefore they lessen the amount of GST that could be claimed by a business in any one month. I believe that they did their calculations on the businesses claiming 25% of their liability every month and so the 5 year period would have compensated everybody. Some because of our own Government, the Governments decision to change the rules without further assessment of what it may mean to the reimbursement of the GST liability would mean to the fiscal process over those 5 years. Whilst I'm with Mrs Ward I don't necessarily agree to extend this past the 5 years. I see that was very clear that 5 year period to reclaim back those dollars and these people with the old stock that this duty was payable on they will never get rid of it, it's still on their shops and they most probably won't get rid of it. It's the GST that's being paid on new goods that have been imported that we're giving back money on. So even when they do claim all their GST or their duty payment back they are still going to have all that old stock, a lot of it will be there, and then they will end up writing it off. So I could quite easily vote no to this, cut it off now and everybody you know that's what was decided 5 years ago, but just considering that the Government changed the goalposts after the introduction of it by not allowing the full quarter of their GST to be returned but it was after the input credits and that we created the position by no audits I would support the Motion to be increased to 50% for the next 3 months, but I wouldn't support any extension after that. I believe the GST funds that are coming in at this point in time, I believe after January it's slightly above the 100% so I believe that the GST office will be able to fund that extra \$40,000 for this financial year. So just those few words Madam Speaker I do support the Bill.

MR NOBBS Thank you Madam Speaker. There certainly has been some good input around the table on this one and there has been a lot of consideration of each of those elements, both the, to use Mr Sheridan's terms, the changing of the goalposts in that progression the difficulties in tourism numbers dropping and availability of selling out of retail which is also largely impacted by online selling that is also taken such a strong foothold in the last few years. We have looked at and certainly discussed whether there could be an incentive program whether there could be other arrangements put in place. The Chief Minister has certainly put a compromise on the table and although its difficult on the one hand when your looking at some of the operators who have put initiatives in place to clear their stocks whether they would consider this an unfair advantage for those who have not necessarily put those same

initiatives in place. I intend to support it equally but only in the shorter instance and similarly on the basis of some fairly challenging times. I would just like to echo Mrs Griffiths words about a more proactive and collaborative approach for the retail sector and the Chamber of Commerce to get on top of some of these issues and perhaps further expand, not only delivery in sales but also online selling opportunities and the like. Thank you.

MR KING Thank you Madam Speaker. I'm sure that this question before the House is not going to turn on my vote. I can see which way it's going to run, I hear some perfectly good reasons uttered by a number of you around the table as to why you shouldn't support this Bill which nevertheless your going to do it, your going to abandon your good sense and your principles I suppose of good Government and support it. I can't so that. I agree with those good reasons that have been espoused by Mr Anderson who's going to abandon his responsibilities as a Member of this House and simply vote in a certain fashion. Contrary

MR BUFFETT Order.

MADAM SPEAKER Point of Order please

MR BUFFETT Yes it's quite inappropriate to say that a Member will abandon his principles.

MADAM SPEAKER Absolutely. I ask that you with draw it

MR KING I apologise for hurting Mr Anderson's feelings there. Look at the risk of spoiling the conversation over my dinner table tonight I won't be supporting it for the very good reasons that most of you who are going to support it have given. It is a scary precedent to be dismantling a tax, be it a good or bad tax. It's ok to review the basis on which and have a perspective effect on people but not to dismantle and have a retrospective affect and give people some benefit because they haven't secured or received the benefit or the favourable impact that they might have expected to receive from that tax. If you adopted that philosophy then you would be in all conscience be called upon to for example that I raised the other day, it was if someone who was not available source of the Healthcare Scheme but nevertheless have been called upon to pay the taxes and the levies in relation to it, should they be given a rebate? There is countless instances of taxes and imposts that have been placed by Government. I'm not sure that it's responsible Government to be conducting yourselves in this manner. It is incapable of precise measurement. Mr Sheridan alluded to the absence of unaudited figures. I'm not suggesting any one is a liar or making up figures to convince the Government to take a certain course but what I am saying is that it's irresponsible to take backward steps without being able to properly quantify and qualify the things that your taking into account. There is a lack of proper documentation in relation to this matter. When it was first raised by the Chamber to their credit, their great at lobbying and I think it's good particularly Mr Bell, give him a little bit of credit. I asked him to go away and come forward with the documentation that they had regard to and which they placed before the Government 5 years ago in order for the Government to reach agreement on this 5 year period. They have been unable to do that, maybe they have done it through you other guys but they have not given it to me. I went back and I had a look at handsard as scant as the debate was I have to say, to see what the intention of the legislature was. Now we have 3 letters from former members of the House served up to us this morning saying no well this is what we really intended to do. If they really intended to have provide some leeway why wasn't the mechanism included in the Act itself. It's just too hairy fairy for me Madam Speaker if I can get away with that description. I'm completely sympathetic with the economic circumstances on the island and particularly the impact on the retail sector but I can't in all conscience support it and I won't be supporting it.

