



NORFOLK ISLAND LEGISLATIVE ASSEMBLY
14TH NILA HANSARD – 11 JUNE 2014

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 Honourable Members leave is sought for Mr David Porter from this Sitting. Is leave granted

AYE

SPEAKER leave is granted. Thank you. Chief Minister you seek leave to address the Chair.

CHIEF MINISTER Thank you Mr Speaker. In accordance with Section with Standing Order 244 I move that so much of Standing Orders be sett aside so as to allow a matter of public importance to be proposed to the House as soon as practicable, to be followed by Presentation of Papers in the routine of business.

SPEAKER Thank you Chief Minister. Chief Minister in respect of that Motion I will put the Motion to the House. The question Honourable Members is that Motion be agreed to.

QUESTION PUT
QUESTION AGREED

SPEAKER Thank you Chief Minister. Honourable Members at the conclusion of our last sitting which is the 21st May we determined to sit today that is the 11th June for the expressed purposed of facilitating introduction of the Appropriation Bill 2014-2015 and to have presented to the Assembly the budget of the Norfolk Island Government for the financial year 2014-2015. I received from the Minister for Finance yesterday in writing a request under Standing Order 81 - a proposed matter of public importance to be submitted to the House for discussion. I advise that the matter was lodged within the timeframe provided and have determined that the matter is in order and I read the written Statement to you. I so read. "Dear Mr Speaker, Matter of Public Importance. In accordance with Standing Order 81 I seek approval to propose a matter of public importance in relation to the Appropriation Bill 2014-2015 to authorise expenditure from the public account for the period ending on the 30th June 2015. I am unable to propose an enactment for the appropriation of public money unless it has been recommended by Message of the Administrator to the Legislative Assembly. I have yet to receive a Message from the Administrator in accordance with Section 25 of the Norfolk Island Act 1979." That request is signed by Tim Sheridan, Minister for Finance. Honourable Members you

will know from Standing Orders that it provides that the proposed discussion arising from that needs to be supported by three Members, including the proposer rising in their places indicating approval. I'm not too sure whether that was to be a signal to me that you approved or not Chief Minister. So I now ask you Honourable Members those who would wish to support this to rise in their place please. Honourable Members I see that all Members have risen in their places and I thank you. Please be seated. The matter of public importance is therefore now open for discussion and I call the Minister for Finance, Minister Sheridan.

MATTER OF PUBLIC IMPORTANCE

MINISTER SHERIDAN Thank you Mr Speaker. In accordance with Standing Order 81 I presented to you a written statement of a Matter of Public Importance which you have just read to the House. Honourable Members it was my intention to present the Appropriation Bill 2014-2015 to authorise expenditure from the public account for the period ending on 30th June 2015 and a letter requesting a Message was provided to the Administrator on the 6th June 2014. The public service has in good faith prepared the Annual Budget based on the announcement by the Commonwealth of Australia on the 13th May 2014 that it would fund the Norfolk Island Government budget deficit in the sum of \$7.5m. A further breakdown of the financial assistance to be provided by the Commonwealth Government and the Federal budget was provided to the Norfolk Island community by His Honour the Administrator in a media release. The Chief Minister also acknowledged his announcement in his Media Release dated 14th May 2014. Honourable Members we all know that funding support is tied to Funding Agreements and the need for the Norfolk Island Government to meet milestones in these Funding Agreements, However, I have been advised that despite the funds being for emergency funding support to ensure the Norfolk Island Government can meet its budget deficit and is in a position to deliver essential services a budget cannot be presented containing the allocated funds from the Commonwealth until the Funding Agreement is agreed and signed. The Administrator has advised that he is not prepared to issue the required Message in accordance with Section 25 of the Norfolk Island Act 1979 recommending to the House that an enactment for the expenditure of monies be considered by this House. By letter to me some 45 minutes ago, and Mr Speaker I would like to read that letter into the House. It's addressed to myself the Honourable Tim Sheridan and it says, "Dear Tim, thank you for your letter of 6th June 2014 concerning the Norfolk Island Government's Appropriation Bill 2014-2015. As you are aware Commonwealth funding will make up a significant component of the Norfolk Island Government's budget for 2014-15. However the funding agreement for this support has yet to be finalised and negotiations between officials are ongoing. I am aware that in previous years the Norfolk Island Government has proposed an initial appropriation for the first quarter or half of the financial year, pending the finalisation of a funding agreement with the Commonwealth. I understand that this approach was discussed with officers from the Department of Infrastructure and Regional Development last week. I would appreciate your advice on why the Norfolk Island Government has now decided to pursue an appropriation for the full financial year without having finalised the terms of Commonwealth support. The Assistant Minister for Infrastructure and Regional Development the Hon Jamie Briggs MP, wrote to Chief Minister Snell on 5 June 2014 setting his expectations for the Norfolk Island Government in order to receive Commonwealth support. Specifically, Minister Briggs stated that the budget was to be agreed with the Commonwealth before the end of the financial year and that it was to include measures to identify efficiencies across expenditure and measures to increase the generation of revenue. These requirements are in addition to those included in the Part 2 of the Commonwealth Finance Minister's (Norfolk Island) Orders 2011 relating to the preparation of an

