



**NORFOLK ISLAND LEGISLATIVE ASSEMBLY
13TH NILA HANSARD 11 July 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.

SPEAKER Thank you, Honourable Members, anybody wishing to remove their coats, please feel free to do so, and ensure your mobile phones are switched off.

CONDOLENCES

MR SNELL Thank you Madam Speaker. It is with regret that this House records the passing of Noel Joseph May. Noel has lived on Norfolk Island since 1964 and quietly passed away on 15th June and was laid to rest on the 20th June 2012. Noel was born in Auckland New Zealand on the 24th August 1941. He was the third youngest of 6 children. Noel went to school at St Joseph College in Auckland and was one of the Colleges top achievers. After leaving College Noel immediately started his apprenticeship as a Mechanic with Auckland Motors and ended up with qualifications of a Mechanical Engineer. At that time Noel was one of only 3 Mechanics in New Zealand qualified to be able to work on Rolls Royce cars. In 1964 Noel left New Zealand and came to Norfolk Island to work as a Motor Mechanic for Rick Irvine. When that garage was eventually closed Noel then went to work for the next 3 years with Allan Partridge in his garage in Grassy Road. Following the time that Noel worked with Allan he went on to work for his very good mate Jack Fitzpatrick as a Mechanic up until 1993. Noel then went to work with his Brother Jack Huckstep as a Painter until 2001. In Noel's latter years he worked for the Norfolk Island Administration as a Painter until his passing. Noel had a keen interest in football and was the President of the Norfolk Island Junior League for many years. In 1974 Noel married Jackie and they had two children Kelly and Kiel. They also have 4 grandchildren, Zenon, the oldest Ryan, Mishka and Georgie. Noel is survived by his brothers Colin and Dennis, his sisters Marlene and Dawn. Unfortunately his brother Jack passed away in 2001. Noel will be sadly missed. To his wife Jackie, his son Kiel and daughter Kelly and their families. To his many friends this House extends its deepest sympathy. May he rest in peace.

SPEAKER In respect in the memory of the deceased I ask that we all stand in silence. Thank you.

QUESTIONS WITHOUT NOTICE

MR KING Thank you Madam Speaker. Could I ask Minister Sheridan to inform the House of the underlying objective for the Seniors card and what senior members of the community might expect to receive or benefit from their \$5 payment.

MR SHERIDAN Thank you Madam Speaker and Mr King for the question. Madam Speaker the Seniors card is an initiative that hopefully will compliment the Seniors card in Australia and New Zealand. In Australia and New Zealand there is various types of discounts for seniors that they may avail themselves of, such as public transport, you know free public transport in some States, reduced in others and participating partners you might say through businesses of a discounts to seniors. On Norfolk Island it is hoped to establish a list of businesses and service providers who will offer discounts to seniors. At this point in time Madam Speaker I am in the process of establishing reciprocal arrangements with the States, each of the States and New Zealand and to date I have had some encouraging responses from 2 or 3 of these. They aren't in place as yet but I decided to go ahead with the card so that the seniors when they do mainly travel off island they may avail themselves, if these places will accept these cards at this time. They may avail themselves of some discounted services but it is a work in progress project and more will be forthcoming in the months to follow.

MR ANDERSON Thank you Madam Speaker. Just a supplementary to Minister Sheridan. I notice that the Seniors card commences at age 65 and in some other jurisdictions notably its 60. I just wonder why you chose 65.

MR SHERIDAN Thank you Madam Speaker. The qualifications that I decided upon is really in line with our aged benefit you might say, age 65. I'm aware that in most of the Australian States it is age 60 years, in Queensland its 65 but there is a disclaimer there that if you are a holder of a Health card and a couple of others a DVA card and things like this well then you can access it at 60 and the other conditions are that you have to work less than 20 hours a week. So I thought 65 was a reasonable age to access this card. If there is pressure and push for the card to be made earlier at the age of 60 to fall in line you might say with the other Australian States, I don't have a problem with that and one of the feedbacks that I have received is from NSW. They did make mention that their Seniors card came into play 5 years earlier and it was something that we would have to work out in the reciprocal arrangements. So it's not a dead duck Madam Speaker. It could be reduced down to 60 but it's just an attempt to provide some, alleviate some costs for our senior members of the community.

MR KING Can I ask a supplementary. Could I ask the Minister whether there has been any indication from the senior ranks of the community of the willingness to pay \$5 and to sign away their personal details and your Press Release indicated?

MR SHERIDAN Thank you Madam Speaker. Yes I've had some feedback from the community and this is the reason why I've progressed with this because there was a push from a few senior members to access a card such as this. The \$5 was put in there because that's the value that the Registry puts on a replacement card. If you lose your licence you go down there and get a replacement, they charge you \$5. So its just a minimal cost you might say. I didn't seem to think that there was any great disincentive for a senior to pay that \$5. What was the other part of the question?

MR KING Well perhaps I was seeking some comment on any possible resistance to it

MR SHERIDAN No I haven't had anybody discuss it with me in that context. The only comments that I have received back are positive ones.

MRS GRIFFITHS Thank you Madam Speaker. My question is for the Minister for Tourism and Development. Minister at the last meeting you referred to a commitment by Carnival Cruises to assist a barge feasibility study for the island. Do you have a figure on what sort of financial commitment that might be, and will you be taking

steps to ensure that Carnival's involvement doesn't limit any relations we may or may not develop with other cruise companies.

MR NOBBS Thank you Madam Speaker and thank you Mrs Griffiths for the question. Yes I'll make it clear at the start that there is certainly no exclusivity that is part of the work that is going on for cruise ship barge disembarkation methodology. Carnival have willingly participated knowing full well that there is no exclusivity involved in it. Their involvement has been up to this point, the engagement of engineering expertise that has been to Tasmania and to Norfolk Island to make some evaluations on different barge methodologies, both for cruise ship disembarkation and sea freight, 20 foot containers.

MRS GRIFFITHS Madam Speaker I did ask the value of their commitment.

MR NOBBS Thank you Madam Speaker. I would be guesstimating because they have taken on the engagement of the Engineer. The estimates at the time of taking on that Engineer were around about \$160,000.

MRS WARD Thank you Madam Speaker. My question is to the Chief Minister with his responsibility for Immigration. It has been brought to my attention that potential self funded retiree migrants are being advised by local Real Estate Agent that it is difficult to migrate as a self funded retiree to Norfolk Island and that for \$2,500 they could have a local migration agent Mr Brown organise their migration for them. This seems a high price to pay when this information should be available to access from the local Immigration Office in an easy to follow format. The question is under what Norfolk Island legislation is there a category of licence to ensure that migration agents act on behalf of self funded retirees seeking to migrate to Norfolk Island are of good character and are appropriately skilled to offer such a service.

MR BUFFETT Madam Speaker Thank you Madam Speaker. Thank you for the question Mrs Ward. There is no requirement Madam Speaker for the licencing of migration agents in Norfolk Island. I hear the points that you make and may I just draw attention Madam Speaker to an announcement that I made last week which was about an Immigration Development Working Group. One of the tasks of that group is to examine how we might make it easier and more welcoming for people to be able to enter Norfolk Island, including let me just see if I can pick it up on this sheet that I made public, including developing options for an easy to use attractive guide for people interested in migrating to Norfolk Island which provides a welcoming face to the island. The point I'm endeavouring to make Madam Speaker is that should we be able to develop a more welcoming face using that sort of documentation then there may not be the need for such migration agents within Norfolk Island. It's my understanding, I could be corrected upon this but it is my understanding that migration agents are used more in environment when there is a language and cultural barriers to be overcome. I don't see that this is the case in Norfolk Island but there may be some things that I don't see at this moment. However I draw attention to the development of options for an easy attractive guide to be part of an answer to that query that you have just raised.

MADAM SPEAKER Thank you. Just before we move along for future reference use of names in question time unless absolutely essential is not in order ok?

MR KING Is there a Standing Order to that affect Madam Speaker

MADAM SPEAKER Yes 104a

MR KING Can I ask a couple of supplementaries in relation to that. Has the Government considered regulating those activities?

projections and the outcomes that are sought by such a Capacity Building Team. It's not the Commonwealth from afar in creating something, imposing it upon us, there has been a consultative process.

MR KING Thank you Madam Speaker. A question for the Chief Minister with his responsibility as Finance matters. Could the Chief Minister advise what budget allocation has been provided for the activities of CIRCA.

MR BUFFETT Madam Speaker Madam Speaker I don't have that figure in front of me. I certainly can research it, although I might refer to one of my colleagues who has responsibility in the CIRA area. If he can quickly think up the figure that has been given aligned budget for one of his important areas.

MADAM SPEAKER Minister Nobbs has indicated willingness to respond.

MR BUFFETT Madam Speaker I didn't expect that that would be the tenor of such questions this morning Madam Speaker.

MR NOBBS Thank you Madam Speaker. CIRCA is a community funded organisation and as such we raise our revenues for the year which is put in our Annual Report and audited and I speak in the context of not necessarily the Governments involvement in it but as the Chairman of CIRCA. CIRCA is specifically there to provide resources for the community on a not profit basis.

MR KING Well I have a supplementary . Minister could you then inform the House how it is that Administration staff are utilising the activities of this community organisation at no cost and perhaps in your answer you may comment on whether any rent share is paid by CIRCA to occupy the premises paid for by the Administration from public monies.

MR NOBBS Thank you Madam Speaker. Let's start with the last one first and I'll make it perfectly clear CIRCA has rented the property, CIRCA has enabled Philatelic to share that property with us, so let's just make that perfectly clear. I've also given a fairly extensive answer on this particular question with regard to the Administrative Officer being within the CIRCA area in previous sittings. In effect the role of that Officer whilst in the CIRCA office is still their Administration Officer position during that time as well, so they are carrying out their Tourism Administrative Officer role and it is seen as a I suppose a bit of a partnership between the Administration and the community.

MR KING Seen by whom Minister. How can it possibly be said that if that staff person spent 1 minute of his time or 10% of his Admin paid time on CIRCA activities there is no cost to the public purse and why hasn't that cost been properly provided for in the budget.

MR NOBBS Madam Speaker I think we are starting to get into some detail but if we're going to go to that degree we can identify the timings and the cross subsidisation between the two areas. So I'll take that On Notice thank you Madam Speaker.

MR KING A question for Minister Sheridan if I may Madam Speaker. Minister what is the timing for the testing of the integrity of the Water Assurance Scheme Plant and when might the results be known.

MR SHERIDAN Thank you Madam Speaker. I've got a Question on Notice in regards to a water testing, some water testing for determining sources of contamination that I referred to in the May Sitting and I will touch on that plan of the Administration to test the Water Assurance Scheme during that response. But just in

short that programme has just commenced, it won't be a short term programme because just the methodology that will be required will entail a fairly lengthy process. So the plan has just been formulated and I haven't had a detailed time line from the Administration Officer at this point in time but it's just been kicked off, you might say as we speak Madam Speaker.

MR KING A question for Minister Nobbs Madam Speaker. Minister is it a fact that the Visitors Information Centre embarked on a Christmas in July shopping spree on a large quantity of postcards for resale using monies that were unspent from their 11/12 budget.

MR NOBBS Thank you Madam Speaker. Thank you Mr King for the question. No that is not correct. There is an initiative that has been through the appropriate process of the Board and the GM to put a further programme out to provide the best options to further circulate the new branding evolution and just to read off some of the objectives and outcomes that are analysed in this. They provide a 360 degrees branding resource for the Norfolk Island Tourist Bureau and its functions is to build community and stakeholder 360 degrees branding engagement and that has been one of the things that has been lacking in the past brand releases is the engagement with the community. So I fully endorse this programme. It also brings the postcards and postcard standards into the branding realm and enhances not only the branding but also is part of the release of the new brochure to each of the Agencies. So in all areas I think it's quite a good initiative and I certainly endorse it as I said earlier.

MR KING A supplementary please. Could I ask the Minister to confirm what I think he said was that the postcards utilise the new branding?

MR NOBBS Yes the postcard utilises the new branding.

MR KING A question for the Chief Minister Madam Speaker. How is the opening of a Philatelic retail store consistent with an overall objective of exiting commercial activity and why wasn't the package or an investment opportunity offered to the private sector.

MR BUFFETT Madam Speaker Madam Speaker in terms of Government Business Enterprises and the like there has commenced a process to examine whether there should be divestment of individual areas and this may well be one of them. It may well be how it moves in times to come, but that's a process. In the meantime we should, and this has been an opportunity to better show the public some of the material that exists within the Philatelic Bureau. As you all know Norfolk Island has run its own stamp arrangements since I think 1947. The Ball Bay series I think was the 1947 mark and we have since then accumulated some significant artwork for example. Some is quite valuable. They are certainly very attractive to see and indeed if we are able to show these more widely to the public which is what the Philatelic retail store is endeavouring to do, it may in gender further interest in the purchase of our stamps. So there is a commercial eye to this exercise obviously that might bring greater revenue in the times when we need further funds. We've endeavoured to take this opportunity. Whether that remains in Government hands as time moves on is yet to be determined, but that's where we are at this moment.

MR KING Thank you Madam Speaker but I'm not sure that the Chief Minister answered the last part of my question. Did the Government consider passing up an opportunity for private sector investment in this area instead of opening up a retail store operated and staffed by Admin staff.

way to respond to that question is to briefly set out existing Norfolk Island restrictions on improper disclosures and in some reform relevant requirements of the Privacy Act 1998 which is a Commonwealth piece of legislation. Firstly the Norfolk Island restrictions on improper disclosures. The position in Norfolk Island regarding improper disclosure of information by Public Servants is as follows. Under the Public Sector Management Act 2000 specifies public sector general principles that apply to public sector employees. The Public Sector General Principles relevantly include standards of conduct, Paragraph 8d requires the Public Sectors employees, I quote "use information or documents acquired in the course of his or her employment only in accordance with the requirements of that employment". A statutory code of conduct paragraph 5 point 2 of the code of conduct in the Human Resources Policies and Procedures Manual requires that Public Sector employees and I quote "we will maintain confidentiality about information given to us by the community, we will not make improper use of our power or authority or use inside information for personal gain, benefit or advantage for us or for other persons". The sanctions for breach of public sector general principles can include summary dismissal as Public Sector Management Act matters. I now move to the Criminal Code 2007. Improper disclosure of information by the Public Sector employees is also a criminal offence under Section 167 of the Criminal Code 2007 punishable by a maximum fine of \$5,000 or imprisonment for 2 years. Specific enactments are also covered here Madam Speaker. Specific enactments also impose broader confidentiality requirements regarding information received under that particular Act whatever it may be and good examples of this are found in Section 20 of the Goods and Services Tax Act 2007, Section 10 of the Immigration Act 1980 and Section 14 of the Social Services Act 1980. Then I move to Privacy Act restrictions on disclosure. Privacy Act Commonwealth legislation. This deals with personal information. The question asks about private information but I just mention that the terminology used in this legislation is personal information and defines personal information as that information which identifies or which may reasonably identify a person such as name and address, medical records which are regarded as sensitive information bank account details, and where a person works. Section 14 of the Privacy Act establishes the eleven information privacy principles or IPP's applicable to Public Sector organisations such as the Norfolk Island Government. Norfolk Island privacy principles or NPP's apply to Private Sector organisations such as businesses and shops which collect, store and use customer or client personal information. The use and limits on disclosure of personal information for official or government or law enforcement purposes are found under IPP No. 11. I table this IP or I will do so in a minute I'm just reading from a part of it and I'll table it when I've commenced to do so now. Personal information may be lawfully disclosed by Norfolk Island Public Sector agencies and officers under the Privacy Act in the following situations and there are five dot points. If passing of information between agencies and departments is made known to the individual. If the individual consents to disclosure. If there is belief on reasonable grounds that disclosure is necessary to prevent or lessen a serious and imminent threat to the life or health of the individual or of another person. If the disclosure is required or authorised by or under law. If the disclosure is reasonably necessary for the enforcement of the criminal law or of a law imposing a pecuniary penalty or for the protection of the public revenue. I table that document to which I have referred.

MADAM SPEAKER That paper is so tabled Chief Minister. We move to Question On Notice No 383 which was Mr King to yourself again.

MR BUFFETT Madam Speaker Thank you. The question asks what is the result of the ongoing discussions about community difficulties in accessing legal representation as referred to by the Chief Minister at the last sitting. Madam Speaker during the visit of the Chief Magistrate and that was last week I discussed with him an I foreshadowed this when I responded to this question earlier, I discussed with him the problem of accessing legal representation. He too recognised this problem of course and he undertook with me to discuss in his parent jurisdiction the prospect of Legal Practitioners undertaking possible pro bono work here upon the periodic visits of the chief

persons utilises water from a bore or well for potable use the public health section of the Administration is available for testing of this water.

MR NOBBS Thank you Madam Speaker. The question reads will the Minister table in the House the most recent documents from the Regulatory Authority purporting to grant approval and extensions of time for the Airport runway 29 RESA Project which remains incomplete unattended and stalled. Madam Speaker I table the last exemption issued by CASA for the exemption of the requirements to provide RESA at the end of runway 29.