MR SHERIDAN Thank you Madam Speaker I'd just like to ask the Chief Minister does he intend to adjourn this debate today or try and finalise it.

MR BUFFETT I would endeavour to finalise it if we can. The 16<sup>th</sup> is coming almost upon us.

MR SHERIDAN Madam Speaker if I may just before what Mr King said about Mr Bell, he asked Mr Bell to virtually justify the holdings of the liability. Is that what your meaning.

MR KING No no I asked hi to provide me with the documentation on the Chambers position at that time.

MR SHERIDAN Oh on the position of the Chamber. The only other thing I can say Madam Speaker is I believe that if the Government of the day back in 2007 when it was first introduced had the money available they most probably would have paid out the claims holus bolus. Now I don't know whether there was a legal liability for them to do that at the time. I don't know whether the course of action taken that they would repay that duty paid on those goods considering that now they would, GST would apply to those same goods that they would have extended over 5 years. So it begs the question of the responsibility of the Government to actually provide that money back. Now if there was no legal responsibility to provide those duties already paid on goods then maybe it would change the context of the argument of the discussion, because there is no legal requirement, in other words as I think with Mr Anderson was saying then there was a duty, then it changed from a duty to a GST, duty is already paid on those goods, was virtually stiff bikkies and you would have to reclaim it back through the sale of the goods i.e. increased mark up and whether it was just a good position that the Government of the day took in providing the duty back to these retailers. It is very difficult to really and this is the first chance that we've had to really discuss it and if the Chief Minister wants to finalise it today I think that maybe some of the queries are unanswered and that maybe you wouldn't get a true reflective vote of the House in regards to this matter. All along with this discussion that we've had I can support either case and you know I said I would support it but man I could be swayed very easily.

MRS WARD Try and sway the Minister. Back in 07 import duty that was paid was as the Minister is asking was there a legal requirement for the Government to pay back that money – no there wasn't. That was an import duty that had been paid as a levy over the years by importers to pay for roads, health, education etc. So that was written off in that sense. What the previous Government did, and the Minister was part of it was because they didn't have the money to say well here's a lump sum, here's well it was probably \$2m I think at that time, here's the money. There was no way on earth they had that money to pay. They took a very generous stance and they called it a period of grace and its written in the legislation, a period of grace, 5 years. Now I have at a guess there was probably people in the Chamber back then who weren't happy. They would have wanted their money paid back straight away but the reality was there was no money. The reality is today there is no money budgeted for this demand. Thank you Madam Speaker.

MR BUFFETT Madam Speaker this is now about time. We have had documentation on a number of occasions now. I'm just wondering what other documentation one would want to try and draw into the argument. You'll recall that we had papers prepared, we had submissions from the chamber, we had the Chamber members come and speak to us face to face around this table. I suppose what I'm saying is that we are just prolonging the agony about this matter,

MADAM SPEAKER Any further debate Honourable Members. We're at the stage Chief Minister if your wanting to progress to finality today

MR BUFFETT I'll see how we stand then. I move there at this stage that so much of Standing Orders be suspended as would prevent the Bill from being considered through all of its stages today.

MADAM SPEAKER No debate? I put that question that the Motion be agreed that Standing Orders be suspended such as is preventing the Bill being considered through all stages at this Sitting. It requires the support of 6 Members.

QUESTION PUT  
AGREED

MADAM SPEAKER I now put the question that the Bill be agreed to in principle.

QUESTION PUT

Ms Adams	Aye
Mr Snell	Aye
Mr Sheridan	Aye
Mrs Griffiths	Aye
Mr Buffett	Aye
Mr Nobbs	Aye
Mrs Ward	No
Mr King	No
Mr Anderson	Aye

MADAM SPEAKER The Ayes 7 the No's 2 the Bill is so agreed in principle. We move now to the detail stage, Is it your wish to dispense with the detail stage.