Annual Budget. Before agreeing to recommend the Appropriation Bill 2014-15, I ask that you provide me with evidence that these requirements have been met, or will be met before the Bill is passed and returned to me for assent. Finally, your letter identifies a preference to introduce the Appropriation Bill 2014-15 in the Norfolk Island Legislative Assembly on the 11th June 2014. While I appreciate your desire to settle the budget promptly, the issues I have identified above are vital to controlling the Norfolk Island Government's budget deficit. Please provide me with a revised timeframe for passing the Bill, once these issues have been addressed. Yours Sincerely, Neil Pope, Administrator." Mr Speaker it is important Honourable Members that I point out to you and to the Norfolk Island community that the draft proposed Funding Agreement and the Schedules thereto, were only provided late on the evening on Tuesday the 3rd June after the arrival of officials of the Commonwealth Department of Infrastructure and Regional Development. Administration officers met with the Departmental officers last Wednesday afternoon and Thursday morning to consider the proposed draft schedules to the new Funding Agreement and negotiated reporting periods and sought clarification of some of the matters contained therein. The Departmental officers departed on Friday last and will prepare a further draft based on these discussions. The actual terms of the Funding Agreement which are now based on the new template from the Australian Government Solicitor is yet to be fully discussed as the latest information from the Department has not as yet been inserted into the template or the optional clauses removed. The draft Funding Agreement seeks the agreement of the Norfolk Island Government to pass legislation addressing a number of issues, however, legislation is a parliamentary process and a matter for this House as a whole, not just the four elected Members holding ministerial portfolios. Whilst the previous Government in the 13th legislative Assembly, and indeed this Government in June last year authorised the Chief Executive Officer to sign Funding Agreements containing requirements for changes to legislation and/or new legislation this was and is not appropriate and made commitments which could not necessarily be guaranteed to be met by this House. The Administration officers who are uncomfortable with this scenario have pointed this out to the Departmental officers, the Administrator and the Official Secretary that these sections of the Funding Agreement are not something that can be agreed as they require agreement of the whole Legislative Assembly and may be interpreted as undue interference with the parliamentary process of this House. Mr Speaker, the comments made in relation to the Funding Agreement are important but are an aside to this Matter of Public Importance and that is the inability to present an Appropriation Bill for this House for expenditure of public monies during the financial year 2014-2015. Members, when the Chief Minister acknowledged the announcement of the allocation of funds for Norfolk Island, he said in his media release that "the provision of these funds will enable the Norfolk Island Government to continue to fund essential services in the 2014-2015 financial year and will now assist the Administration of Norfolk Island to prepare its annual budget with certainty". This certainty no longer exists. The Administration and the Norfolk Island Government prepared the 2014-2015 budget in good faith that there was certainty following this announcement and now we have been advised that there is no certainty that the funds will be provided. Members, as the Minister for Finance I am at a loss as to what the Norfolk Island Government is to do. We have sought, and the Commonwealth has committed to the extension of taxation, social services, medicare and pharmaceutical benefits to Norfolk Island but four years on going down the path of the Roadmap, the position is not any clearer and the Commonwealth still has not met its commitments given to you Mr Speaker, when as Chief Minister you signed the Memorandum of Understanding and the Norfolk Island Roadmap likewise, signed in good faith when the Norfolk Island Government sought assistance and the Commonwealth agreed to provide certain services. It is unfortunate that the Commonwealth has not been able to meet its commitments. Mr Speaker, the Norfolk