MADAM SPEAKER That paper is so tabled

MR NOBBS the exemption expired on the 31st August 2010. Since that time the current Airport Manager has been in contact with CASA Runway Engineers through email and telephone in respect of renewal. To date no renewal has been forthcoming. In addition the Aerodrome Inspector is well aware of the situation concerning RESA 29, has inspected the site on his last audit visit and has been fully informed by the Airport Manager on why RESA 29 remains incomplete, unattended and stalled. The Aerodrome Inspector will be conducting his next audit visit either late this month or some time in August. Whilst much attention has focussed on the exemptions to date the present exemptions are not the important item facing the RESA 29 project. The key matter will be the long term exemption required once the work on RESA 29 is completed in its present area. Due to last Assembly's decision not to vary the path of Ferny Lane it is no longer possible to develop RESA 29 to its required dimensions of 90 metres distance which is required for the RESA extending out from the runway end. Without varying Ferny Lane only 83 metres distance is possible. Also the corners of RESA where it abuts Ferny Lane cannot reach the required 90 metres. As a result once the work on RESA 29 is completed RESA 29 will require a long term exemption to be granted by CASA for the RESA to be approved. CASA is aware of this and the Aerodrome Inspector will be brought up to date on his next audit visit which is to occur in the near future. I just might add to this Madam Speaker that both in writing and through Cabinet discussion I've directed our Acting CEO to put the RESA project out to tender, two main reasons for that is to obviously get the work done and also to put if possible private sector stimulus out there in terms of projects of this nature.

MR KING I thank the Minister for his comprehensive answer. He know I've been digging around this for a little while and I'm really. I have a supplementary and the supplementary is this. Minister are you saying that there are no threats posed by the fact that there is no, that the exemption in relation to the RESA works has expired some 2 years ago and that there appears to be no current official position by the regulator in relation to the completion of those works.

MR NOBBS Thank you Madam Speaker. I think there are some threats posed but I think the Airport Manager is doing the best job possible to mitigate those threats to keep CASA informed and to keep the process in train that at best satisfies those requirements.

MR BUFFETT Thank you Madam Speaker. There are 3 parts to this question Madam Speaker. Is the Chief Minister able to explain to the House how and why the eligibility criteria for the advertised position of Senior Government Advisor (or Roadmap Advisor) changed significantly after questions were raised in the House about the genuineness of attempts to attract suitable applicants. Have applications for the position now closed, how many were received, who assessed them, and what was the outcome. Why did the Chief Minister decline at the last sitting to provide information to the House concerning the amount paid to the current occupant of the position. Madam Speaker I'm advised by the relevant Officers that the eligibility criteria for the Senior Government Advisor was inadvertently advertised differently in the Norfolk Island

MR KING A supplementary. So Minister we will never ever know that this matter could have been dealt with through proper procurement processes if it had of been looked at earlier.

MR NOBBS Madam Speaker within the existing fuel contract there was provision for rollover.

MR BUFFETT The question asks Madam Speaker at the last sitting the Chief Minister informed the House that the Government was moving forward with a plan to enable interim access by private sector operators to the Administration's copper wire network. Can the Chief Minister inform the House why his Government has been unable to implement access and therefore has failed to meet the extended deadline of 1 July by which barriers to telecommunications competition were to be removed. Thank you for this question from Mr King Madam Speaker. The Government has moved to establish an interim access price for third party operators to lease lines from Norfolk Telecom Madam Speaker. As you may recall my colleague has previously advised that calculation of an interim price was regarded by Norfolk Telecom and the Working Group established by the Minister for Telecommunications as being something beyond their ability at that time. However following recent information provided by the Department of Broadband and the digital economy as to how the ACCC undergoes pricing of these services in Australia the Government has followed these principles and calculated an interim access price. The price and the calculated basis of the price has been provided to the Commonwealth Government for comment and we have been advised by the Commonwealth that this has been again referred to the ACCC. Similarly the price information and calculation has been provided internally within instrumentalities in Norfolk Island to Norfolk Telecom and they have provided comment and recommendations. In addition the Legal Services have been consulted and it is anticipated that there will be some revenue loss to Norfolk Telecom and this has been sent therefore to the Finance Branch for their commentary. The Government has been pursuing the Commonwealth to ensure that a response from the ACCC is forthcoming. Likewise we have requested that our internal consultations are undertaken in a timely manner. I do acknowledge the delay and I have met with the private sector operators to advise them of this. I did this the week before last and we anticipate being able to comply with the funding agreement before we have a next sitting Madam Speaker. That's the latest that I have to report on that.

PRESENTATION OF PAPERS

MADAM SPEAKER I look to you for Presentation of Papers

MR SHERIDAN Madam Speaker in accordance with Section 41 of the Interpretation Act 1979 I table the **Waste Management Amendment Regulations 2012**.

MADAM SPEAKER Thank you Minister Sheridan

MR SHERIDAN Also Madam Speaker in accordance with Section 41 of the Interpretation Act 1979 I table the traffic **General Amendment Regulations 2012**.

In accordance with the Norfolk Island Hospital Act 1985 I'm required under Section 9 (3) that if I provide a **Direction to the Norfolk Island Hospital Enterprise** I'm to lay it before this House. Madam Speaker I made a direction to the Norfolk Island Hospital on the 28th June in regards to the Hospital providing a separate account to allow for monies for employer entitlements to be quarantined from the main Hospital account

MR BUFFETT Thank you Madam Speaker. In accordance with Section 41 of the Interpretation Act 1979 I table the **Criminal Code Regulations 2012**.

Madam Speaker in accordance with Section 41 of the Interpretation Act 1979 I table the **Postal Services Amendment Regulations 2012**.

Madam Speaker I also table **virements** for this month in accordance with the appropriate legislation also – I table those.

Madam Speaker I also table **Museum Trust Annual Accounts** for the years 2010, 2011, which have been provided to me by the Museum Trust and in accordance with the Museum Trust legislation I am obliged to table those and I do so. In accordance with the Customs Act 1913 Madam Speaker this Act makes provisions for the Minister to exempt goods from duty where the duty payable is less than \$200. Section 2 b (5) of the Act provides that where the Minister has exercised this power he shall lay a copy of the exemption on the table of the Legislative Assembly and I do so in respect of this exemption. It's the sum of \$30 on the importation of representative uniform shirts for the Norfolk Island Community Arts Society in attending the South Pacific Festival of Arts.

MR NOBBS Thank you Madam Speaker. I table **Gaming Act Reports** and **Bookmakers and Betting Exchange Act Reports** that bring the reporting for those to areas up to date. I also table **2 licences** Madam Speaker as required under Section 14 of the Bookmakers and Betting Exchange Act 1998 I table the following licences. Bookmaker.com Pty Ltd. The Company in it's principle Mr Dean Shannon have extensive experience in bookmaking, horseracing and ownership. Mr Shannon has been very successful in the dotcom world. Him and his team are very professional in all facets of online marketing the media. A quality and substantial application the betting engine is currently licenced and certified by the Non Territory Gaming and Racing Authority. Just give that information Madam Speaker so that people can understand perhaps some of the diverse areas that are able to be utilised by this gaming. The second licence is for Worldwide Wagering Pty Ltd. This is a web form of business where they operate more as a wholesale broker rather than as a retail bookmaker. The site does not process bets but simply provides a web interface for both account management and the passage of bets to chosen tote or betting shop. Principal Mr Rob Hill is highly regarded in the industry and has been very successful in the greyhound form advising business. Their market is predominantly in Asia. A licence has been sought to provide jurisdictional licence support and for future development opportunities. Madam Speaker both those licences will be introduced into the Gaming Authority or the Gaming Revenues and if I could just provide an overview to both the reports in the Gaming Licences in a brief summary that I've received from the presiding member of the Gaming Authority. The Norfolk Island Gaming Authority operates under the following legislation Gaming Supervision Act 1998, Gaming Act 1998, Bookmakers and Betting Exchange Act 1998, the Authority membership is Mr Ronal Irvine presiding member. The Honourable Tony Messner AM member, Mr Reece Walden member. The Authority is supported by a Director and Secretary. The Authority is a separate statutory function that is independent of Government and the Norfolk Island Administration. The Authority has been operating since 1999 but business was severely damaged by the actions of the Howard Government and the Interactive Gaming Act 2001 (Commonwealth). Recently the Authority has been engaged in business development to obtain more business and to create a competitive regime. The Authority is now formally meeting twice a year to consider applications and to conduct business. The major portion of all work is conducted by email or teleconference. There is a lot of work currently being done. In addition to existing licences the Authority currently has the following applications for consideration and completion. 3 Lottery licences, one online casino licence, 3 bookmakers licence, one poker/gaming licence. The jurisdiction is a member of the Australasian Casino and Gaming Regulators and is highly regarded within the Asia Pacific region and the presiding member has indicated that he will provide a full Annual Report to all of us as well. Thank you Madam Speaker.

STATEMENTS OF AN OFFICIAL NATURE

MR BUFFETT Thank you Madam Speaker. I have a Statement about appointment of an Immigration Development Working Group. I alluded to this earlier when we were walking through Questions Without Notice. I have made an earlier Press Release in respect of this but I would like to make this announcement formally in the House Madam Speaker. I am pleased to announce that I have asked Mr Ian Anderson to Chair a Norfolk Island Immigration Development Working Group. This is an initiative of Mr Anderson and it is designed that such a group would develop a campaign to attract new business ventures and people with skills and experience that are innovative who might operate successfully in Norfolk Island and internationally. Mrs Joanne Elliott and Mr Wally Beadman accompany Mr Anderson on the Working Group. We have worked collaboratively to erect terms of reference and I'd like to just mention the points that are covered by the terms of reference. There are goals that the Working Group would want to set out to achieve. Devise a strategy to attract business migrants and self funded retirees to add value to the Norfolk Island economy, identify opportunities for local business and services that could potentially value add for the future economic development of the island. Develop options for an easy to use attractive guide for people interested in migrating to Norfolk Island which provides a welcoming face to the island. This is the extract that I read earlier to Members when responding to a Question on Notice. The next is identify any impediments to successful immigration for persons seeking to migrate in these categories. Recommend strategies to overcome the impediments. Identify how such a campaign might be funded through the private sector or via other means. Identify a range of different approaches to advertise offshore in order to progress such a campaign including social media. I do thank the Group warmly for being willing to undertake this task and hopefully it will achieve those aims. The time frame, this was earlier asked of me also was that a discussion paper covering those factors would be with me by the first week of August.

MR KING I move that the Statement be noted.

MADAM SPEAKER The question before the House is that the Motion be agreed to. Debate?

MR KING Quite frankly I'm absolutely appalled. I'm absolutely gobsmacked that after such a long period of time after the Government has established the underlying objectives in relation to the Roadmap that these tasks have been pushed out to the private sector in an admission of failure, a clear admission that the Government has been unable to achieve these tasks Madam Speaker. Devise a strategy to attract business migrants and self funded retirees, we've been talking about that for bloody months

MADAM SPEAKER Your language please Mr King

MR KING Identify opportunities for local businesses and services that could add potential value for future economic development. Are we saying that it hasn't been done? Develop an easy to read attractive fancy guide to enable people to walk through the myriad of red tape and what not which is still been laid at their feet or put in front of them as obstacles to come into the island. It's not been done? I don't know what else to say Madam Speaker except to say I wish these people well in this task and they are, they are worthwhile tasks to be done. I simply make the point that they should have been done or well advanced by the Government now.. It is an admission of failure.

MRS WARD Just a few words because I'm a member of the Immigration Committee. There are still barriers. It's been said that while the Immigration Policy has changed that the legislation and the interpretation of policy has not. Now they are serious issues but I'm pleased to support the Chief Minister's move, he is understanding that there are serious concerns but there seems to be a lot of he says, she says between Real Estate Agents, Migration Agents who advertise publically I might say,

the following activities: The Isle of Man flag flew at Old Military Barracks; Manx music was played regularly throughout the week 2 to 5 July on Radio Norfolk; Mrs Irene Turton who was born on the Isle of Man joined me on Radio Norfolk on Tynwald Day to talk about the Isle of Man and how it celebrated its National Day; Minister Nobbs and I joined members of the Norfolk Island community who share close ancestral ties with the Isle of Man for coffee and cake after the radio interview. And finally the following message was sent by me as Speaker on your behalf to the President of Tynwald and I will read that and I will read their reply. Dear Madam President, it's addressed to the Honourable Claire M Christian BSC President of Tynwald. It gives me great pleasure to extend best wishes to you, your parliament, and the people of the Island of Man as you come together to celebrate your national day Tynwald Day on 5 July 2012 to acknowledge and honour Tynwald day here on Norfolk Manx music is being play from 2-6 July on our local radio VL2NI. On 5 July the Manx flag will be flying alongside the Norfolk Island and Australian flags outside the Legislative Assembly building at Old Military Barracks and at 8.00am that morning I am talking live to air on our local Radio station about your national day. It gives me much pleasure to reflect back on my visit to the Isle of Man as your guest for last years Tynwald Day and to have participated in and witnessed first hand the ancient ceremonies and traditions in which your parliamentary practices and traditions are steeped. The cultural agreement entered into between our respective parliaments acknowledges our historical links and encourages cultural activity to be developed between our 2 islands and it has for me been a most rewarding first 12 months with many activities and links formed under this agreement. I look forward t recording our future accomplishments. My Assembly colleagues join me in sending you and your colleagues very warm wishes from our side of the world for another wonderful Tynwald Day. May you be blessed with brilliant sunshine and bright blue skies during the days proceedings and I have received dated 9 July from president Christian the following. Dear Madam Speaker, On behalf of the members of Tynwald and the Manx people I am pleased to acknowledge your warm greeting to us all on Tynwald day. Your letter was read out to all who attended at Tynwald Hill and was broadcast across the island and beyond. We very much appreciate that you flew our flag on the 5th July and that you personally have relayed to the people of Norfolk Island your account of our proceedings. As the day progresses the sun emerged from Amanas mist and blessed us with blue skies. It is pleasing to think that as traditional dance is performed to Manx melodies on the green of St Johns you were also listening to some of our music. As our links grow stronger I send my warmest thanks and greeting to Norfolk Island. Yours most sincerely Claire Christian. I table for the record a copy of the letter and a copy of Your Parliament Your Voice published on 5 July 2012 in which the Tynwald Day celebrations are acknowledged.

MESSAGES FROM THE OFFICE OF THE ADMINISTRATOR – NO 29

MADAM SPEAKER I have to report Message No 29. On 26th June 2012 acting pursuant to Section 21 of the Norfolk Island Act 1979 I declared my assent to the following proposed law passed by the Legislative Assembly. Supply Act 2012, Act No 4 of 2012 the message is dated 26 June 2012 and signed by Neil Pope, Administrator.

PREFERRED MODEL OF SELF GOVERNANCE AND TAXATION FOR NORFOLK ISLAND

MR BUFFETT Thank you Madam Speaker. Madam Speaker I move that consequent upon the following examinations, studies and other measures undertaken in accordance with the Roadmap and respective intergovernmental agreements a) the Deloittes Access Economics Wellbeing Report Norfolk Island dated the 27th April 2011, b) The Commonwealth Grants Commission Update of Financial Capacity of Norfolk Island 2011 dated the 2nd December 2011, c) The Australian Continuous Improvement Group Norfolk Island Public Service Review d) The ACEL Tasman Norfolk Island Economic Development Report e) The Revenue Measure Options for the Norfolk Island Government Discussion Paper f) The Policies to promote Competition and Investment in Norfolk Island

Policy Paper g) The Norfolk Island Government's preferred model for Territory Self Government and having regard to their respective outcomes this House resolves to A) endorse the Norfolk Island Governments commitment to participation in the Australian Taxation and Social Security Systems to deliver a net benefit to its community and to express a preference for the earliest introduction of those systems, and B) affirm the inclusion of the island into the Australian GST and transfer payment system C) reaffirm a preferred model for future self governance as set out in the Motion of the Legislative Assembly dated the 3rd August 2011 and D) commit to return to core functions of Government through stages divestment of commercial enterprises using the Competition Principles Agreement 1995 as the policy framework E) prepare and commit to an itemised timetable for the reduction and or removal of barriers to investment and competition reflecting a reasonable and balanced approach to individual areas and F) commit to supporting amendments to the Norfolk Island Act 1979 necessary to achieve the outcomes set out in this Motion.

MADAM SPEAKER Thank you Chief Minister. The question before the House is that Motion be agreed to.