Aye

MR BUFFETT Madam Speaker I move that the Bill be agreed to.  
QUESTION PUT

Ms Adams	Aye
Mr Snell	Aye
Mr Sheridan	No
Mrs Griffiths	Aye
Mr Buffett	Aye
Mr Nobbs	Aye
Mrs Ward	No
Mr King	No
Mr Anderson	Aye

MADAM SPEAKER The Aye's 6 the No's 3 the Bill is so agreed.

## ORDERS OF THE DAY

### IMMIGRATION (AMENDMENT) BILL 2011

MR BUFFETT Madam Speaker whilst the matter is listed for attention today I don't intend to proceed with it but I would like to just explain where we are at with it. This is one of the requirements under the funding agreement. We have made proposals. This proposal in this immigration piece of legislation is to give pre capacity for Australian citizens in a visitors sense to have access to Norfolk Island and

you will recall that we had provisions for deletion of provisions for passports and other identification factors to be considered. We have consulted with the Commonwealth about that and although that was what they were saying to us earlier they now have a different view, therefore I'm not able to just press on with it. I need to get some finality from their perspective as to how they recommend to us that we may consider their further views. And so having explained that I will move that this matter be adjourned and made an Order of the Day for a subsequent day of sitting.

MADAM SPEAKER I put that question Honourable Members.

QUESTION PUT  
AGREED

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

MR SNELL Madam Speaker I move that this House at its rising adjourn until Wednesday the 11<sup>TH</sup> April 2012 at 10.00am

SPEAKER Debate Honourable Members.

MR KING Thank you Madam Speaker. Madam Speaker we're talking about a date which is some 5 weeks hence today there was a number of serious questions raised in respect of ministerial conduct, questions that need to be answered publically well before that time. These issues, matters of conflict of interest, gaining financial advantage or seeking financial advantage for information available within the Administration. These are very very serious issues. They cannot be allowed to stand for 5-6 weeks and I would according move an amendment to that Motion that the House resume 1 week from today whatever date that is – 14<sup>th</sup> March.

MADAM SPEAKER We have an amendment before us and I look to Members for debate.

MRS WARD I need to say Madam Speaker as I understand it from discussion this morning between yourself and the Chief Minister and Minister Nobbs and Mr Snell will be away so I couldn't support that date.

MR KING Friday Madam Speaker the 9<sup>th</sup> March.

MADAM SPEAKER At the moment I have an amendment to next Wednesday which is the 14<sup>th</sup> March.

MR SHERIDAN Put the question Madam Speaker.

MR BUFFETT What have you got Madam Speaker

MADAM SPEAKER We have a Motion which currently sits at 11<sup>th</sup> April, we have an amendment that the next sitting day be 14 March at 10.00 which is next Wednesday. The question before the House is that the Motion be amended that we adjourn until Wednesday the 14<sup>th</sup> March next Wednesday. I put that question.

QUESTION PUT

MADAM SPEAKER The amendment is defeated on the voices unless you wish me to call the House. We then move back to the final Motion which is that the House at its rising adjourn until Wednesday the 11<sup>th</sup> April 2012 at 10.00am.

I will put that question unless there is another amendment.

QUESTION PUT  
AGREED

Thank you, the motion is agreed to

### ADJOURNMENT

MR KING

I move that this House do now adjourn.

SPEAKER

The question is that the House stands adjourned until Wednesday 11<sup>th</sup> April 2012 . Debate Honourable Members