Island Government has continued to seek an agreement from the Commonwealth to the model of governance so as to remove the uncertainty for the community as to what the future holds for them and in an attempt to attract new business investment. Mr Speaker, the Chief Minister has received a letter last Friday from the Honourable Jamie Briggs MP, Assistant Minister for Infrastructure and Regional Development which sets out his expectations to be met by the Norfolk Island Government which underpin the requirements for the Commonwealth's continued support. This letter places further requirements (outside of the draft Funding Agreement) on the Norfolk Island Government and we are now required to have a 2.5% efficiency dividend each year "across the board" using the 2013-2014 financial year as the base year and applied perpetually across the out years. This means that based upon the total budget for the 2013-2014 year with a 2.5% efficiency dividend imposed on my estimates this would mean a reduction of \$4.4m to balance the proposed budget in 2014-2015. Honourable Members this simply cannot be achieved, if we wish to continue to provide the services to this community that we currently provide and to improve our rundown infrastructure requirements. This 2.5% efficiency dividend is to be based upon a period where there has been no additional monies available for capital purchases and infrastructure needs, which in turn means that future services will need to be reduced or removed to fund any requirements above recurrent expenditure. It also has to be applied to expenditure across the board commencing in 2014-2015 of which could have serious effect on the ability for the Norfolk Island Government to fully fund its health, education, policing and social services obligations. For example a 2.5% efficiency dividend applied to the area of education would see a reduction of \$85,980 for the next financial year which means that teachers numbers are reduced or the recurrent expenditure of \$400,000 is reduced by this amount. Mr Speaker the draft Funding Agreement also requires the Norfolk Island Government to raise a further \$1m from increased fees and charges commencing in July 2015 such as motor vehicle registration, introduction of education fees etc and the expectation is that these are to mirror fees and charges collected by other States and Councils in Australia. Members until we have the results of the Household and Business surveys yet to be conducted we do not know the community's ability to pay such increases. However, anecdotal evidence suggests that this would be an unacceptable imposte on this community and is acknowledged in the 'Update of the Financial Capacity of Norfolk Island 2011' completed by the Commonwealth Grants Commission where as part of their findings they say that "Economic conditions on the island have weakened, notably tourism - the main industry - has contracted. This has weakened the capacity of the island to raise revenue". Mr Speaker, it is also noted that the Norfolk Island gross revenue has reduced from \$149m in 2009-2010 to \$111m in 2012-2013 an approximate 25% reduction with further falls expected this financial year, currently at \$92m. These two factors alone indicate a lesser ability for the Norfolk Island community to pay further taxes. Mr Speaker, another factor that would delay the process of the budget is Assistant Minister Briggs' requirement for the Norfolk Island Government budget to be formerly agreed by the Australian Government through officials from his Department, including the Commonwealth Finance Officer located on island prior to the Norfolk Island Legislative Assembly considering the budget in the House. Therefore, Honourable Members I have no alternative but to seek to delay the introduction of an Appropriation Bill until later this month. This will allow a period for consultation and negotiation of the proposed Funding Agreement and to consider Minister Briggs' requirements, so that the Australian Government, through the Administrator, may finally agree to recommend a twelve month Appropriation Bill to this House. This is my preference. If this is not achievable it may be necessary for a shorter term budget being presented to the House. It is envisaged that this House will meet again in two weeks time so that the necessary work can be completed and seek an agreement from the Australian Government and recommendation of the

Administrator for the appropriation of public monies for the period ending 30th June 2015. Mr Speaker, in the meantime the Norfolk Island Government has written to Assistant Minister Briggs responding to his letter to the Chief Minister of 5th June 2014 which outlines his expectations from the Norfolk Island Government and raising the Norfolk Island Government's concerns and ability to fulfil his requirements and to seek an urgent meeting with him to address both our Government's commitments. Thank you Mr Speaker.