MR BUFFETT Madam Speaker thank you for the first opportunity to address this Motion. Madam Speaker we all know that we are proud people here in Norfolk Island and indeed we have every right to be so. Norfolk Island has made significant achievement over its 150 plus years since settlement of 1856. Eight family names originally and then significantly enriched by those who have joined them over the following 150 years. This community commenced as an agricultural subsistence economy, limited educational facilities, sparse medical and health resources. When development of any nature did arrive and facilities such as the electricity, telecommunications, hospital services, banking facilities and the like were first experienced people were imported to manage and conduct such activities. In the main it wasn't men and women of this place who were so engaged. The residents of this place then met that challenge by striving for and achieving further education from that available on the island, the extension of the island education system to year 12, access to tertiary education, qualifications in technical and further education are further examples, and this broadening of outlook, this hunger for achievement willingness and want to advance beyond a subsistence existence has progressed Norfolk Island to no and experience what the bigger and the wider world offers. In terms of what individuals may achieve and how the island as a community may aspire to higher and more advanced standards. Allow me a moment to provide you with an abbreviated, a selective list of some positions which exist today, this very day here in Norfolk Island and then make some comparisons with them. The Hospital Director position, the Airport Manager position, the Manager of Telecommunications Services, the Manager of electricity Services that is both generation and reticulation. Crown Counsel, Managers of both Australian Banks in Norfolk Island and no substantively today but on 2 occasions in recent years CEO of the Public Service. All those posts that I have just exemplified are occupied by local Norfolk Island residents, quite a change from that subsistence economy of earlier time where Norfolk Island men and women were not involved in major tasks. And not only those who occupy those senior position but there are substantial individual officers engaged in these services that I have exemplified, and these are examples, it's not a complete list, and note the facilities that I have mentioned, note the facilities that I have exemplified, some didn't exist some 40 years ago. No island wide reticulation electricity them, there wasn't 2 Banks. Today the range of services has dramatically increased, and I offer these brief examples to illustrate Madam Speaker that Norfolk Island can and has made huge advances from its day of subsistence living, and its exceptionally proud of its achievements. And this is a want also to extend this achievement. But the real crunch is Madam Speaker the real crunch is that this success has also led us crisis point. Our considerable capacity to adapt in respect of opportunities, standards, qualifications, to meet the demands of each new age as it emerges is not matched by the financial capacity of our small pool of some 1800 people. We are not able to financially sustain the wide ranging demands and

expectations of our now quite sophisticated people. For example in the level of health, hospital, education, welfare, port and harbour facilities, all of which we have learnt about and experienced in the bigger and wider world. It was manageable some decades ago but there have been huge modern changes and developments, they have been phenomenal. Let me give you some examples of those. Medical services, just to pick heart disease and difficulties and cancer, two major areas of concern. Advancement in heart operation and in cancer treatment has travelled and continues to advance with great leaps. Heart bypasses are every day today but they were rare 30 or 40 years ago, especially so in cancer treatment, wonderful stuff. But there is an accompanying cost, that's the crunch, costs beyond the capacity of the average family to pay and therefore health schemes or Medicare and the like are brought into play to handle such costs. I example another, education. To day advancement in education doesn't mean that we just have o buy another 100 exercise books. Education advancement means entering the information technology age and the costs are measured in the millions to deliver and keep it up. Other examples mental health, childcare, care for the disadvantaged and the disabled, less understood decades ago but care and support are now demanded as a right in this day and age. Accountability and transparency of Government. The machinery of appeals, tribunals, ombudsman facilities which I've got a piece of legislation coming today, are all modern and they are new costs. I exemplified the Hospital. Our Hospital was fine immediately post World War II but that's now 60 or 70 years ago, and this is a multi million dollar task. Modern shipping, harbour, port facilities are required if we are to significantly address a major cost component of cost of living in Norfolk Island. Again a multi million dollar task. Norfolk Island's small financial pool, I say again is not able and this has been proven by a range of financial examinations, including external reports, Norfolk Island's small financial pool is not able to generate this sort of money and the global financial crisis has thumped this home to us. And I don't mean that at sometime in the future we won't be able to afford these facilities, we can't afford them today. The only reason we have been able to continue to deliver essential services in Norfolk Island, that is hospital, education and the like is because we have been able to convince the Commonwealth quite properly to supplement our annual budget, that is the year before last, last year which just ended 11 days ago and we of course have a bid not yet responded to for the year 12/13 just commenced. In this year we bid, that's the 12/13 year in January, 6 months ago. There is no answer to that yet, and such an uncertain method is not a secure long term sustainability system of survival for Norfolk Island. I offered at the outset that we people in Norfolk Island are proud of our achievements and given what I've explained Madam Speaker to you and to Members of this House about a financial situation in some instances it's really reinforcing words I've earlier spoken. We now need to demonstrate that we are equally a people of vision and maturity. The people who now have the capacity to harness our proven skills to adapt and achieve in an environment that will be new and challenging but will achieve for us long term sustainability on a secure basis. That's what this Motion is about. That's what this Motion's about. This Motion is about financially migrating from our small pool to a larger pool which is ably to financially sustain the Norfolk Island community commensurate with modern and acceptable standards. The preamble of this Motion sets out a range of studies and surveys undertaken to date. It hen flows on to explain that resulting from these studies undertaken as part of the Roadmap we resolve a certain course. Allow me to walk through those 6 points, that that we need to resolve. Endorse the Norfolk Island Governments commitment to participation in the Australian Taxation system and Social Security system, to deliver a net benefit to this community and we express a preference for the earliest introduction of those systems. Reaffirm the inclusion of the island in the Australian GST and transfer payment system. Reaffirm the model of self governance. We've done this before I might say but we need to see this as a package and reinforce it, and commit to core functions of government through a staged divestment programme. We've talked about a number of these things, some of them in Questions Without Notice and some with Question on Notice as we have progressed today, and to prepare timetables to do this and make legislative adjustments to do it where that is needed. We've been pressing these points with the Commonwealth for some time Madam

Speaker. The aim of this particular Motion is to give the voice of the island's Parliament to achieving these aims so set out. The stronger our voice the better our chances of success and alleviating the difficulty that exists today, this very day in this community. We need a urgent and we need a strong signal for a long term remedy. Let there be no gilding of the lily in this matter. There is serious hesitancy by some who don't want to change, well change we must Madam Speaker. If you listen to what I've said you will see that we cannot stay where we are, we cannot survive financially as we are, change we must. But I want to equally say this. Don't despair that we will fail or that our identity will be lost because the tenacity to succeed that I've earlier described and of which I've provided you with some concrete examples will prevail in a new and healthy environment. We have taken bold steps before Madam Speaker. I know that your looking up to the clouds but let me emphasise this. We have taken bold steps before

MADAM SPEAKER Standing Orders? Chief Minister. I ask that you withdraw those words

MR BUFFETT I withdraw them. The Pitcairn move was a bold move Madam Speaker. No one wanted to take that move, I've related that before and there was no preliminary reconnaissance, no economic development study or the like. I've got to say that they were specifically confined to the Pitcairn and Norfolk Island people, but look at the beauty and the bounty of this place notwithstanding our present difficulties. The World War II impact on the Norfolk Island people was a call upon a wider spectrum of people of course, yet no one wanted war either, but it brought a wider spectrum of thinking and understanding, it brought and Airport that led to modern industry, there were plusses that came with that huge difficulty and we face a challenge today, another challenge, a financial challenge but we can be bold and we can meet this challenge too. This Motion that is in front of us now is to press us along that path. I commend it.

MRS GRIFFITHS Thank you Madam Speaker. I think they are all afraid. So they can criticise me afterwards I'm sure but Madam Speaker Norfolk has very much become a place of he who pays the piper calls the tune. When did we become that place? Who decided that for our future? I know I never took part in that debate. Madam Speaker I stood for this Assembly on a platform of changing our business oriented government and the importance of divestment. I talked about a new way of doing things with the Commonwealth. By a new way of doing things I meant I a new way of doing things ourselves in-house, just as the capacity building team is helping us to do now. When I talked about a better relationship with the Commonwealth I was talking about better communication of them having a better understanding of where we are going. I was talking about a joint plan – an improved and more comprehensive version of the hastily put together roadmap we're currently stuck with. I was talking about a plan that justified the extension of Commonwealth legislation that put it into context. I was talking about a plan that actually moved us forward. Madam Speaker I never mentioned taxes. I never thought joining an Australian taxation regime would be advantageous to us. I still don't. I can only assume that those people who elected me want the same thing. And the honest truth is Madame Speaker that they - like me - have never been asked. While I can and will talk on this motion the only real way we'll know what future this island wants is to have a referendum. Let's ask this community what they want. The governance and taxation issue must certainly go to referendum. To help them make informed decisions a lot of research must be done certainly more than has been done to date. Whatever the community's widely held view of our future is I would support. Moving on Madam Speaker to make my contribution on this motion easier for others to follow I'll start with the parts of this motion that I agree with. That point is d) commit and return to core functions of government through staged divestment of commercial enterprises using the Competition Principles Agreement 1995 as a policy framework. Part 1 commit and return to core functions of government through staged divestment of commercial enterprises ok. Madam Speaker you may or may not recall during my election campaign I stated that I believed governments throughout the world have demonstrated their lack of competence

to operate commercial (and many non-commercial) businesses. I said at the time that they are more often than not poorly run and provide higher than necessary inputs to the business sector. I believe they crowd out the private sector raising costs and lowering profitability of businesses. It directs government attention away from more pressing development issues. Our government running Norfolk Air was a prime example. I truly believe our 'business oriented' government has exacerbated our slow pace of economic growth and led to our economic decline. I still believe the implementation arm of our government - the Administration - is too stretched to adequately manage its expanding responsibilities and workload. I believe it has been drawn into a range of services and work areas that should not be part of its core business which should be: policy advice, policy implementation and planning. Having said that Madam Speaker I have some problems with part (b) of this point using the Competition Principles Agreement 1995 as a policy framework. I acknowledge that this Agreement has some merit and can – and should - be used as a reference. One concern is that it requires a management and institutional framework more than we realistically have the capacity for - unless of course we expect that some other body in Australia is going to manage another part of our affairs. Another point of concern is that this agreement is not a policy framework and it can't possibly be used as one as this motion advocates. A real policy framework is something very different. In fact our own policy framework would be more appropriate. We need to express our intent and objectives. We need to be explicit about why we are divesting. At the moment I'm not sure if we're proposing to divest because we're broke and have decided to have a fire-sale? I'm not sure that we're running to divest just because the Commonwealth told us we should. I hope we have better reasons than that. I hope it's about us improving service delivery I hope that it's because we are looking to reduce our exposure to risk. I would argue that answering these questions is crucial before we go ahead and draft legislation. It is not good enough that we would proceed without saying exactly what we are setting out to achieve. Talking about saying what we are setting out to achieve brings me to point e) Madam Speaker prepare and commit to an itemised timetable for the reduction and/or removal of barriers to investment and competition, reflecting a reasonable and balanced approach to individual areas All well and good Madam Speaker the difficulty I can see here is that this requires planning and we know that this is not our greatest strength. We think we know where we're going but that's not the case at all. To me planning does not constitute a concept then a course of action; the first step is setting the goals then deciding best how to achieve them. I also have to wonder what exactly this motion means by a reasonable and balanced approach to individual areas. Does that mean that we are to support the approach to the investors that are already on the island Does our abolishing the GST rebate for the retail sector constitute a reasonable and balanced approach. Does abolishing any value in the licenses of our accommodation properties constitute a reasonable and balanced approach. Does a reasonable and balanced approach mean that we procrastinate about overcoming the administrative barriers to creating a commercial area in the arrivals hall of our own airport? Assuming an ability to perform better than this - I believe that we can actually do this. I think this process should involve calling for submissions from the public on current and past barriers to investment and competition. While we are compiling this information we need to look at any references to barriers in any recent reports by recent, I mean anything written about us or by us in the last 20 years. We have to keep in mind that barriers aren't always legislative barriers as this government seems intent on pursuing but they may also be resource, financial or access barriers. Until we examine them we can't be sure what they are exactly and how we should address them let alone the priority. This can certainly be achieved in a measurable in a time-frame and we do have the capacity to do it ourselves. As reducing barriers and introducing competition has been a major focus for development to other island nations there would be a few best practice examples in reports and case studies we could use for our own information and planning process. That would be just the beginning Madam Speaker and much more needs to be done for the next stage through to implementation but if this is the sort of thing the Chief Minister had in mind for this part of the motion, then I can support it. Point c) Madam Speaker: Reaffirm a preferred model for future self-governance as set out in

the motion of the Legislative Assembly dated 3rd August 2011. Madam Speaker I made a substantial contribution to this debate and I won't go through it all again except to say that I reaffirm my preferred model of self-governance, is our current territory model of self-governance. I prefer this model with all the freedoms and constraints that it implies. That does not mean that I agree we've managed it particularly well in the past. But it doesn't mean I'm willing to 'bally up' just yet not by a long shot. Now Madam Speaker for the more difficult parts of the motion for me. Point a) Endorse the Norfolk Island Government's commitment to participation in the Australian taxation and social security systems to deliver a net benefit to its community and to express a preference for the earliest introduction of those systems. Madam Speaker I'm appalled at this direction for two main reasons. They are: 1) the evolution of our political development and 2) our capacity to pay. Let me explain the evolution of our political development. Madam Speaker in the last half of the last century many small island countries went through the decolonisation process. We ourselves formed our own self-government in 1979. Since that time many places have struggled most are not wealthy. All are feeling the effects of today's issues such as increasing costs, decreasing tourism and the other detrimental effects of globalisation. But Madam Speaker not one has chosen to relinquish any of their powers or responsibilities. Not one has chosen to succumb to the temptation of giving up. Not one has sought to be re-colonised. Having said that Madam Speaker few are as politically, economically and geographically isolated as we have been the last 30 years of self government. If we had of been encouraged to participate in regional affairs Madam Speaker, we might have a different approach to that which is our responsibility taxation. We might have learned that not only is taxation is a source of revenue for a government it is also a tool that can be used to achieve other policy objectives whether that may be sector specific job creation or small business tax concessions and the like. Perhaps I'm repeating myself Madame Speaker, when I say a policy development capacity might rather than a simply administering function in our public service might have seen us developing and better using our own taxation system – not sit on our hands and depend on an unchanging GST. Sorry Madam Speaker the GST did change; it increased. With everything we have the capacity to learn these days I refuse to even contemplate Norfolk relinquish its self-governing responsibilities. Point 2 - Madame Speaker our capacity to pay. Need I say more than "No nation ever taxed its way back to prosperity". I find it absurd that our government is proposing to tax this community 'at the earliest introduction' without seeing any and I emphasizes any economic development activities or benefits: Without any jobs being created; without an increase in educational opportunities; without choices for this community. I have a grave fear that without choices the only choice may be to take advantage of the social services or welfare available. Madame Speaker that's not the future I see for this place. In fact I have worked in places where I've been told the introduction of a foreign welfare system was the beginning of the end of their society. I have seen for myself the social impacts on these places. All in all I don't want to join the Commonwealth Taxation regime. I don't want it as early as possible. I don't want it at all. Finally Madam Speaker point b) Affirm the inclusion of the Island into the Australian GST and transfer payment system. I must admit Madam Speaker that it could be easy to be persuaded by this government's argument that we should join the Australian GST system. It seems very attractive to think that we could put so much of our money in and then get so much more out. It's attractive enough to resemble a Nigerian email if you didn't know better... which is why it's so important to research for ourselves and make evidence-based decisions for our future. In fact Madam Speaker when you scratch a little deeper joining the Australian GST system is not all it's cracked up to be. and I think we would lose more than we gain if we go down this path and I thank the people that have taken the time to do some of the necessary research. It seems logical that no Australian GST on food items suggests that an immediate impact on the price of our food which makes it very attractive. The truth is that is certainly not the case on all food. In fact most processed or value added food still attracts Australian GST. Naturally that means here most of the food we consume would still attract GST Madam Speaker I've said before in this house that we have not enjoyed a comparative advantage in our agricultural sector for many years. I've said before that our productivity is limited because our farmers have

little access to training and extension services. I've said before that our lack of cheap readily available fresh produce has a negative impact on our visitor experience. All these reasons make it more difficult and all the more important to increase our own production of non-processed food and decrease our dependence on the food from Australia. Frankly speaking Madam Speaker I would rather support our own local producers to increase their capacity to produce on this Island before we introduce a means to wipe them out. I am concerned that if Norfolk Island associates itself to the Australian GST system then we could lose our status as an export destination consequently losing our ability to source items from exporters one of Norfolk's comparative shopping advantages for our visitors. This would also impact our ability to source grocery products from New Zealand and aside from the tangible exchange rate benefits there are less tangible and some might say less important changes for our primary tourism markets. New Zealand groceries are often cheaper and one of those quirky points of difference for Australian visitors or an added comfort if you are from New Zealand. Ironically Madam Speaker I think this point is irrelevant. It is not our decision and this government can't offer it as a real choice because the groundwork with the other states and territories hasn't been completed. To sum up Madam Speaker: I affirm my support for our territory model of governance. I agree that we should commit and return to core functions of government through staged divestment of commercial enterprises. I agree that we should prepare and commit to an itemised timetable for the reduction and/or removal of barriers to investment and competition. I do not agree that we should use the Competition Principles Agreement 1995 as a policy framework. I don't know what reflecting a reasonable and balanced approach to individual areas means. I do not agree with participation in the Australian taxation and social security systems. I do not support the Island's inclusion into the Australian GST and transfer payment system. Having said that Madam Speaker, I'm not going to support this motion or those parts that require support anyway. If the Australian government wants or needs this parliament's consensus on this issue then they're not going to get it from me not at this time. Madam Speaker this issue sitting above us is unsettling. I am concerned that since our government has taken this path this community has had less clarity, less certainty, and less optimism about our future; I am concerned that if continue this way without each member of this community having the opportunity to express their view through referendum what havoc it may wreak on this community. I say to this government get on with governing and forget easy solutions. They like the wealthy Nigerian widow do not exist.