MR KING

Thank you Madam Speaker. I anticipated earlier on that I would make contribution to the Adjournment debate on the question of ministerial conduct. A number of Members in this House this morning raised significant searching questions in relation to a bundle of documents which is circulating to an unknown extent in the community, certainly I have received them, the Chief Minister has received them and the initial questions asked of the Chief Minister this morning centred on those documents and sought to extract from him how he intended to deal with allegations, inferences, imputations that were contained in that bundle of documents. Some of the questions sought information in relation to how the Government, the Chief Minister might reasonably be expected to deal with such matters. I personally have not been satisfied by the answers that I have heard. Mr Buffett said in his initial response or his response to the initial question a number of things and I made four particular points. He seemed to find some comfort, some comfort Madam Speaker in the fact that the transaction alluded to in the bundle of documents was less than \$200. Madam Speaker I put it to you and I put it to the House that it doesn't matter whether the sum of money was \$1, \$2, \$200 or \$200,000 it is the principle of the thing and the searching question, the important question is to determine whether in fact the Minister of this House and Executive Member of this House, a Minister of Mr Buffett's Government has conducted himself in a way in direct conflict with his duties given to him by this House, and whether we are going to stand by having regard to what the findings might be of that examination, whether we are going to tolerate such conduct, and such use of information which appears to have come within the public sector and used for own personal gain. Mr Buffett the Chief Minister seemed to find some additional comfort in the fact that the particular private commercial activity was in fact registered in the Members Register of Interests – so what. Does that make it proper? Would this House appoint me as the Executive Member of Gaming? My interests are listed. It was a comment not worth uttering in this House in the form of even an explanation let alone an excuse. Mr Buffett went on to say that it doesn't matter, we didn't say it didn't matter. He said that in any event they didn't get the job anyway, that is not the point. Surely we all see that, surely we all see that. Mr Buffett said that he's going to conduct a further examination. I endeavoured to extract from Mr Buffett how that was going to take place, and what other avenues of examination were open to us. I wondered if we might have access to the independent commission against corruption, we don't I'm sure, we don't. There was some suggestion somewhere along the line that we ought to. I would repeat that suggestion Madam Speaker, but given the absence of, or the lack of access to that independent body, what other independent bodies do we have. Should it be left to the Chief Minister to examine the conduct of one of his own Ministers – it is his Government, it cannot be said that in the examination by the Chief Minister would be independent, cannot in any way, shape or form. I'm not ? at this point in time is why I sought some earlier examination or earlier opportunity for this House to examine these things but the House has decided to turn that down, it's not important. It certainly wasn't important earlier on to agree to grant me leave to discuss this issue, wasn't important enough earlier on to allow the suspension of Standing Orders, wasn't important enough to allow an earlier date or opportunity for this House to consider Mr Buffett's findings. What

does that suggest, it suggests Madam Speaker that there are forgone conclusions in relation to this matter. Perhaps foregone conclusions revolving around the very scant comments that Mr Buffett the Chief Minister made in the earlier time. These are very very compelling documents Madam Speaker. They are not my documents, I've not made them up. They are documents that follow email discussion on attempted procurement of a private enterprise contract. They involve an identifiable Minister of this Government. Madam Speaker I would if I had the opportunity table those documents. Do I have that opportunity Madam Speaker to do that.

MADAM SPEAKER Standing Orders

MR SNELL Madam Speaker may I seek your guidance on a matter of Standing Orders. If we could refer to Standing Order 72A. No Member may refer to the conditions of service or conduct of a named or identifiable officer unless the House has, on motion duly moved without notice, voted to exclude strangers and suspend broadcasts of its proceedings.

MADAM SPEAKER That is correct Mr Snell. Mr King I offered you the opportunity earlier on...

MR KING You were a little irate at me Madam Speaker. We were talking about ministerial conduct. Well it's a bit mystifying sometimes Madam Speaker but

MADAM SPEAKER Definitely not Mr King. That is a aspersion on the Speaker Mr King. I'll now read to you're the opportunity that I offered you. Standing Order 87 and Standing Order 88. Notice of Motion shall be given by a member by demonstrating its terms to the House and delivering a copy to the Clerk while delivering of its terms to the Clerk. The notice must be signed by the member and show the date proposed for moving the Motion. A notice of Motion which is given by delivering a copy of its. I am speaking

MR KING I'm not seeking to move a Motion I'm simply contributing to the Adjournment debate

MADAM SPEAKER You were earlier on Mr King and I am explaining to this House

MR KING It's long passed Madam Speaker, long passed.

MADAM SPEAKER Ait is relevant at this moment Mr King as it was then. That offered you the opportunity at that time to state to the House the terms of your Motion that has now passed. I refer you to Standing Order 88. Further debate.

MRS GRIFFITHS Can I move that the papers that Mr King was waving around be tabled?

MADAM SPEAKER You are relying on which Standing Order Mrs Griffiths

MR KING 198

MADAM SPEAKER A document quoted from by a member may be ordered by the House to be laid upon the table. Such order may be made without notice immediately upon the conclusion of the speech of the Member who had quoted.