SPEAKER

Thank you Minister Sheridan. Participation in this discussion?

CHIEF MINISTER Thank you Mr Speaker. It is regrettable that the Norfolk Island Government finds itself in this position today. The Legislative Assembly made the decision to meet today for the sole purpose to allow the Minister for Finance to present the Appropriation Bill 2014-2015 to authorize expenditure from the public account for the period ending on 30 June 2015. It is appropriate that the Minister made his Statement as a Matter of Public Importance so that the listening public can understand the situation as to why an Appropriation Bill is not being presented today. Mr Speaker the Norfolk Island Government sought assistance from the Commonwealth Government to fund its deficit budget for the 2014-2015 financial year and we were all extremely pleased that the Federal Budget included funding in the sum of \$7.5m together with other financial assistance to Norfolk Island. As the Minister for Finance has said, I issued a Media Release on 14 May 2014, the day after the Federal Budget announcement, acknowledging the announcement and as a result of this the Administration commenced preparation of the budget for the new financial year believing there was certainty in the funding to be provided by the Commonwealth. It is regrettable that only this morning the Minister for Finance received a letter from the Administrator seeking more information before he is prepared to recommend Bill the Appropriation 2014-15. The draft Schedules to the Funding Agreement were only provided on the evening of Tuesday, 3 June 2014 for negotiations to commence the next day, that is Wednesday afternoon, the 4 June 2014 and in the morning of Thursday, 5 June 2014 the negotiations were conducted between officers of the Department of Infrastructure and Regional Development, the Administrator and the Acting Official Secretary with the Chief Executive Officer, the Deputy Chief Executive Officer and the Acting Chief of Staff. Mr Speaker, at the time of the negotiations the Norfolk Island officers were not aware that a letter had been written to me by the Hon Jamie Briggs, Assistant Minister for Infrastructure and Regional Development. The letter was hand delivered to me on Friday, 6 June 2014 by the Administrator. The letter articulates the Federal Minister's expectations of the Norfolk Island Government. It is important for me to point out and to stress that this letter arrived after the discussions which were held the previous two days between Commonwealth Department officers and Norfolk Island Administration officers. Therefore, the letter containing the Federal Minister's expectations was not available and therefore not considered during the officer level discussions. Mr Speaker There are a number of complex issues to be addressed by the Administration and the Norfolk Island Government in the letter and I have written to Minister Briggs seeking an urgent meeting in Norfolk Island with him to discuss and resolve the commitments by both governments. I table a copy of the letter from Assistant Minister Briggs dated 5 June 2014 and the Norfolk Island Government's response dated today. For the listening public I will read them into Hansard. Letter addressed to the Honourable Lisle Snell MLA, Chief Minister and Minister for Tourism, Government of Norfolk Island, Old Military Barracks, Kingston, Norfolk Island.

Dear Chief Minister, thank you for your letter of 14 May 2014 regarding the Australian Government's 2014-15 budget announcement of a further package of support for Norfolk Island. This package of support is being provided as a short term measure

while the Australian Government considers its broader election commitment to integrate Norfolk Island into the Australian Taxation and Social Services Systems. Prior to entering into a funding agreement, I would like to take the opportunity to articulate for the Norfolk Island Government my expectations which underpin the Commonwealth's continued support. These expectations extend to all aspects of the Norfolk Island Government, Administration, Health Enterprise, Tourist Bureau all their operational and administrative arms and Government Business Enterprises, which I will collectively refer to in this letter as "the Norfolk Island Government". Commonwealth funding will be contingent upon a number of higher level commitments by the Norfolk Island Government to reduce its deficit position through the implementation of stronger expenditure controls consistent with Australian National Audit (ANAO) recommendations; enhanced revenue raising and strengthened revenue collection systems; as well as a continued commitment to implement in a timely manner broader reforms which are preconditions to tax and social services integration. I would also expect an accelerated program of Immigration, healthcare and Public Sector reform. Public sector reform must include all Norfolk Island Government employees, not just those of the Administration. These commitments are:

- The Australian Government, through officials from my Department and including the Commonwealth Financial Officer based on-Island, will formally agree the Norfolk Island annual Budget, and subsequent Budget updates and/or changes, prior to relevant Appropriation Bills being considered by the Legislative Assembly. Once agreed the document will be publically released to the broader Norfolk Island community. Any subsequent changes to the budget must be agreed in advance by the Australian Government, and any new or unbudgeted expenditure must be fully offset. These offsets must be genuine savings and not deferrals of expenditure or liabilities into future years;
- Implementation of an annual 2.5 percent efficiency dividend to be applied to expenditure across the board commencing in 2014-15 and applied perpetually across the out years, using 2013-14 as the base year. These must be genuine savings and not deferrals of expenditure or liabilities into future years and any further pay rises for Norfolk Island Government employees must be met from within the reduced annual budget.
- Financial reporting against the agreed budget and including all Norfolk Island Government activities (including the Hospital Enterprise) must be provided on a monthly basis to my Department within five business days after the months close date;
- The Norfolk Island government will introduce municipal rates and land tax regimes within the first quarter of this agreement;
- Community Title legislation will be introduced during 2014-15;
- Essential services, including external funding arrangements in the areas of Health, Education, Policing Utilities and Transport are to be the first call on Australian Government funding provided, with any shortfall to be guaranteed by the Norfolk Island Government;
- The Norfolk Island Government will, early in 2014-15, finalise its Memorandum of Understanding with the Australian Federal Police to support policing to a standard consistent with mainland jurisdictions. This would include the implementation of Road Safety practices and policies consistent with mainland standards and introduction of appropriate legislation, including for example, to allow drug and alcohol testing;
- A commitment to reduce all further barriers to immigration within the first quarter of this agreement including the treatment of foreign nationals in a way consistent with the Migration Act 1958 (Cth);

- Introduction of legislation, agreed in advance with the Commonwealth and within the first Quarter of this funding agreement for Public Sector Reform;
- Immediate action to address the mandatory high and extreme findings from the Australian Council on Healthcare Standards accreditation review process;
- The key recommendations of the 2013 Nexus Management Consulting Health Services Plan review must be implemented within the life of this funding agreement;
- Capital works projects for the Incinerator and the Cascade Jetty are to be progressed as a priority to ensure funding conditions are met and the projects are brought to finalisation;
- A new model for the governance and funding arrangements for the Kingston and Arthurs Vale Historic Area will form a schedule to the Emergency Funding Agreement; and
- Full implementation by the end of March 2015 of the agreed recommendations arising from the current Deloitte review of Government Business enterprises.

I am mindful of your previous commitments on the milestones in the current 2014-14 funding agreement. Your agreement to the measures outlined above will allow for the 2014-15 funding agreement to be streamlined considerably. Officials of my Department are happy to discuss any aspect of this letter to you. To that extent, the relevant contact in my Department is Ms Robyn Fleming on +61 2 6274 7446 or Robyn.Flemming@infrastructure.gov.au, yours sincerely, kind regards, Jamie Briggs, 5th June, 2014. Mr Speaker I read into Hansard my response of today. To the Honourable Jamie Briggs, MP Assistant Minister for Infrastructure and Regional Development, Parliament House Canberra, ACT 2601. Dear Minister, 2014-15 Federal Budget Support Package for Norfolk Island. I refer to the visit to Norfolk Island last week of Ms Robyn Fleming and Mr Paul McInnes of the Department of Infrastructure and Regional Development during which they met with Officers of the Administration of Norfolk Island and the Acting Chief of Staff to consider the first cut draft of the proposed Schedule to the Template Funding Agreement which was not received until the evening of Tuesday, 3 June 2014. I also acknowledge receipt of your letter dated 5 June 2014, given to me by hand by the Administrator, the Hon Neil Pope, on 6 June 2014 after the initial funding agreement negotiations conducted between our officers on Wednesday afternoon, 4 June 2014 and Thursday morning, 5 June 2014. As a result, they were unaware of the content of your letter and it was not able to be considered during the discussions. Your letter contains a number of complex issues to be addressed by the Administration and the Norfolk Island Government and we seek an urgent meeting with you to discuss and resolve them. It was intended that the Norfolk Island Minister for Finance, the Hon Tim Sheridan, MLA would present the Appropriation Bill 2014-2015 at the sitting of the Legislative Assembly on 11 June 2014. The Administrator has advised that he cannot recommend the proposal of the Appropriation Bill 2014-2015 to authorize the expenditure from the public account for the period ending June 2015 as it is reliant on the \$7.5 million announced in the Federal Budget. Following the release of the Federal Budget and the Media Release "Norfolk Island and the Federal Budget" issued by the Administrator, I also issued a media Release on 14 May 2014 which contained, amongst other things, the following statement: "The provision of these funds will enable the Norfolk Island Government to continue to fund essential services in the 2014/2015 financial year and will now assist the Administration of Norfolk Island to prepare its Annual Budget with certainty." The Administration of Norfolk Island was tasked with preparing a budget for the Territory of Norfolk Island based on the Federal Government's announcement and advice that it would meet the Norfolk Island Government deficit of \$7.4 million. It was disturbing to be told that no Appropriation can be proposed without first signing the Funding Agreement, a