MR NOBBS Thank you Madam Speaker. I will commence my contribution to this debate by restating that numerous Norfolk Island Government's and Assembly's since the commencement of self government in 1979 have attempted to establish a reliable and collaborative framework for communication between Federal Ministers their Officers and our own areas of administration and governance. There have been advancements along the way and there have been setbacks along the way. In some cases changes faces and views within the Australian political scene and Norfolk Island political landscapes have varied as well. As a result we have not previously had a long term plan or proposed blueprint that was committed to by the Commonwealth apart from the Norfolk Island Act 1979. Australian Governments over the years do no seem to have had a policy on Norfolk Island. We have been the forgotten Territory. Although Legislative Assemblies may develop and commit to strategic plans and best endeavours are given without a collaborative understanding and focus on delivering an agreed future for Norfolk Island the plans are not fully realised. The ombudsman's legislation, quarantine legislation, ICAC, ANAO and various other legislation and linkage commitments that rely on actions to be taken outside of Norfolk Island are examples of Norfolk Island Assembly's carrying out extensive works to provide strategic and social outcomes for our community that have previously stalled as they rely on political motivation outside of Norfolk Island and outside of our control. Therefore Madam Speaker I am supportive of aspects of this Motion that improve communication, planning and collaboration between governments to provide security and stability to the people of Norfolk Island. Part A of the Motion seeks an endorsement of the Norfolk Island Government pursuing participation in the Australian

Tax and Social Security system to deliver a net benefit to the community. Madam Speaker quite some time ago I tables in this House some data that identified that Norfolk Island had for many years been contributing directly and indirectly to the Australian Tax regime. From memory the figure was around \$5m that was assessed to be contributed by Norfolk Island annually. With approximately at that time \$4m being directed back towards Norfolk Island and directed through KAVHA co-funding, Office of the Administrator, contribution to AFP etc. Although Norfolk has previously provided virtually all services without substantial assistance from the Australian Government and although we may have collected our own fees and levies and contributed directly and indirectly to the Australian Tax regime and given our all to be innovative and work for what we need Madam Speaker what has this achieved in the fiscal relationship between Australian and this self governing external territory. Well Madam Speaker let me tell you as a former Chief Minister who was frustrated all levels to gain assistance for Norfolk Island throughout the global financial crisis, every endeavour was undertaken to be part of Australia's programmes to manage GFC impacts on industry and community, including the offer the Norfolk Island Government made to transfer our own Norfolk Island GST into the Australian Tax regime, and as I watched our community put through considerable financial and social trauma I also viewed the release of stimulus packages, grant programmes, and of course the education revolution that were accessible throughout Australia but specifically not available to Norfolk Island. Various Federal Ministers had various views on what support Norfolk could or should receive. Minister Bob Debus arranged for Norfolk Island to participate in the Infrastructure Australia Grants which we immediately applied for. A new Federal Minister took over from Mr Debus with a different view. To this day there has been no definitive response as to where those grant applications ended up. Now Minister Crean's view is that the tax link will establish representation and access to the grants and social support systems. This has been the most consistent view from numerous Federal Ministers and although we have tried in many other ways and although we have no intent in becoming a welfare State even I must concede that it is in the community's longer term interest to have a financial partner in planning our future and the future is not pretty Madam Speaker. Spain and Greece remain cash challenged and even with over 100 billion dollars tied up in bail outs there appears an imminent change to the credit and operational status of these two areas. Some may think that this shouldn't affect Norfolk Island well I would say think again. As members of the EEC have stretched themselves to provide financial support from their own shrinking economies and we stare down the barrel of further financial global financial chaos. We didn't just go it alone through the previous GFC. Our Norfolk Island Act isolated us from external support other than that endorsed by Australia. Add to this the changing operational and economic landscape for tourism, retail and industry that we so far have not successfully transitioned to and you will understand why I am supporting Parts A and B of the Motion. The GST transfer payment system has potentially the best outcome for Norfolk Island and the Australian Government. For Norfolk Island we reduced GST to 10%, we remove taxes from staple foods and we have a relatively simple programme of compliance and contribution. This potentially removes the quandary of Australian Taxation Office having to develop a new regionally specific tax model and operating system. Part C and D deal with the preferred model of self government and we have earlier provided a commitment to a revised style of governance that is similar to the environment in which we currently operate. However with a better spread of Norfolk Island and Australian responsibility for the various functions of government. Ultimately the model of self government and the Norfolk Island government responsibilities will be dependent upon core functions of government being better identified and again this revolves around an agreed Commonwealth and Norfolk Island commitment to our future. Madam Speaker I support the intent of these aspects of the Motion. However Madam Speaker the commitment to divestment of commercial enterprises is dependent upon and equal commitment from the Commonwealth to include Norfolk Island in their budgetary arrangements so that we are assured that we are able to utilise capitals raised in the specific ways suggested by James Fogarty in the Economic Development Report initiated by the Federal Minister's Department. The Report specifically identified the need of

capital investments to be made from revenues raised through the divestment process. Now we move to Part E, dealing with the reduction and/or removal of barriers to investment and competition, reflecting a reasonable and balanced approach to individual areas. As members around this table are aware I have spent considerable time and effort working through these areas specific to this part of the Motion. In some cases there are painless transitions that can be made to improve competition and investment options for Norfolk Island. In some cases there are technical issues, legislative issues, financial implications and business upheaval. This is in some part due to a lack of evolution in some industry areas for a number of years and both private and public sector are at fault in some cases. My remarks presented in support of Item A of this Motion touched on the changing operational and economic landscape for tourism, retail and industry. When you analyse the commitment to Item E of this Motion you will see that both Governments are recognising the need to restart our economy and reignite competitive elements, locally in many industries, nationally and internationally with specific regard to our main industry of tourism. We as a Government will need to analyse all available data to make sure we improve the opportunities to invest and compete. I've stated at Cabinet that my support for these changes is on the basis that they achieve improvements and that they do not cause large scale displacement or hardship within our community. I've made it clear from the first commitment to the Roadmap that we need good data to facilitate change successfully and we need a joint commitment for financial arrangements to enable industry diversification wherever possible. The work so far carried out toward implementing barges for sea freight and cruise ship tourism is a stand out in the dual government commitment to returning Norfolk to tourism industry and revenue options aimed at financial stability and employment possibilities, rather than just providing access to Centrelink social and unemployment support mechanisms. We want to work, be industrious, be innovative, we want the satisfaction that comes with being part of a productive motivated industry and future. The changes proposed in the Motion will cause changes to the Norfolk Island Act within the scheduling and responsibilities as well as the fiscal arrangements and ultimately this is a change to the constitution for Norfolk Islanders which may offer the opportunity for the Norfolk Island community to further participate in steps to stabilize our external territory arrangements, appropriately recognise our identity, our culture and traditions and possibly recognise indigenous connections to the island as I was informed was the case for Christmas Island where the 3 races of people who settled on Christmas Island in the late 1800's were recognised by Australia and the United Nations as having indigenous connections to the island. Madam Speaker we as an island community have weathered changing times, changing Governments, numerous reports which have identified ways that the Commonwealth should engage with and assist Norfolk Island as an external Territory. We have borne the responsibilities and obligations of an external Territory under the authority of Australia and yet we have in many cases found ourselves isolated in the grey area of the politically unknown. Basically put in the too hard basket because of our different operating systems. Although we have developed these systems to ensure minimum burden and maximum productivity we are deemed to be the round peg in the square hole when it comes to facilitating Commonwealth connectivity. I am supporting the Motion before the House today because we need to move forward having required funding assistance from the Commonwealth over the last few years should highlight to everyone that this is not a single expenditure or a single crisis. We have a wide range of obligations and a new formula is proposed in this Motion for both Governments and our community to move forward. Thank you Madam Speaker.

MR SHERIDAN

Thank you Madam Speaker. This Motion before the House today is something that supposed this Government has supported for a fair while now but we've been committed this course of action like I said for some time but we still receive some feedback that this Government is resistant to change. Madam Speaker hopefully this Motion today will put it to bed once and for all. Now either way it goes I suppose if it doesn't get up when then we'll have to support the majority. But Madam Speaker it has been demonstrated over the past 30 years the ability for the Norfolk Island Government to provide for the services and the infrastructure maintenance is beyond the tax raising

ability for a small community. Madam Speaker I think that's been demonstrated time and time again that this Government has struggled with its commitments, it's obligations in the past to maintain the infrastructure. Infrastructure hasn't been maintained and of course the services in some cases have been reduced in some way. Norfolk Island of course we need to find out where we can source some different, we have to find a different fiscal relationship Madam Speaker so that we can pay for these costs, so that they can be spread across many areas and not just within the 1800 population of Norfolk Island. Madam Speaker but I think just before we really do reflect upon this, all these pieces in the Motion we have to reflect upon the last 30 odd years since self government and wonder why the model has broken down, wonder why you know this government 30 years ago with good intentions and Government of the day, we went down the path of self determination you might say, self governing to a certain degree. And of course anybody given that chance would jump at the chance. Of course you would say it's a great thing and of course it is, it is a great thing for our community to be able to say that we sustain ourselves, we provide the services for our community, we deliver everything that's needed but unfortunately as a couple of the speakers have said before these things take some costs to implement and to maintain. Madam Speaker a lot of these things over the years have been a combination of many factors some outside the influence of the Norfolk Island Government and you must consider Madam Speaker that under the Norfolk Island Act 1979 Norfolk Island has always been under the authority of the Commonwealth, but in some ways we have always been left to our own devices. We've been put out there as an experiment as you might say to see how the island will survive, but alas after 30 years I think time has caught up with us. Madam Speaker also under the Act it declares that consideration will be given to extending powers conferred by under the Act. This has happened in many instances and has the proper, but I have to point out Madam Speaker has the proper consideration and evaluation been conducted to ensure that the Norfolk Island Government have the ability and resources to enable the full provision of service. Madam Speaker I don't believe so. I think that when self government was granted some 30 odd in 1979 32, 32 years ago the intent was there and over those years under the Act I think there was after 5 years there was an intent to review how it was operating and that more and more powers be passed to the Norfolk Island Government. These powers were put up for the Norfolk Island Government to take on board and of course they were grabbed with open arms, I think without full consideration by either party the Commonwealth or the Norfolk Island Government as to the full cost, the full liability that they were taking on board. So Madam Speaker the Commonwealth I think in itself they must accept some responsibility for the position that we find ourselves in today and mainly due to the poor or lack of proper oversight and acceptance in the past that the Norfolk Island Government could fund all of its functions, plus the framework that the Norfolk Island Act established. There were certain restrictions in there Madam Speaker, restrictions that negated the Norfolk Island Government to pursue certain activities. So in a sense they sort of gave you a bit of a leash but of course they had the tight fist on the other end. Over the years Madam Speaker numerous reports have reported that Commonwealth does actually have responsibility for some areas and should have assisted the Norfolk Island Government with port facilities, health services, education services just to name a few. Madam Speaker I don't believe many of these have been taken on board by the Commonwealth and it's been left up to the Norfolk Island Government to rectify those positions and of course it placed extra pressure on our finances. Madam Speaker of course the Commonwealth will say that they have put plenty, millions of dollars into the Norfolk Island economy over the years and they have, they have provided the services of an Administrator and as an Advisor as you might say as they provided monies into the National Parks, they have provided monies towards our Police enforcement, they have provided monies in a few other areas. When we've had to reconstruct one of the piers of course it was through a Commonwealth grant that it was enabled for the Kingston pier to be refurbished. Of course Madam Speaker as everybody keeps reminding me that it's a Commonwealth asset but we utilise it so we have to maintain it. Madam Speaker we have had interest free loans over the years under the Norfolk Island Act. We can't borrow money from anywhere else bar the Commonwealth.

We've had interest free loans for when we need to reseal our airport but of course it will be in the Commonwealth's best interest to make sure that that Airport is maintained in a good operational capacity. They gave us an interest free for the maintenance of the Cascade cliff. I think we've still got something like \$400,000 to repay off that loan but Madam Speaker it's a Commonwealth owned property, it's Commonwealth property that one. Why should we be lumbered with the cost of maintaining that in a safe condition so it's not a danger to the residents of Norfolk Island. It's beyond me that but anyway the Government of the day took that on board and we've nearly repaid that loan. Madam Speaker reports have been commissioned by the Commonwealth of which the Norfolk Island Government has been denied access to such as the centre of economics when I think it was Jim Lloyd was the Minister for Territories. Information that may have been vital for the Norfolk Island Government in its planning, it was all about the fiscal arrangements between Norfolk Island and the Australian Government and what may happen. We were denied access to that and we still are denied access to that to this day. So the position that we find ourselves in now Madam Speaker I think is a combination of a couple of factors. Some you can blame the Commonwealth for, some you can blame the Norfolk Island Government for. But of course now we find ourselves in a precarious position Madam Speaker due to many factors over the past few years, operating an airline, when nobody else would step into the breach to ensure a continuation of visitors to the island during a very difficult period with the global financial crisis. Madam Speaker that operation of that airline Norfolk Air virtually was the final nail in our financial difficulties. Up until that time we did have a little bit in the bank for a rainy day but just by taking that on board and ensuring that we maintain a regular service but with a reduction of visitors there was only one way to go and that was down the tube and of course that's exactly where we went. Madam Speaker reduction of visitors numbers due to self funded retirees losing dollars due to the GFC. Low cost carriers operating within Australia and overseas, particularly over the Tasman, they all contributed to an effect you might say of the downturn of tourism which is Norfolk Island's life blood. They all contributed to a degree which made it more and more difficult for the Norfolk Island Government to provide the services. All these areas Madam Speaker Norfolk Island had no control over, none at all, but had to sit back and accept whatever came at them and with no ability to stem the flow, no matter how much we tried with our advertising, how much we put out there we tried to encourage people to come, we just could not get them to come to Norfolk Island. Madam Speaker we couldn't even influence our economy by reducing interest rates, we couldn't supplement the private sector with funds so they could withstand the downturn, we couldn't even increase our benefits to our Social Service recipients. We couldn't hand out grants to offset the downturn in the economy because the Government of the day just wasn't in a position to do so and of course we're tied to Australia in regards to financial markets in regards to interest rates and everything like that. So it was very difficult. Madam Speaker it has now come to the stage where Norfolk Island has to change it's way of thinking to ensure that it survives. With closer links to Australia with taxation the GST and provisions of services, then this is the road that we must go down. We must realise that, I would love to live on an island where we don't have these things but I think one must have to have the nous and the courage to say we have to provide for these, we have to provide for our services, we have to provide monies through taxation for the Government to allow these to happen. Madam Speaker we cannot do it in our own boat. So we have to join hands you might say. Madam Speaker many in the community still resist the change but with the ever increasing costs of service delivery the small population on Norfolk Island cannot afford to pay for these services without assistance. Some changes will not be easy to take but I see this as a share in the future for my children and their children. Madam Speaker I think the majority of us around this table and in the gallery, these changes won't affect us to a great degree. We're at the end of our life cycle, it will affect us in some way a little, but it's our children that it's going to affect. It's going to be their children and I think this is what you have to have foremost in your mind is what you want for them. I'd love to live on an island where there is no taxation, we have all the services that we need, all the freedom but unfortunately that's just not possible. Madam Speaker the way ahead is long, many issues are to be sorted

out and I believe that in principal this Government is committed to these reforms and is willing to contribute and participate with the Commonwealth to ensure that a suitable outcome is achievable for the betterment of the community of Norfolk Island. Madam Speaker just a couple of small dot points I'd like to raise. Madam Speaker I just hope that this Motion is seen for what it is, a Motion from the Government, from the Chief Minister, not in response to advocates on talk back radio or through the community saying that you must do this. This is a Motion that has been a long time coming from this Government and from the Chief Minister. But one final thing Madam Speaker. In the spirit of the Roadmap I'd like to put up a challenge to Minister Crean to move a Motion of his own in the House of Representatives stating the full Australian Government's commitment to Norfolk Island to achieve these reforms so that the community of Norfolk Island can have some confidence that this will happen and not fall over as has happened in the past.