MR ANDERSON And I so move



that tact. Let's just try and find a solution to where we are. One of the things that I explained earlier in the Sitting when the matter was raised that I'm endeavouring to find a proper process to examine these things properly. I'm not convinced that the Assembly here is that proper process but I could be proven wrong about that, so that it can be given the appropriate considerations, respectful to those that are part of those papers without trying to draw political connotations to them at this time. The, and I've got to acknowledge that before coming to the House today I haven't found that solution but there needs to be one so that it can be properly examined and then the results made known. And I'm still going through the process of trying to find that, whether I am yet

MR KING I have a point of order. With respect it's unclear to me that the Chief Minister's contribution is to debate on Mr Andersons

MADAM SPEAKER And that is how I have taken it Mr King

MR BUFFETT I am, when we conclude here to have some conversations with our Legal people that might be able to give me some further advice about where we can properly go in this process. What probably needs to be said. I know that the focus has been given here upon a Minister but the reality is that the focus in those papers is not the Minister, it's another Officer of the Service, and that needs to be taken in context in the examination. I'm just putting on the table those factors that's all.

MRS WARD Madam Speaker there seems to be a lot of debate on this issue and I'll say it for the record that I've not been privy to this bundle of documents and I hear what the Chief Minister is saying but I think in the interests of open and transparent government I would support that the Paper be noted, no be tabled because at this stage that's all it's doing it's tabling the Paper it's not tabling and printed. I certainly would not support it being printed. So when a paper is noted it sits with your Office or Madam Clerks Office, it is then up to the relevant Minister to give permission for sighting of that document and so there in that, at that time when it becomes obvious that there are Officers of Administration named in that document that's when the shutter can come down so to speak. It would then not be relevant for it to be made available further pending an inquiry. But certainly in the interests of open and transparent government it is best to allow this document to be tabled. Just a suggestion of course Madam Speaker.

MADAM SPEAKER Thank you for your point of view. The question before the House is that this lies with the House as to whether or not the document be tabled. I have a Motion before me. I do not believe I have heard any rationale to be not able to entertain that Motion. However that lies with vote of the House. It certainly doesn't make the document available outside of the House, and I again say this House has proper processes for it

MR SHERIDAN I'd like to move the Motion

MADAM SPEAKER Mr Sheridan is moving a Motion that the question be put. I'm not putting the question I'm putting the question that the question be put.

QUESTION PUT  
AGREED

MADAM SPEAKER I believe the Ayes have it on the voices unless you want me to call the House. I will now put the prime Motion which is that the Paper be tabled.

QUESTION PUT  
AGREED

MADAM SPEAKER Have you understood what I've said. I would ask that the minutes reflect that I voted No. On the basis that the proper process is followed in this House. That Motion is agreed, the Paper is so tabled. It is private in my office to Members and is not available to any other person outside of this Chamber. Further Adjournment debate Honourable Members.

MR SHERIDAN Thank you Madam Speaker just a quick one briefly with my sports Minister hat on. I note that the school kids are down Emily Bay, I believe they are still there because it rained and I don't know whether they did call it off but I think I can hear them in the background. The school children are down Emily Bay undertaking their swimming carnival today. Of course we've got 3 houses down there, Philip, Norfolk and Nepean and of course. I'd just like to acknowledge that the school children are down there, they are participating in a activity that is beneficial to them all, it's a great day down there and if any of the listeners haven't been down there to watch them, to observe the kids swimming out to the raft and back again and relays and whatever they are doing, make sure you get down there. I'm going to duck down there for a quick hour during the lunch break and of course we all support a different house so I'll have to say - go Philip.

MADAM SPEAKER Any further debate Honourable Members before I put the question.

QUESTION PUT  
AGREED

MADAM SPEAKER This House stands adjourned until, this House does not stand adjourned. That was very close

MR BUFFETT There is something that I think would be of interest to us and in the community. You will know that in the latest Australian Cabinet reshuffle Federal, that Kate Lundy has been awarded a Ministry. We will know her association in the JFC and in island activities and I would like on behalf of the House to offer her compliments on achieving ministerial status.

MADAM SPEAKER Honourable Members for the record I will be off island from the 11<sup>th</sup> – 25<sup>th</sup> on private business. Thank you this House stands adjourned until Wednesday the 11<sup>th</sup> April at 10.00am