MR SNELL Thank you Madam Speaker. Madam Speaker it's interesting to hear the views of those gathered around the table here this morning. Madam Speaker this decision that we make today will have a huge impact on Norfolk Island, it will be with us for the rest of our lives. It's a decision obviously this Assembly has to face, a decision with consequences for everyone living here and some that don't live here, our lifestyle if this Motion is accepted will change irrevocably for ever. Madam Speaker it is therefore a matter which must be made by the people. Governments are elected by the people, for the people. After due process to detail this Motion should be directed to Referendum. Obviously before that could happen there are many questions to be answered and impact studies to be conducted. We are all well aware of the many points of view that have been directed at us and I thank those that have made their opinions known and I quote a few. We talk about the introduction to Norfolk Island into the Australian Taxation system. Madam Speaker it's without doubt that a lot of the businesses on Norfolk Island can't afford to pay the increased wages that the employees may demand or require to compensate for the tax, and we look at some of the examples that have been widely circulated. Up to \$6,000 is free of tax, \$6,000 - \$37,000 in wages you get charged 15% tax, \$37,000 - \$80,000 you get 30% tax and so on. Those are figures that are available. Madam Speaker we look at the Social Welfare system and we look at the problems associated with isolated communities and we look at communities of similar size to Norfolk Island 1500 to 2000 people and see what they get. Some of them don't have hospitals, they don't have banks, they don't have roads, there are massive waiting lists for important surgery. All these have been documented in submissions. Madam Speaker other reports that have been given to us we rely heavily on the ACIL Tasman Report which is a worthwhile but obviously limited contribution to the discussion of the future of Norfolk Island's economy. It analyses some of the areas of Norfolk Island but some experts believe that it could be flawed in some areas, particularly economic growth models developed for large industrial States but less applicable to small islands like Norfolk Island, fails to adequately consult the Norfolk Island community and consider the island's specific characteristics including its culture, environment and population. It makes economic rationalist conclusions and recommendations unlikely to result in long term economic growth or sustainability. Madam Speaker I fear the unknown. This Motion suggests we accept the future of over which we may have no control. I can't accept that. The Motion asks for our inclusion in the Australian Taxation System without guarantees and Social Services without commitment. I can't accept that. The Motion asks for our inclusion in areas of the GST to put our GST into a system with no guarantee and no detail and no commitment of benefits. I can't accept that. We look at the GST. We look at contributions from those that are directly involved and we look at factors that have been expressed to us. Imports into Norfolk Island from areas of New Zealand and others. Discounts that are available to us at this present time exclusive of GST and the concerns expressed by the major supermarket on Norfolk Island at the inclusion of Norfolk Island into the GST system could be a detriment to their business and certainly to the cost of living here on Norfolk Island and they quote examples. The preferred model of government suggests that in 2011 referred to a Territory style government but with no clear guidelines. The suggestion was based on principles of the Roadmap which I find

difficulty in accepting and still do. I prefer the alternative Roadmap submitted at that time. Divestment of commercial business enterprises currently under our authority is controversial. Some have already commenced. No guarantees or impact study or report has been submitted that clearly confirms this is in the island's best interest. Certainly it may work elsewhere Madam Speaker and supported by some but I am yet to be convinced that this is the best course of action for Norfolk Island. Removing barriers to competition also raises problems. The Government has already experienced difficulties in its first attempts to satisfy this demand by the Commonwealth and there are other proposals yet to be finalised. However the exercise is necessary and the end result obviously will be interesting. Madam Speaker I close my contribution to this matter with part of a letter from a resident in Taree in NSW it's relevant to our situation. It reads " My wife and I saw the ABC 7.30 Report on Wednesday the 26th January which included an item about whether in essence Norfolk Island should submit itself to some sort of economic and governmental union or association with Australia stronger than that which already exists. It appears that the island's problem is that it is not sufficiently wealthy to maintain its infrastructure. If the Council (and they are referring to the Assembly) thinks the Federal or State Government of Australia will look after the interests of your inhabitants better than they can themselves then they are in for a big and disappointing shock. Our area has an infrastructure backlog running into getting on for \$200m. The inhabitants of the Taree district have been fighting with their local Council the State and Federal Governments for years for the roads and bridges and in particular to be repaired and renewed. Something is at last possibly going to be done but only at the price of a 10% increase in rates which had to be the subject of a special application to the State Government for approval of that increase. Will there be any significant contribution from the State or Commonwealth, not as far as we are aware. There are about 46,000 people in this area which is a beautiful bit of country but relatively low in socio economic sense. There are 20,000 rate payers. If the Government doesn't care about us what chance do the islanders think they really stand. Are their votes going to make any difference to Julia Gillard to Tony Abbot. Your compatriots are about to exchange their independence for a mess of pottage except they will find there isn't any pottage, just a bureaucratic mess which the island will pay for. We could put up an Assembly Member or two and show them around our area. We have friends who may be happy to do the same. No need for you to go pot holing in Yorkshire or the south of France, we've got bigger potholes in our roads. Taree would be better off fighting for independence and then we could spend the taxes we pay on the things this Taree district needs". Madam Speaker this simple but straight to the point letter says a lot for Norfolk Island, and I am well aware Madam Speaker that the crisis we're in now is difficult and we are going to have to struggle I believe the best way we can t get ourselves out of it, painful as it may be. I do not support the Motion.

SPEAKER
Members? Mr Anderson.

Thank you Mr Snell, further debate Honourable

MR ANDERSON
Thank you Madam Speaker, I understand the motivation in the Chief Minister in bringing forward this motion. I expected an analysis of pro's and con's, and I thank the three Minister's for their contributions, which I think have given us a broad spectrum of where we now stand. I don't intend to go through those pro's and con's, I've decided to look at where we now appear to be. It is desirable that the position of this Assembly be determined to consolidate support for the continuation of the process begun back in 2010. The many and varied comments made by the Member's of this House on issues related to the Roadmap, the Funding Agreements and the issues that have arisen from them, have clearly demonstrated the commitment of most Member's of this Assembly to the reform process and just as clearly demonstrated those opposed to it. The process of bringing forward this motion, whether in this form, or something similar, had begun before the Administrator in his radio presentation last month on the 13th of June, made some interesting statements and suggestions. He suggested that the Norfolk Island Government was seeking early access to the Australian GST system, Medicare,

PBS, but was not prepared to take on all the aspects of the Australian taxation system in his words "holus bolos", he considered it was necessary to overcome the blame game and for, again in his words, quote "the Chief Minister, the Norfolk Island Government and the nine politicians, if they are fair dinkum with respect to this, at the next Sitting of the Parliament, pass a motion saying that we want the Australian taxation system and all that goes with it, the full package". He later repeated those words and added "and we want it as quickly as possible". It is apparently desirable in his view to show a unified position that can be taken to Canberra. Mind you, it would be very interesting to ask the Australian Parliament to show a unified position on anything at present. And yet Norfolk Island can only move forward, it would appear, if there is a unanimous acceptance of the proposal, the proposal that still has limited substance. It must be asked, was this political grandstanding on behalf of Canberra, two – as one correspondent suggested in this week's paper, create a diversion, blame someone else, and use defence as the best means of attack. I have no problems with supporting the motion, with appropriate reservations but it needs to be put in context. Firstly, after suggesting a unified motion on taxation was necessary, the Administrator then went on to say that the ATO was looking at various scenarios, he said, "there are different tax systems and Mr Nick Hills is looking at various scenarios, not necessarily the whole Australian Taxation System, as most listeners would probably not appreciate, Cocos Island and Christmas Island, have Australian Income Tax, but they don't have GST. Now is that the appropriate model to look at". So we support the adoption of the Australian Taxation system holus bolos, but we, the Commonwealth and Norfolk, are not really certain at this stage exactly what that will entail. I'm not sure how we can possibly expect unanimous support for the unknown. This has become a situation of, which comes first, the chicken or the egg, or more appropriately, should we put the cart before the horse. Once we have passed this motion and expressed the suggested unified position then the Commonwealth will see the, quote, "absolute commitment of the Norfolk Island Government and the Norfolk Island people", the Australian Government must see that as genuine, and they will quote "look at bringing you into the GST system, bringing you into Medicare and PBS system, because you are now showing one voice, showing us that you are committed, you are now showing us that it is going to occur". So we are committed, and they are going to have a look at it. It is very clear that not everyone agrees with the proposal and never will, so will the Commonwealth say that we will sit on our hands until everyone agrees, or is it a tactic to concentrate the community's attention on the Assembly and the Government, rather than Canberra? Is the Administrator saying, reading between the lines, that the Commonwealth is disinterested, it is now showing resistance, or perhaps even refusing to proceed, giving the extreme shortage of available funding, while the Commonwealth pursues its surplus. The Administrator alluded to the difficulties Minister Crean is already experiencing with his own Department. My understanding is that the Norfolk Island Government has expressed its preparedness for inclusion in the Australian taxation system since it entered into the Roadmap. The Aspirational Goal was, quote, "participation by Norfolk Island community in the Australian taxation system, to allow the Norfolk Island people to enjoy equal benefits to that of the wider Australian community". My letter to the Commonwealth in July 2010 expressed the need for Norfolk Island to contribute in order that it can participate, and in my view, nothing has changed. Minister Crean has at every point made it clear that Federal assistance was expressly conditional upon the Norfolk Island Government's extension of income tax. Which the Norfolk Island Government accepted, after more than two years, we are still waiting, but apparently it is our fault that things have slowed. The Commonwealth accepted it had an obligation to assist and utilise Funding Agreements that saw every cent provided monitored and signed off by its officers before expenditure or reimbursement. There has been deficit funding provided for continuation of services and to buy out the Airline contract. Norfolk Island is very appreciative of that. The Commonwealth has overseen every aspect of the Islands finances, including budgets and all expenditure. Projects over \$50,000 requires specific permission from the Commonwealth, the economic depression has not improved and no stimulus has been forthcoming, in my view we have been treading water and the life raft is still leaking. Why then, with all the information and prior notice was continuation of

support not included as a specific item in the Commonwealth budget, the items that were included go over no more than one financial year, and only about \$600,000 of the \$2.9 million will directly benefit Norfolk Island. I have to ask why has the tap been turned off, and the attention diverted from Canberra? What is the agenda now? I acknowledge that the Chief Minister has over a period of time advised us and the community of his dealings with the Commonwealth, setting out his Government's position relating to the matters the motion deals with, and I note that in respect of many of those matters, the Commonwealth has failed to respond or sought to turn the debate back on Norfolk Island and on this Assembly. With suggestions of inactivity or inability to meet its various commitments, so in that context let's consider, briefly, the motion. The reports listed have all advanced our understanding of the mess we are in, and the need for change, the Assembly should endorse the Government's commitment to participation in the Australian taxation system and emphasise the need for urgent action, in my view, it confirms the situation as it already is, so tick that one. Affirm the preference for inclusion in the Australian GST system, but in my view, only if that is achievable, and I have my doubts, so tick that one. Affirm its preference, subject to the reservations expressed in August 2011 to a preferred governance model, which can really not be determined until the Commonwealth accepts liability for Commonwealth responsibilities, and determination is made of what the Island is capable of doing with its limited resource and capabilities, with reservations, tick that one. I think the next item was intended to refer, but it appears as though there is one word missing, which is what is causing my confusion, to refer to the divestment of GBE's, that should not be the domain of Government, this is absolutely necessary, but without the funds to buy out staff entitlements, and have experts prepare workable proposals, it would be difficult to achieve in the short term, and very difficult to arrive at a commercially acceptable proposal. Sincerely progress the removal of barriers to investment and competition and the one that is missing, but which is probably inferred, is eliminate the immigration barriers that impact on the ability of the Island and its economy to grow, so tick that one. Agree to changes to the Norfolk Island Act that would be necessary to implement the processes begun, this goes hand in glove with the proposal, an appropriate form of governance and Government responsibilities, so with those reservations, tick that one. Mr Snell raised the possibility of a referendum, let's take it to the people, I'd say that before or after we close the Hospital, turn off the electricity, close the Administration and close down the Airport, the longer the delaying process is followed, the more likelihood is that the economy and Island will fail. So I say let's get on with it, if this motion speeds things up with the Commonwealth well and good, let's see if Canberra can move before the next election, be it ours or theirs. It is necessary to get something locked in sooner rather than later, in all the areas, not just taxation. We need some certainty and stability as soon as possible, we need joint commitment, and Minister Sheridan's challenge to Minister Crean is one way of perhaps achieving that, I will support the motion, but would have preferred to see some things expressed differently, as I've explained. Thank you Madam Speaker.

SPEAKER Thank you Mr Anderson, further debate Honourable Members on the question that motion be agreed to, Mrs Ward.

MRS WARD Thank you Madam Speaker. This motion clearly pulls together the work that has been done over nearly two years and naturally I welcome the opportunity to discuss the items because it is no secret that I represent people who understand the need for wide ranging reform. I represent people who understand that we need to modernize the fiscal arrangements made by the Commonwealth, and agreed to, in Norfolk Island in 1979. I represent people who understand the need to reduce the level of responsibilities we maintain, to a level we can afford. The extension of laws which will ensure that we are able to provide Australian standard social services, health and education into the future are also welcomed and so is a taxation system which will allow us access to mainland health, education, infrastructure, telecommunication and tourism funding, to name a few. I thank those people who have sent supporting emails and letters and made supportive comments through town, that certainly has been the vast majority of

people who have approached me. But I also thank the ones which continue to ask questions, because there are still many questions. I think most of us are continually challenged on the consequence of change. And no one at this table can spell out the consequences of change for every individual. Some will benefit, others will sacrifice. But what we can all spell out is the consequence of no change. To spell out complete economic collapse or a return to subsistence living, or the inability of the Government to plan for the future and build for future infrastructure is not being idealistic, it is stating the obvious. There is cash reserve to cover a few months and we still owe money to the Commonwealth. An increase in tourist numbers would produce a temporary band-aid and nothing else. And while some people have said to me that they do regret their greed and wish that they had paid their FIL 20 years ago and not denied the Government the chance to put back into the bricks and mortar of our community, it is too late, and now, we can not ask the business community to carry the Island because they too are depressed. And I don't know how else to put that Madam Speaker. If people do not hear the warnings, it is because they don't want to hear it and we could argue until the cows come home, but what we do as democratically elected Members is face the truth and lead the Community forward, in the best way that we can. The motion before us comes from a Chief Minister who has acknowledged our limitations and has accepted the need to establish a new way forward for Norfolk Island, in partnership with the Federal Government. The Chief Minister and other Members have done this with grace and here, most of the commissioned Reports have been drawn together and listed, with the exception of the Child and Family Support Review. This Motion asks us to continue to support a direction which in some areas has already commenced under the Road Map. At point a) we are asked to endorse commitment to participation in the Australian taxation and social security systems. When the Chief Minister signed the original Memorandum of Understanding in late 2010, with the Federal Minister, he had my support. He was our democratically elected head of Government and he made a decision to provide the greatest level of stability and security to the community as he possibly could. He had my support then Madam Speaker and he has it now. The Chief Minister has never said to everyone that they will be better off as a result of reform, and he has made no promises. He has clearly stated time and time again that this is for the net benefit of the whole community. And I have not spoken to a single person who does not expect to make some sort of contribution to the Federal system, so that we can have a better chance at securing grants, services and funding for our future. Tax options are still being worked on by Mr Nicholas Hills from the Australian taxation office and when they are complete we can have a more informed debate on taxation, including local revenue raising options, until then, it is a hypothetical conversation. But the intent is as it was two years ago. Point b) affirm the inclusion of Norfolk Island into the Australian GST system and transfer payment system, the same goes for this point. And I will make this point, that if Mr Hills, or anybody else for that matter, comes up with an option that shows that there are better ways of obtaining Federal funding normally applied under the COAG arrangements, then I am happy to keep an open mind. I don't want the Chief Minister or the Federal Minister to think that this Motion closes the door in any way to new information or more practical options that may surface in the near future. What this point does is demonstrates our willingness to contribute and our understanding that we can not progress without securing infrastructure funding into the future. Point c) is to reaffirm the model of self government as set out last August. Last August I supported a Motion to retain Local and Territory type functions including health and education, but at the same time I cautioned my colleagues to be realistic in our expectations. We know that our current funding and delivery method for health and education is unsustainable. Now we have a chance to get the balance right, let's make sure that it is relevant to our future needs and our capacity to fund and deliver. My aspirational goal of course is to maintain years 11 and 12 and a maternity unit at the Hospital for the delivery of babies on Island, but all of us must be realistic. Most of us understand how we arrived at our current self governing model but for those listening who are not familiar it is probably worth repeating. In 1979 the Norfolk Island Act was enacted by the Australian Federal Parliament and as a result Norfolk Island was to administer three levels of Government and raise revenue to support its

ongoing responsibilities. At the time there were 46 responsibilities, now there are 103. And Norfolk Island responsibilities at a national level include social security, aged care services, customs, quarantine and immigration. For those that are listening, the best reference to what we are debating can be found in the Public Service Review written by the Australian Continuous Improvement Group which was delivered to both Governments in November last year. So what might have been appropriate 32 years ago, as the Chief Minister has explained, has grown, it is no longer sustainable, and unfortunately things are progressing slowly in this area as well, when we relate back to the Commonwealth and Minister Crean's commitment, he has not given his opinion on what the Norfolk Island governance model should or shouldn't be. Having said that, and to be fair, the administrative capacity to deliver in certain areas is being assessed as we speak by the Commonwealth funded Capacity Building Team. So most of us still have many questions and they will remain unanswered until our future governance model is determined and that is difficult for us to handle politically in terms of managing expectations at this stage within the community and amongst ourselves. Point d) is a return to commit to core functions of Government through staged divestment of commercial enterprises using the Competition principles agreement. I listened closely to what Mrs Griffiths had to contribute to debate in this area, and we are agreed on many things, this is an area that certainly needs to be dealt with, it is part of an area which I call, cleaning up our own backyard. Unfortunately it is not enough to provide security and funding as we move onto the future of further requirements and the cost of sustaining services, it could be argued that the core functions of Norfolk Islands future are no more than policy and planning, legal services unit, human resources department, records branch to name some. And most of us appreciate that one of the most significant limiting factors to investment and economic development is the dominant role of Government in the community, it is also no secret that some of the Government Business Enterprise Managers are frustrated by the fact that the Norfolk Island Government uses business revenue to support other service areas, such as health and education, and not able to reinvest in much needed capital items and technology. I just want to point out that we as an Assembly are very aware of this factor. However, what this point asks us to support is a Government focus on maintaining core functions as I have mentioned and that commercial enterprises such as the Liquor Bond and Norfolk Energy be considered for either corporatization or privatization. In doing this the Motion states the Commonwealth Principles Agreement would be used as a framework to ensure the full benefits to the community are realized. That's not legislated so it can be nothing more than a loose framework at this stage. What this would allow for however, as we progress, is for the tax payers money to be reprioritized into other areas for example, infrastructure improvements, roads, hospital, technology, capital items to enhance the visitors experience, they are just to name a few. But clearly Madam Speaker, this is a program, which the Chief Minister has stated, which will take some time to complete and any shortfall in cash would need to be provided to the island as bridging finance or capital project funding by the Commonwealth. The other area that needs to be addressed as we consider options, of course is the provision of Consumer protection and price control. But I understand that that's on a list of services that are needed, we all know that, and are yet to be negotiated. The itemized removal of barriers to investment, earlier in the Sitting, we touched on immigration, and we appreciate that we must concentrate on removing or at least reducing barriers if we are to arrest the declining population and restimulate the economy. The Committees, as were mentioned earlier by the Chief Minister, the Immigration Committee and the Immigration Development Working Group, are in the process of forming recommendations to the Chief Minister, but what I think the Federal Minister, the Federal Minister, needs to be also made aware of is that new investors are highly unlikely to invest when Norfolk Island's tax future remains so uncertain. Minister Nobbs has touched on the removal of protectionist legislation for Lighthouse and Tourist Accommodation, which is controversial, that process is being followed at the moment. Point f) covers the amendments that would be required to the Norfolk Island Act 1979, and these will flow on from changes made to any of the items where relevant. So there are still clearly unknowns ahead of us Madam Speaker, taxation, governance, public or private ownership of business, levels of service when it

comes to education and health, yes, there are many unknowns, it would be naïve to think that everything we set down in the next 6 to 12 months is exactly how things are going to turn out, but what the reports and recommendations in front of us do, and the Chief Minister has formed this substantive motion using these reports to date, is pull together the work that has already been done, it is to endorse the direction that is already being taken. This Motion is asking people to open their minds to change and prepare for more hard work. What I'm asking people to do is to realize that sensible change is not about having anything taken away, it is about accepting that we can not fund or manage everything alone. It is accepting that the world has changed and that in this day and age we form partnerships to provide security and to grow. And forming a strong and stable partnership with Australian and being part of a national network, expanding our minds to embrace diversity and take control of our own destiny, is about becoming smarter in the way we operate. It doesn't mean losing our identity, on the contrary, it means securing our future, in the place that we want to be. So there is no question that the situation is complex and that there is a long way to go, but I'm sure that if we can demonstrate our commitment to Minister Crean and our own community, and show that we continue to be serious about reform and cleaning up our own back yard, then that will go a long way to encouraging Minister Crean and his colleagues, to make sure that the Regional Department has the resources that it needs to keep Norfolk Island high on their priority list in the short term and back on our feet and vibrant in the long term. And I will just reiterate the words that the Chief Minister used in terms of retaining culture and identity for those who do feel threatened, determination is what will push us, pull us, move us, take us, through the challenging times ahead, thank you.

SPEAKER Thank you Mrs Ward, further debate Honourable Members on the question that the motion be agreed to. I will ask the Deputy Speaker to take the Chair.

DEPUTY SPEAKER Thank you Honourable Members, we continue with the debate, I call on Ms Adams, thank you.

MS ADAMS Thank you Mr Deputy Speaker, before I commence my debate this morning, actually this afternoon, I wish Chief Minister to applaud you, for having the courage in bringing this motion to the House today. I chose you as our Chief Minister because for me, you are our Island elder, I chose you in the belief that you would do your best to lead us forward in the best way that you know how. I remain of that view and I continue to support you as our Chief Minister, I probably, more than any other around this table know that the motion you have brought to this House today is the hardest thing that you have had to do in your political career, and in the doing, part of your heart will be breaking, I honour you for the role that you are playing as our leader. However, having said that Chief Minister, you also know how I too feel, my passion for this community, and that there are many parts of the road that we are being asked to travel today that I can not walk beside you at this time. You and I have many heated, but friendly, discussions on these issues behind closed doors, and therefore I know you will appreciate that what I say today is not new to you, but it comes also from my heart. And if I appear to be talking to the clouds, perhaps I was looking for divine intervention! So I will begin. The Norfolk Island Act of 1979 is the closest that Norfolk Island can come to having a constitution. Major constitutional change in Australia requires the mandate of the people at referendum. The motion before the House today proposes major constitutional change to governance on Norfolk Island. Accordingly, that change should not take place without the voice of the silent majority having endorsed that change. I stood for this Assembly on that platform and as I stated in this House on 9 March 2011, and I quote, "It is not for the nine Members around this table to make a final decision on the way forward for Norfolk Island without ascertaining through proper process the will of the people whose lives, and the lives of their children, will be affected by the changes that are being proposed in the road map before us today". My view remains unchanged. However, the motion before us presupposes that there is constitutional certainty around

Norfolk Island; however for me, and for many others in this community, that question needs to be addressed before we further diminish the autonomy we gained in 1979, and the question continues to remain, who owns Norfolk Island? The Pitcairn Islanders who arrived in 1856 believed that they did and that the Order-In-Council passed by Queen Victoria proclaiming Norfolk Island to be a, quote, "separate and distinct" home for the Pitcairn people confirmed their belief. Respected Island Elders support this view and in April last year petitioned this Legislative Assembly to initiate an act of self determination to be conducted and overseen by the United Nation Committee on Human Rights. Their petition to date has been ignored. The Alternate Roadmap proposed by a group of Islanders last year which was tabled in the House highlighted the need for quote "a jointly agreed settlement on our constitutional status to give our community confidence and certainty going forward". In a press release dated 17 May 2004 in the New Zealand Dominion Post under the heading, quote, "High Stakes involved in carving up seabed" the Australian High commissioner, Allan Hawke, is reported as saying, and I quote, "the only area of contention he knew of was around Norfolk Island, an issue complicated by uncertainty as to whether it was part of Australia or a country in free association with Australia". In the matter of Bennett versus the Commonwealth of Australia 2007, in which the Administration of Norfolk Island was joined as a co-plaintiff, the plaintiffs gave notice of three constitutional matters. The first two matters are pertinent to this debate, namely, (1) whether Norfolk Island was placed under the authority of the Commonwealth as a distinct and separate settlement; and (2) whether Norfolk Island is a part of the Commonwealth. For reasons contained in the transcript of proceedings on 23 August 2006 these matters were not adjudicated on independently of constitutional matter number (3) which was the electoral issue. My debate today is not intended in any way to enter into legal argument around whether or not Norfolk Island is part of Australia, it merely is intended to demonstrate that there remains constitutional uncertainty around Norfolk Island which requires resolution before this motion is agreed to; and it supports my asking the question today, who owns Norfolk Island? Accordingly, I am proposing at the end of this debate to move for the adjournment of the motion before us, to enable the Government and us around this table, to give serious consideration to this question and further consider the motion and what it is containing. History will record that I hold the following views, which arise for me from the motion and why many of us in this community feel the need to establish constitutional certainty. The Pitcairners arrived in 1856, a self-governing people, the first to give women the vote, the first to make education compulsory; and from 1856 to the present day Norfolk Island has evolved into a wonderful community of people made up of the descendants of the Pitcairners and those from here and afar who have joined them in the ensuing years, a tapestry of people who have taken Norfolk Island into their hearts and made it their home. All of us around this table today are a part of that community. Today if this motion is passed we will see a further diminishing of this Island's sovereignty which we fought so hard to win back in the late 70's and we will be responsible for shackling the Norfolk Island people to a remote, centralised system of government in the belief that we are giving ourselves freedom from economic ills. There is no contract on the table for our consideration; we have no guarantee that this motion will bring a net benefit to this community; and by agreeing to this motion we are being asked to have blind faith in a system that history records has not always honoured us in the past. We have never been permitted to test the waters in the global arena. We cannot seek support or stimulus funding from outside the Commonwealth of Australia without their approval. Any innovative idea that has been proposed over the last 30 years to work towards an alternative path dependence to tourism, such as offshore finance centre, 200 mile fishing zone; shipping register to name a few, all squashed by the Commonwealth before they had any chance to bear fruit. Let us not forget what happened in the last Assembly who entered into an understanding with the Commonwealth Bank of Norfolk Island to sell to them and lease back from them the two fire engines for some \$3 million; \$3 million, it might sound a little bit of money, in the grand scheme of things today, but at that point in time it would have given us some breathing space when the global economy began to take a dive, and what happened, the Commonwealth said no to this initiative but gave no stimulus funding in return. I ask the

question, is that responsible government? Are we prepared to give up our current freedom and the right to determine our own future by further subjugating ourselves under the yoke currently imposed on us under the Norfolk Island Act, an Act which was amended in late 2010 and which this Government was forced to support if it wanted to receive stimulus funding; amendments which diminished our existing autonomy in Schedule 2 matters that the Norfolk Island Council fought so hard to achieve for this community in 1978 and 1979. I keep asking myself, when did we give away our will to succeed through our own efforts; when did we lose pride in our achievements and our ability to survive in the face of adversity; when did we choose to sell our souls along with the farm? Minister Crean has said that the future is ours to determine. If Minister Crean is serious then let that be demonstrated by his sitting down at the negotiation table with the Government, the parliament and the people of Norfolk Island to build a road map that allows Norfolk Island to have the same enlightened sovereignty arrangements with Australia, a partnership, as exists today for the Falklands, St Helena, Jersey, Guernsey and the Isle of Man, with their sovereign power, Great Britain. And by doing that honour, honour, the Pitcairners who came here in 1856 and those that have joined them and sit around this table today. The Falkland Islands will hold a referendum on its political status in 2013 and British Prime Minister David Cameron is reported as saying, and I quote, "Next year's referendum will determine beyond doubt the views of the people of the Falklands. Britain will respect and defend their choice. We look to all UN members to live up to their responsibilities under the UN Charter and accept the islanders' decision about how they want to live". So I today, look to the Commonwealth of Australia to follow that example and join us in determining once and for all, who owns Norfolk Island? Thank you Mr Deputy Speaker, and at the appropriate time, I propose to move that debate be adjourned and the resumption of debate be made an order of the day for a subsequent day of sitting, thank you.

DEPUTY SPEAKER
Members?

Thank you Mrs Adams, any further debate Honourable

MR KING

Thank you Mr Deputy Speaker, I have been very interested to sit back and listen to how the debate has unfolded, some very passionate and well reasoned presentations by Members on both sides of the argument. It has widened the debate considerably, the Chief Minister opened the debate by sticking to the facts of the situation of where we are now. The debate has been widened by a number of contributors, around the table, into things that I would dearly love to debate at an appropriate time, indigenous rights for example, and the political question mark that Mr Nobbs says was always hung over the Norfolk Islands head, as it were. The constitutional status of Norfolk Island, as Mrs Adams has alluded to as an issue, an issue in play here. The obligation that may or may not attach to Commonwealth ownership of property in the Island, the obligation to maintain, financially, those things, those are all very interesting things, the Commonwealth tardiness in respect to progression of the Roadmap, the Commonwealth's position on things like Offshore Finance Centre's and leasing back pretty fire engines to the Commonwealth Bank, and things like that. This debate is not about the blame game, and I will not be drawn in to comment and debate in those particular things, it is not about how we got here. It is about, Mr Deputy Speaker, where we are, and the facts, the facts that reflect our current position. Mr Buffett, the Chief Minister, has used some very simple words to describe that, we can not sustain ourselves, we can not afford to continue the current form of Government. So I am not going to be drawn into that Mr Deputy Speaker, we don't have the time at any event, but if anyone wants to put those things on the Notice Paper for future debate, I am happy to take part in that. Of course Mr Deputy Speaker, there is little that can be said that hasn't been said since late 2010 when the Chief Minister of the Government announced the Government's position in relation to joining the Federal Tax and Social Welfare arrangements. Was the Government sufficiently empowered to make that decision? Of course it was, of course it was, we gave them that authority to do that. We did participate Mrs Griffiths, we did participate, because we gave them that authority, and we had that

ability to move against the Government if we were unhappy with their decisions. But we did give them that, so why are we addressing this motion, to a large extent, the events have overtaken the need for a motion such as this, direction has been established, there almost two years ago, and a broad course of action has been set out in the various Funding Agreements in which we now rely to carry on the business of Government. We know however that these arrangements are necessarily interim arrangements and we can not continue, and the Federal Government will not allow us to do that, the Australian tax payers will not countenance us simply holding out our hand on an interim basis, we need to remove the uncertainty that others have spoken about, about future governance, and future taxation arrangements, without certainty, someone mentioned in the debate, that there is unlikely to be, a great deal of investment in the Island, absolutely, no one is going to want to come here if there is uncertainty in relation to governance and taxation arrangements, so we need it set in place a machinery of Government and the tax mechanism that provides for the future security of the Island. But Mr Deputy Speaker the passage of this motion will not, in itself, finalise these things, as far as I understand it, the motion is an opportunity for the House to press strong support for direction which the Government is already headed. It won't result in a final form of governance, that preserves State type functions, or territory type functions, it will not, of itself result in the swapping of our own GST, for that of the Commonwealth and of course it doesn't define what this net benefit thing is that the Chief Minister talks about wanting to achieve for the community in joining those tax systems and the social welfare system. And nor does it, of course identify any mechanism by which those net benefits might be measured, I wanted to discuss these points Mr Deputy Speaker, and perhaps I will start with the last first. The net benefit expectation, I get an impression, that some people in the community, perhaps even in this House, seem to understand about this net benefit proposition that each individual, each individual, will experience a better net outcome by participating in the tax and social welfare systems, that everyone will pay less tax and draw greater and more frequent benefits from the welfare system, of course that won't happen, we know that won't happen Mr Deputy Speaker, and most reasonable thinking people will understand that. It will mean however, that a level of equity that is not evident now will be introduced, perhaps restored, to our society, that greater access to robust welfare systems will result in the improved health and quality of life, with the corresponding improvements in productivity and other economic activity, that a burden of taxation will be removed from the lower and middle income earners and redistributed among those who can afford to pay more. So how do you measure of course those benefits Mr Deputy Speaker? You can only do that over time, except in that social and tax equity must necessarily have those outcomes. The unintended consequences of course, of continuing to head in this direction, are of course another matter, and it goes without saying that appropriate measures must be put in place, preferably in law, to monitor and review the consequences of the changes over time, the unintended consequences, and there will be, I think we all know that, we all know and understand, and future representatives of the Island will need to be alert to those unintended consequences, and we must make sure that there are mechanisms in place to monitor and review. Mr Deputy Speaker, some weeks ago I expressed in a communication to Members some disquiet about expressing their preference to the Australian GST, I said, that as I understood it, there were three options in this regard, to either retain our GST, to enter the Federal GST system, or argue for a position similar to that of the Indian Ocean Territories, that is an exemption whilst still receiving the benefits of fiscal equalisation. I said that I wasn't sure why there were exemptions in the IOT's and I guess I could have done a little bit of research, but I did venture the suggestion that there may have been some offset allowed for higher costs associated with remote area living; freight and the like. And I assume, Mr Deputy Speaker, that the Government has considered all those options, particularly the IOT options, and in fact I had asked that I be informed of the outcome of the Government's consideration, and why, if at all, that we can't argue along similar lines to the Indian Ocean Territories. I would be disappointed if the inclusion of the preference for a federal GST in this motion, like Mrs Ward, I would be disappointed if it closed the door on all options without full consideration. I am disappointed that I didn't hear anything back from

the Government, or anyone in the Public Service about the consideration of those options, and I still remain open to that view. Mr Deputy Speaker, I want to say a few words on the questions of a preferred model of self Government, my position is reflected in the policy published by Norfolk Labor, some five years ago, in short, that self Government for Norfolk Island should be modified, so I will support that aspect of the motion, I should say however, that my own personal position, which has hardened and which was reflected in the originally proposed Norfolk Labor policy, is as expressed in the Norfolk Labor policy, and I quote, "as a fundamental principle of Norfolk Island governance, Norfolk Labor embraces the notion that functions and powers of Government should be limited to those where past conduct and outcomes have met reasonable standards of fairness, equity and transparency". Of course Mr Deputy Speaker, if that were to be reflected to the enth degree in a preferred model, we would probably be looking at a local Government type model, and in all honesty, I have to say, that in the past, I have moved closer to that view. Having said that Mr Deputy Speaker, a State Territory type model, being part of the Federal tax and welfare systems, and with a return, a return to core functions of Government, is certainly much preferred to the current system, and thus I will support that direction. Mr Deputy Speaker, the three separate commitments, I think in the last three parts of the motion, have my unqualified support. The commitments are overdue and are among other elements of the motion, they are matters on which a position needs to be expressed. They are unequivocal in their terms, they demonstrate support for smaller Government and contain in itself over time to core functions and exiting commercial activities in an organised manner. I accept those things. Mr Deputy Speaker, I know and I understand that some members of the House and in the community will still be in a quandary about this issue of governance change, that was reflected in some of the passion that has been expressed in the contributions. But like many others in the community, I came to terms with the need for change a long time ago, and I have had a long standing and very public and published position, but that doesn't necessarily mean that I jump for joy. Mr Sheridan put it quite succinctly, when he said that he would like to leave for his children, and their children, a place free of over Government, free of income tax, and having all the benefits of a modern society, I would love that, I don't want to pay income tax, I have said it before in this House, others have expressed around the table that this is not about me, it is not about Mr Sheridan, it is about those that follow us. I was reading an article just the other day Mr Deputy Speaker, which spoke about the task of separating fact from fiction, separating illusion from reality, it was in the current controversial debate on climate change and carbon pricing, and the like, but you would have thought that the writer was talking about the current governance debate in Norfolk Island. Some people will have you believe Mr Deputy Speaker that there are simple solutions to our dilemma, simple solutions which deny the facts, but if we can just hold on a bit longer, things will come good, and if we borrow another \$50 million and enter into some spurious repayment programme over a long term, then that is all we need to address these things. That is not the case, that denies the facts of the situation, we do not have sufficient monies to carry on. Ten years ago we did, we had that bit of money in the back for a rainy day, I think our current assets in those days exceeded our current liabilities by ratio of 4:1, by five years ago, that had been reduced progressively down to 3. And of course it dramatically declined to the point now that our current creditors, our current liabilities exceed our current assets. We do not have the money to carry on, but not only that, we have accumulated and I know that it is only a book entry, but we have accumulated \$45 million in depreciation for which we do not have one penny provision, not one penny. And in that same article Mr Deputy Speaker, I noted a quote from a supposedly great American, although I am not quite sure why he is great, but it says he's great in here, Mr Daniel Moynihan, a Senator of some four terms, when he said, observed that, and I quote, "everyone is entitled to his opinion, but not his own facts", but not his own facts, I don't know if that quote is which made him great, but it seems to me that we can attach some relevance to that in our own current situation. Mr Deputy Speaker in our debate let the facts speak for themselves, they can not be ignored, and they can not be changed, we are each entitled to differing opinions about how we reach our factual situation, but the facts of our situation will not alter. I could talk for hours and hours and

hours about my opinions on how we have reached this current situation, this debate is not the time for it, we have to understand and accept the facts of our situation, and find a solution to provide that security. Change of course Mr Deputy Speaker is inherently difficult, particularly for those who have benefited from the status quo, or those who have wrapped themselves in a cocoon of denial and delusion, we have them Mr Deputy Speaker in our community, we perhaps have some in this House that are fully paid up members of the flat earth society. They have to stand back and accept the facts of the situation. Mr Deputy Speaker the community has to come to terms, as I've mentioned, they have to understand and accept those facts, and that is the test in this debate in community maturity, we, in this forum, our test, of which we are apparently going to fail, is to demonstrate political maturity with a unanimous passage of this motion and it would appear that we are not heading in that direction so I guess it says something about the level of political maturity that we have achieved over thirty odd years. Thank you, that is my contribution.

DEPUTY SPEAKER
Members? Minister Nobbs.

Thank you Mr King, any further debate Honourable

MR NOBBS

Thank you Mr Deputy Speaker, I just want to say a couple of things in summary as we wind up because a lot of our discussion around the table, we have certainly had a range of views, we have had a range of experiences that the Islanders have been through on a political level, on financial level on a social level, and it has really drawn me back to some of the things that I spoke about in the first discussion on the self Government model for Norfolk Island, where, what I was referring to, were some of the realities, some of these options that we currently have in front of us, and some of the options that we have utilising up to this point in time, are all options that work well in the perfect world. And when I think back to the feedback that I have received over the last two years, and when I think back to times when I was previously involved, as I was reminded quite harshly over the weekend, that I had been involved in a group that supported Norfolk Island's independence, and its ability to manage for itself and govern for itself. I'm actually drawn to some of the stark realities and that is that we haven't been going it alone, we have been going it in the unknown, if I think of some of the issues that people have asked me to sort out, if I think of some of the issues that people have questioned, both within Norfolk Island's own realms, and within the connectivity to Australia, there is some key concerns, some key values that everyone is looking for at the moment; stability and sustainability, key; clear understanding of our obligations and of our access; an enabling economy – where possible, it is difficult times, let's not fool ourselves there, and it's a changing economic landscape; expertise and resource assistance; efficient communication networks, on Island, off Island for inter-governmental communications, for community to Norfolk Island Government connections; independent scrutiny and access for the community, we can talk about how there have been some success in Norfolk Island being self-governing, we can talk about some of the challenges, but what we also need to recognise is, that in amongst it, we have quiet often shot our own people in the course of their duty for allegations and accusations that should have had proper independent scrutiny, as I have said before, and I again welcome the Ombudsman Bill onto the table, make the accusation, let's get it scrutinised, if it comes back and there is real merit to it, then let's sort it out, if there's not, then get on with your life, these are the things that we actually need, because we have torn ourselves apart in some of these areas, and it's been quite debilitating, it's been heart breaking to watch. We are at a point where we need essential modern services and social support. The Chief Minister has mentioned some of the medical issues and the obligations and the costs that come with those and they have just become an expectation for all of us. That we will have this access to health support and the appropriate medical procedures that will enable us to be healthy and if someone has special needs that they will also have those provisions. Other feedback from within our own Island, the need for refined provision for Government services, it's not new, it's not just turned up as we have gotten into the Roadmap that the Norfolk Island people have asked us whether the Government

levels that they are entitled to, but they have entitlements, and at this stage Norfolk Island is without. And we are therefore endeavouring to enter a system where we too might have basic benefits that will automatically flow, and not need to be just sought on an adhoc basis. The constitutional issues have been raised, might I respectfully point out that they have been argued now over something like 150 years without necessarily resolution, and we can not wait another 150 years. That is the dilemma we face, I too would like to have answers to all of those things. But the situation in front of us is that we have a severe financial situation that needs to be addressed. The matter of going to a referendum has been mentioned, and it may be at some time that we might need to progress to such a stage, but I wonder if I could make these points to you; we do need to understand that there are some who are opposed to the essential elements of change, and one would grasp at opportunities to maybe stall, delay or prevent, and maybe calling for referendum is available to achieve some of those aims. But allow me to explain repetitive though it may be. We can not afford essential services, I have said that in my debate, and others have said it also, we can not afford essential services at this time, we have got to make changes. Now I say to each Member here, you may be prepared, and indeed I may be prepared, to accept a diminished standard of health service, degrade eventually to maybe third world if we continue on the path that we are going, you or I maybe prepared to do that. You or I may accept a lesser standard of education, again degrading into third world standards as we move along, because we can't pay for what we've got, or that education only being available to those who might have funds to tutor their kids. And you and I might be prepared to increasing live in an isolated world because of the degradation of air or sea communications and freight carriage. You or I might be happy to experience increased costs of living because of the continuity of some antiquated methods that we undertake. You and I may be prepared to do those things, but to just pick up the point that Mr Sheridan mentioned earlier, but would you be prepared for those circumstances to be upon your children? And for those of you who are an appropriate age and might join me, would you visit those circumstances upon your grandchildren? Now we all know the answer to that, it's very clear, you wouldn't do that, you wouldn't want to do that. And you all equally know that it doesn't require a referendum to assist you to make that answer. And that is the situation that we are in today, so may I respectfully point those things out to you. There has been a mention of an adjournment, well I understand that Madam Speaker may do that, and that is her entitlement. And those that would oppose the motion and have spoken in opposition to it, no doubt might support that, but those who understand what this motion is about, will recognise that the purpose is to gain a speedy response to alleviate our difficulties. And a strong speedy response, an adjournment of course will just add to the time of difficulty and will not serve our purpose at all, I therefore counsel you not to support an adjournment, I can not. I commend this motion Mr Deputy Speaker.

DEPUTY SPEAKER Thank you Chief Minister, any further debate Honourable Members? No further debate, Ms Adams you indicated that you wished to...

MS ADAMS Yes, I move that debate be adjourned and the resumption of debate be made an order of the day for subsequent day of Sitting.

DEPUTY SPEAKER Thank you Ms Adams. Any debate Honourable Members, no debate, I put the motion.

QUESTION PUT
QUESTION NEGATIVED

By the voices of the House, the Noes have it. We move now to, Ms Adams.

MS ADAMS I would just like to say, that is was my intention if the motion were unsuccessful, that is the motion to adjourn, and the motion is put today, and obviously it is planned to be, I will be abstaining on the basis that this lies with the people,

not me to make this decision. And I am not voting noe, and I am not voting aye, I am abstaining on the basis that the decision should not be made today, thank you.

DEPUTY SPEAKER Thank you Ms Adams. I put the motion.

QUESTION PUT

AGREED

MR SNELL NO

MRS GRIFRITHS NO

MS ADAMS ABSTAIN

On the voices of the House the voices are so agreed and Ms Adams is abstaining. Thank you Honourable Members, we move on

NORFOLK ISLAND GOVERNMENT TOURIST BUREAU ACT,

The Norfolk Island Government Tourist Bureau Act, and I ask Madam Speaker if she would like to return to the chair.

SPEAKER Right Honourable Members, we are at the stage, Notice Number Two, which is in your name Minister Nobbs, Norfolk Island Government Tourist Bureau Act 1980 - Appointment of Member of the Norfolk Island Government Tourist Bureau Advisory Board.

MR NOBBS Thank you Madam Speaker, I move that this House in accordance with Section 4 of the Norfolk Island Government Tourist Bureau Act 1980 resolve that, as a result of the resignation of Alistair John Unicomb as a member of the Norfolk Island Government Tourist Bureau Advisory Board, the Minister with responsibility for the Norfolk Island Government Tourist Bureau Act 1980, appoint Rael Donde to be a member of the Norfolk Island Government Tourist Bureau Advisory Board for the remainder of the term of the appointed member being replaced.

SPEAKER Thank you Minister Nobbs, the question before the House is that the motion be agreed to, debate Honourable Members, Minister Nobbs.

MR NOBBS Thank you Madam Speaker, this is the ATA, the Accommodation and Tourism Associations nominated representative, with Alistair Unicomb shortly to leave the Island, he's provided me with his written resignation from the Board, and I would certainly like to acknowledge and thank him for the work that he has done with the Advisory Board in providing some very productive input to their discussions and their development of initiatives. I would also like to welcome Rael Donde onto the Board, he's obviously a tourist accommodation operator and has a reasonable amount of mileage with Norfolk Island as well, thank you.

SPEAKER Thank you Minister Nobbs, debate Honourable Members, seems there is no debate, I put the question.

QUESTION PUT

AGREED

I believe the aye's have it, the motion is so agreed.

CUSTOMS ACT 1913 ~ EXEMPTION FROM PAYMENT OF CUSTOMS DUTY

The motion stands in your name Chief Minister.

MR BUFFETT Thank you Madam Speaker, I move that under subsection 2B(4) of the Customs Act 1913, this House recommends to the Administrator that the goods specified in the first column of the Schedule imported by the person specified opposite, and on the conditions mentioned, in the second column of the Schedule be exempted from duty. And the Schedule has Column 1: Wire cable for fishing boat cranes, amount of duty applicable \$335.28, and this relates to the Norfolk Island Fishing Association and the other is the Electronic Scoreboard amount of duty applicable \$632.28 this relates to the Norfolk Island Junior Rugby League. That is the motion Madam Speaker.

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

MR BUFFETT Madam Speaker, thank you. Madam Speaker you will know that this complies with the Customs arrangements and these are imports that are in accordance with the policies relating to this that have been handled in this way, and therefore brought forward in a motion, they will then go to the Executive Council for Administrator approval in its final context.

SPEAKER Thank you Chief Minister, debate Honourable Members. It seems there's no debate, I put the question.

QUESTION PUT
AGREED

I believe the aye's have it, the motion is so agreed.

FINANCIAL ACCOUNTS AND AUDIT REPORT FOR THE YEARS 2010/11

This stands in your name Mr King.

MR KING Thank you Madam Speaker, I move that the House take note of the financial accounts and audit report for the year 2010/11 tabled by the Chief Minister at the 6th of June meeting of the House.

SPEAKER The question before the House is that the motion be agreed to, is there any debate Honourable Members, Mr King.

MR KING Thank you, just briefly I guess, to have a little bit of a whinge Madam Speaker, my purpose is not to traverse over the detail contained in the accounts, that is pretty much past history, it is information which is now 12 months old, it has arrived in this place some eight months after it was due to be tabled in this House. I have for many years maintained an interest, I thought it was a healthy interest, fairly keen interest anyway in the financial accounts of the Administration, some people used to say that I had nothing better to do than create pretty graphs and tables and bore everyone bloody whatever about these things. You know, well, it was my aim was to inform myself and to convince anyone else who might listen that we were going down the tube. (Unclear on recording) Is that one of my? Alas Madam Speaker I wasn't able to persuade those in authority who didn't do their own analysis mind you but they just rejected my analysis and decided to wing it, the denial is, Madam Speaker, those I've spoken about before, are perhaps not the same individuals, they took the community by the hand and essentially blindfolded them and led them down the road to ruin. But of course Madam Speaker we are now on another road, a Roadmap, and we have spoken about that, and we shouldn't be raking over old coals, I know that, but it does seem to remain Madam Speaker an element of that same denial and delusion, and an apparent desire to only provide the barest information to the community and its representatives, and with that I take issue. I see it, I hear it, with answers to questions asked of the Government, I

definitely see it in the Chief Minister's tabling of the 10/11 financial statements and audit report and totally devoid of any comment or presentation. We all know and accept that we are broke, we have spoken about that, and that the information contained in the accounts is considerably dated, but I think that the House and the community deserve to have had a brief appreciation of the important matter contained in the accounts, and that should have been provided at the time of tabling the accounts. I'm disappointed that the Chief Minister didn't do that, I know that his efforts are chiefly directed to progressing the Roadmap, but I reject out of hand any suggestion that he or one of his advisors couldn't find the time to muster a few relevant comments, even if it was only to keep his political detractors off his back, or perhaps to demonstrate perhaps his desire to be fully frank and transparent about our financial position. Madam Speaker I have previously offered support for this new era of financial accountability shepherded in by this Government, principally by Mr Anderson in his time, new reporting was offered, honesty, openness, all those things. Timeliness in reporting, unfortunately however, the compilation and the audit and the presentation of these 2010 accounts is a reflection of the new era, then it has really come to nothing. No longer Madam Speaker can I, or anyone else who has had an interest, track the performance of certain taxes and charges, or the performance of the business undertakings, or the individual liquidity ratios, all matters about which I have had an interest for many years. If nothing else Madam Speaker there is now a screaming need for a robust and properly funded public accounts committee, for really all that anyone can do from looking at the accounts is to determine a movement in a broad category of income or expenditure, there's no longer any significant detail on which one can make informed opinions on some of the important matters. I see that as a shame. You can however understand some broad movements from them, you know that from looking at the 2010/11 statements that tax revenue fell by 14.5%, and that is fairly consistent, that won't come as any surprise, consistent with a decrease of economic activity in the Island, we can see if not for the Federal Grant our revenue would have fallen by \$3.4 million, that won't come as any surprise either. It was about 6.3% the fall in revenues, so I guess in the economic circumstances of this Island, it is not too bad, but when you look at the expenditure during that particular period, that fell by only 2.7%, so we would have continued to bleed to the extent of some \$3.4 million if it had not been for the Federal Grant during that period of time, as it transpired even after the Federal Grant, and after making a provision for ongoing depreciation our position appeared to still deteriorate, by about \$1.5 million. So Madam Speaker perhaps the significant item among the papers tabled by the Chief Minister is the Audit Report, and in a sense it is not an Audit Report of the nature that we have come to expect over the years, in that, it is a heavily qualified report, it is not the first qualified Audit Report delivered up, the last one was in fact qualified for 09/10, but given the fact once again the report was qualified, it expressed an inability to obtain sufficient evidence on which to base an opinion, I believe it was incumbent upon the Finance Minister, the Chief Minister, to inform the House and offer some elaboration on the Audit Report tabled by him. This House and the community are entitled, in my view Madam Speaker, to understand or receive an explanation on why it was that, as expressed by the Auditor, that the Auditor was unable to access management accounts to test the principle of ongoing concern, or why the Auditor was unsatisfied about the amount purporting to represent the pre-paid tickets liability. Did the Government think it not important, did the Chief Minister not think it important to inform the community that the Auditor had found that, and I quote, "the Government of Norfolk Island will therefore not be able to meet its supplier and other contractual obligations beyond June 12 without further Federal Funding", or was it also of little importance, and I quote again the Auditor saying "that there is a material uncertainty that may cast significant doubt on the ability of the Norfolk Island Government to continue as a going concern", now of course we know these things Madam Speaker, and we spoke a little about them during the last debate, and of course the inclusion of them in the Audit Report, won't have come as any surprise, nor I guess, should I have been surprised that the Chief Minister apparently found them so unremarkable that he chose to ignore them in his presentation of the accounts to the House. And I really, really regret that I see that as just continuation of a behaviour, which appears to me, to represent a desire on the

Governments part to only inform backbenchers, and the community to the extent that they wish, thank you.

SPEAKER Thank you Mr King, debate Honourable Members?
There's no debate, I put the question, no, Chief Minister.

MR BUFFETT A brief word if I may Madam Speaker, I thank Mr King for bringing forward the motion and for his contribution to the debate. May I just make this point, the points that are made in this Audit Report, and they are unusual, as quite properly pointed out by Mr King, but the words which say this for example, "the Government of Norfolk Island will therefore not be able to meet its supplier and other contractual obligations beyond June 2012 without further funding assistance from the Commonwealth of Australia" is something that I have been continuously saying at each particular Sitting that we have come to. And in fact I have said it today, I said it when I presented the budget, when we commenced, I'm just really pointing out that these are not things that have not been made know, they are things that have been recognised amongst us, for a long period of time, and whilst they are mentioned here, and I do acknowledge that there has been a significant time lag, not our fault I might say, but nevertheless, there has been a significant time lag in the presentation of these reports. But that information, whilst extremely difficult, that's the sort of difficulty that the motion that we have just passed is endeavouring to address. I thank Mr King for his contributions.

SPEAKER Further debate Honourable Members? There being no further debate I put the question.

QUESTION PUT

AGREED

MRS GRIFFITHS ABSENT FROM CHAMBER

I believe the aye's have it, will the Clerk note Mrs Griffiths absence.

Honourable Members I am looking at the time, I am mindful that we need to be out of the House by 2.30pm, would you like to continue or would you like to suspend at this time until 10am tomorrow morning, I am in your hands.

MEMBERS Continue.

SPEAKER And at 2.30pm, then what, suspend if we are not finished?

MR SHERIDAN Think we will be finished by then.

ORDERS OF THE DAY

OMBUDSMAN BILL 2012

SPEAKER Okay, we will move then to Order of the Day Number One, the Ombudsman Bill 2012, we are resuming at the detailed stage and Mr Buffett, at the 6th June 2012 Sitting you tabled detailed stage amendments dated 5 June, and I look to you now to resume.

MR BUFFETT Thank you Madam Speaker, Madam Speaker I move that the detailed stage amendments, dated the 5th of June 2012, tabled at the 6th of June 2012 sitting of the House be taken as read and agreed to as a whole.

SPEAKER Thank you Chief Minister, the question before the House is that the motion be agreed to, debate, Chief Minister.

MR BUFFETT Thank you Madam Speaker, Madam Speaker a number of preliminary things to put this exercise in context. The original Ombudsman Bill was presented some many months ago. Subsequent to that, we then had a bundle of amendments to it. They were brought forward, we then had a subsequent bundle of amendments, and so, at our last Sitting I endeavoured to withdraw the first set of amendments and replace them with the ones we are now addressing. And therefore my debate will be addressing the original Bill with the second group of amendments, that's where we are at.

SPEAKER Thank you Chief Minister, debate on the amendments.

MR BUFFETT Thank you, in terms of explaining this Bill, I'll almost start at the beginning, because the concept and indeed the name Ombudsman, comes from Scandinavia, where years ago, the Government established a body, basically independent of Government, that would be able to receive complaints from the general public, and others, about the behaviour of public officers or corporate bodies owned by the State. So a number of things were put in place to achieve that. And it has now been accepted in the Governments in Australia in the various States and Territories, and we in our moving forward, in terms of accountability and transparency, are equally accepting Ombudsman legislation. The draft Bill which is before us, is based fairly closely on the Ombudsman Act 1989 of the ACT, which is also relatively, relatively, small community, and makes further allowances for the size of Norfolk Island. And this will provide some assistance if required in the interpretation of the Act, additional information has been given to the drafting experience of the Northern Territory, and there are basically four parts of this Bill. Part one of the Bill provides a number of aids to interpretation and includes several definitions, and they walk through those, I don't think I need to repeat them, but just to mention that that's the sort of thing that it covers. Part two of the Bill establishes the post of Ombudsman, and Deputy Ombudsman, and provides for the duties to be carried out. There are some exceptions as to what can be investigated by the Ombudsman, including actions by a Member of the Assembly, a Minister, a Judge, Magistrate, Coroner, connected with their duties, and also excludes actions in the appointment, promotions and discipline of public officers who are covered by the Public Sector Management Act, because there is a process separately that attends to those people. There are circumstances in which the Ombudsman may decline an invitation, particularly where the complaint hasn't previously been made to the agency in which a complaint is being made. The Bill provides for the process of making a complaint orally or in writing, and for the investigation of agencies of Government including powers to call persons to give evidence and produce documents. Special provisions are also made for requests for investigation if those requests come from the Assembly, the Administrator or the Commonwealth Minister. It also talks about how other duties are to be performed by the Ombudsman. Part three of the Bill provides for the appointment of the Ombudsman for a term that must not exceed seven years, or a term that would extend beyond the appointees 70th birthday. It always has puzzled me I might say, this matter of no age discrimination, but nevertheless, from time to time this seems to still crop up. But nevertheless that is what is in this piece of legislation, and part four, which is the final part, covers a number of miscellaneous matters, such as that the Ombudsman can not be sued for anything done in good faith. The Ombudsman is also empowered to delegate certain powers and staff must maintain confidentiality or face severe penalties, persons without reasonable excuse fail to comply with a request before the Ombudsman to be sworn or make an affirmation, or provide information or answer questions or produce a document, commit an offense, so that's the basic four parts of this particular legislation. Now to go through clause by clause, through parts one to four, there are 37 clauses, and one, two, three, four, five, six, seven, eight, I'm quite happy to read those if you would want me to.

SPEAKER I think the indication is no.

MR BUFFETT Good, I have therefore given Madam Speaker, an overview of what that Bill is about, and I am now prepared to just move the detail stage amendments, which in fact I have now done.

SPEAKER Thank you.

MR BUFFETT And we might progress to examine whether you are comfortable with those, they have been circulated on an earlier occasion, not just put on the table today. And tackle them, I would suggest as a whole, Members are comfortable to do that please.

SPEAKER Yes, that is the motion, thank you Chief Minister.

MR BUFFETT Thank you.

SPEAKER Is there any debate Honourable Members on the question that the detail stage amendments dated 5 June to the Ombudsman Bill 2012 be agreed to, Minister Nobbs.

MR NOBBS Thank you Madam Speaker, Madam Speaker I welcome these detailed stage amendments, and I welcome the progression of the Ombudsman Bill, there has certainly been a fairly long line of refinements to the reach the amendment stage to the Bill that we have in front of us today. I have a couple of questions, and they relate to our existing complaints, administrative complaints handling mechanism, whether it is seen that that is to just automatically plug into this, given that on page one of the detailed stage amendments where it talks about following subclause 3(8) and insert at 11 the Minister may in consultation with the Ombudsman by instrument published in the Gazette determine standards to be implemented by agencies for the handling of complaints, so I am really just querying whether we have to alter our existing administrative complaints handling system, or whether this is able to link up as it was intended?

MR BUFFETT Madam Speaker the first thing to say in response is that there is an expectation that various agencies over which the Ombudsman might have authority to examine, there is an expectation that all of those agencies will have their own complaints procedures and the Ombudsman facility is to assist the erection of that if it is not already in place. That is the first thing, and one of the references that I read out earlier is that if somebody goes to the Ombudsman and they haven't already gone to seek redress in their own bailiwick first, then the Ombudsman will say go and do that first. Now how that knits together with the existing, whether there needs to be adjustment, I really can't answer that at this minute, there will need to be some examination as to whether that meets all of the criteria. But I would venture to say that it will go a long way to that which would be required under this legislation.

MR NOBBS Thank you Madam Speaker, just to continue on, I thank the Chief Minister for that clarification, I'm really just going to highlight some of the things that I'm quite pleased to see in the detailed stage amendment. And that includes some areas, excuse me, where there is the ability for, in effect, the handover of the complaints, and that's dealt with on page 2, on page 3 there's the appropriate mechanisms to make sure that simultaneously the complaint isn't being pursued and investigated by two separate departments and authorities at the same time, as well as a notification process that keeps the complainant informed, these are all good things that also deal with the initial evaluation of the complaints and the authorisations and the protections to investigate as well. I look forward to taking the vote on this and getting it started.

MR SNELL Thank you Madam Speaker, Madam Speaker, perhaps the Chief Minister could confirm to the House that the recommendations or the analysis of the Commonwealth review of the Ombudsman Report undertaken by the Legal Services Unit here on the Island, some months ago, has been included in the amendments to the Bill.

MR BUFFETT Madam Speaker, we have consulted in a number of areas, including our own legal advice, some areas have been implemented, others have not, but there is not an undertaking that every particular point that has been made to the Government has been incorporated.

MRS WARD Thank you Madam Speaker, just again in support as well, in support of the motion, and I note the additional clauses, the a's, b's, c's in some areas, they create flexibility in some areas. My understanding was that the administrative complaints system that we had in place already would dovetail neatly and that had been dealt with by the Ombudsman. This is about independent scrutiny, everyone has the right to complain about the administrative action of the Public Service, no matter how big or how small, and the Ombudsman's main role will be to handle complaints from members of the public, groups or organisations about the Norfolk Island Public Service and prescribed authorities as well as Australian Government Agencies, so I support this action, it's all part of the justice package, thank you.

SPEAKER Further debate Honourable Members, it seems there's no further debate, I put the question that the amendments be agreed to.

QUESTION PUT
AGREED
MR SNELL ABSTAINED

The aye's have it, we will note Mr Snell abstained. The question now is that the clauses as amended be agreed to.

QUESTION PUT
AGREED
MR SNELL ABSTAINED

Mr Snell your abstention is noted, the ayes have it. The question that the remainder of the Bill be agreed to.

QUESTION PUT
AGREED
MR SNELL ABSTAINED

Any abstentions? Mr Snell, thank you. That motion is so agreed. I now seek a final motion, Chief Minister.

MR BUFFETT Thank you Madam Speaker, I move that the Bill as amended be agreed to.

SPEAKER Thank you Chief Minister, debate Honourable Members. No debate, I put the question.

QUESTION PUT
AGREED
MR SNELL ABSTAINED

Are there any abstentions, Mr Snell, the Bill as amended is so agreed to
LIGHTERAGE AMENDMENT BILL 2012

We move to Order of the Day Number Two, the Lighterage Amendment Bill 2012, we are resuming on the question that the Bill be agreed to in principle, Minister Nobbs you have the call to resume.

MR NOBBS Thank you Madam Speaker, just to refresh, we introduced this Bill at the last Sitting, I adjourned it to enable any community discussion and feedback, as well as feedback from my colleagues around the table. To reflect back to the explanatory memorandum Madam Speaker, this Bill is intended to remove statutory restrictions that prevent persons other than the Lighterage Service from carrying cargo and passengers to and from ships calling at Norfolk Island. Presently only the Lighterage Service or other persons that have the specific written permission of the responsible Norfolk Island Minister may lawfully perform such services, and Madam Speaker this Bill is divided into four clauses, Clause One of course providing the Short Title of the Act, Clause Two provides for the commencement upon gazettal of assent by the Administrator, Clause Three defines the principle Act being amended and Clause Four sets out a schedule of amendments to the principle Act. And those items, and there is four of them; Item One amends the existing Section 3 to insert a new subsection that expressly states that the Lighterage Service does not have the exclusive right to provide lighterage services; Item Two amends the existing Section 7 to insert a new subsection that expressly states that a refusal by the Administration to lighter cargo does not affect a decision by another person to lighter; Item three amends the existing subsection 9(2) to make it clear that the section only applies where the lighterage service has been requested to undertake lighterage services; Item four repeals the existing Section 11 to remove the prohibition on unauthorised persons providing lighterage services. Madam Speaker as we have discussed earlier, it is one of the areas where we are removing perceived or real inhibitions to competition and investment in the sectors on Norfolk Island, the reality of this legislation is that it does not, and I say this because I have had some discussion with some of the lighterage members, this does not mean the existing workers, particularly if they are Government employed and working on the lighterage system, this does not affect them immediately in anyway shape or form. There has been some concern over whether this might immediately mean that jobs would be lost, in removing the obligation for them to be employed within the lighterage service, that is actually not the case. There is a concern that has been raised to me that perhaps an off Island operator may commence the work and the fees and charges collected would also go off Island and there's been some concerns raised with me that there would need to be some regulatory arrangements to ensure safety and I take those all onboard, and I also point out that others have also pointed out to me, that the system is working as it stands. But where we are at at the moment is to evaluate Government involvement in industry and delivery of services, and evaluate whether there may be other mechanisms that can deal those services in some cases perhaps more cost effectively and in some cases that enable our own private sector to get an involvement that they previously didn't have. So with that said Madam Speaker I welcome any debate around the table.

MR SNELL Thank you Madam Speaker, Madam Speaker I don't intend to support the amendments to the Lighterage Bill, the Minister has mentioned presently only the Lighterage Service or other persons who have the specific written permission of the responsible Norfolk Island Minister may lawfully perform such services, I don't see anything wrong with that. I think the original Bill covered it if anybody else wanted to do Lighterage Service, and if it was approved by the Minister so be it. I think the current situation needs to be protected, I objected to the previous Minister's motion, of course the Chief Minister's motion and this was all part of it, and I also have concerns Madam Speaker the amendments existing under Section 3 to insert a new subsection which that expressly states that the Lighterage Service does not have exclusive right to provide Lighterage Services, well I ask myself, why not, why shouldn't they have those

exclusive rights, you know, you go onto item two and three, and I look at dangers and risks if others are lightering cargo into Norfolk, and item four repeals existing section 11 to remove prohibition on unauthorised persons providing lighterage services, there is a danger that I see in that to Madam Speaker, Madam Speaker I don't intend to support the amendments to the Lighterage Bill.

MRS WARD Thank you Madam Speaker just a few words in support of the Minister's motion, the Bill I'm sorry, the Bill removes exclusivity for the Lighterage Service, it removes current Government monopoly status, it is about removing and moving away from protectionist policy, it does not mean however that Administration is stepping out of the ship to shore service for the cargo sea freight at the moment. There is, when I look at the draft budget \$305,000 allocated to lighterage, so it is not as if the Government is about to say there's no money there for Administration to run Lighterage, we have just put a Supply Bill in, the money is there for continuation of current practice for the foreseeable future. The Minister spoke on regulatory control of safety and I would just add price control to that but as we have spoken of previously in the motion, that is all part of regulatory agents and authorities which have been negotiated as part of the Roadmap, thank you.

MR ANDERSON Just quickly Madam Speaker, thank you, the proposals covered in the Bill are a step forward in my view, they create an opportunity for the Private Sector to get involved, should they wish to do so, in a specialised industry, which will in the long run benefit from both investment and development as a result of this Bill, I congratulate the Minister on this occasion for getting on with the reform, thank you Madam Speaker.

SPEAKER Thank you Mr Anderson, further debate Honourable Members, there being no further debate I put the question.

QUESTION PUT

Madam Clerk please call the House

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

SPEAKER The result of voting Honourable Members, the Ayes six, the noes two, therefore the motion is negatived

SPEAKER Thank you. Mrs Griffiths?

MRS GRIFFITHS Pardon, aye.

SPEAKER QUESTION AGREED

The motion is agreed, we move now to the detailed stages is it the wish of the House to dispense with the detail stage? We move now then to the final motion, Minister Nobbs.

MR NOBBS Madam Speaker I move that the Bill be agreed to.

SPEAKER Thank you, any debate Honourable Members? No debate, I put the question.

QUESTION PUT

Clerk please call the House

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

Thank you, the result of the voting, the aye's six, the no's two, Mr King being absent. The motion is so agreed.

We move now to fixing of the next Sitting day.

FIXING OF THE NEXT SITTING DAY

SPEAKER And we are doing very well with the time, thank you, I look to Mr Anderson please.

MR ANDERSON Thank you Madam Speaker, I move that this House at its rising adjourn until Wednesday 8 August 2012 at 10am.

SPEAKER Thank you Mr Anderson, is there any debate Honourable Members? It seems there is no debate, so I put the question.

QUESTION PUT
AGREED

I believe the aye's have it, that motion is so agreed.

ADJOURNMENT DEBATE

SPEAKER I now look to Mrs Ward please.

MRS WARD Madam Speaker I move that the House do now adjourn.

SPEAKER Thank you Mrs Ward, the question before the House is that the motion be agreed to, is there any adjournment debate Honourable Members?

MR NOBBS Thank you Madam Speaker, I will be very brief and talk very fast, but I just can not leave the Chamber today without thanking the number of people that made the effort to come and talk to myself and the Chief Minister on Sunday in the middle of town. There was a great sharing of views and issues, and I certainly appreciated the feedback that I received, and for those items that I have been able to action as a result of that feedback on Sunday, they have already commenced, thank you.

SPEAKER Thank you Minister Nobbs, further debate Honourable Members? It would seem that there is no further debate, I put the question.

QUESTION PUT
AGREED

I believe the aye's have it, this House, at 2.30pm stands adjourned until Wednesday the 8th August 2012 at 10am. Thank you.