Funding Agreement which is at this stage only a Template and Schedules which are in the early stages of negotiation and require clarity around what the expectations are. The Norfolk Island Government is concerned about the content of your letter and the additional requirements (outside of the draft Funding Agreement) which the Norfolk Island Government may not be able to comply with. The Minister for Finance, the Hon Tim Sheridan, along with all the elected Members of the Legislative Assembly, is very concerned in regards to the requirement to commit to implement an annual 2.5 percent efficiency dividend "across the board". The Norfolk Island Government seeks urgent clarification as to what is actually required in relation to the 2.5% efficiency dividend "across the board" and in particular whether this includes education, policing, the hospital, social welfare etc. The Minister for Finance has also expressed concerns in regard to the impacts on the private sector economy, a sector which is desperate for assistance, assistance that the Norfolk Island Government has not been able to provide over the past 4 years during the period of financial assistance from the Commonwealth and these additional requirements he fears impact and cause further uncertainty within this sector. Minister, on behalf of the Norfolk Island Government, the Members of the Legislative Assembly and the people of Norfolk Island, I request that our two governments return to the negotiation table with a view to resolving all the outstanding issues committed to by the Commonwealth Government and the Norfolk Island Government to give certainty as to future governance of Norfolk Island. At your meeting in February 2014 with Members of the Legislative Assembly you indicated a clear willingness to hold regular video conference/teleconferences, with the Norfolk Island Government, seeing this as a worthwhile means of ongoing dialogue between our two governments. It is unfortunate that we have been unable to settle times for that dialogue to commence. Accordingly, I write to propose to you that you return to the Island at your earliest convenience to have frank and open discussions – government to government – on a way forward for Norfolk Island which ensures that the path down which Norfolk Island is travelling into the future is one which has as its prime objective to become sustainable, which is the goal of both our governments. You will appreciate that there are a number of difficulties in allowing our public servants to negotiate agreements which require government level decisions. I look forward to early receipt of advice that you will return to Norfolk Island to discuss all the outstanding commitments. In the meantime and depending on the outcome of the funding agreement, the Minister for Finance will seek to present a Supply Bill seeking supply for three months only if the funding agreement is not signed by the 25th June 2014, to facilitate further discussions to take place. Yours sincerely, Lisle Snell, Chief Minister, Minister for Tourism, cc to the Hon. Neil Pope, Administrator, Ministers of the Norfolk Island Government, Members of the Norfolk Island Legislative Assembly, the CEO of the Administration of Norfolk Island. Mr Speaker in addition to all of this it is worthy of note that when our people arrived on Norfolk Island in mass from Pitcairn Island on June 8th 1856 it was with the understanding that this island would become our new home. The Great Seal was issued for the new Crown Colony of Norfolk Island by her Majesty, Queen Victoria, with the name of Pitcairn Island and a ship landing amidst Norfolk Island pines to commemorate this great gift to the Pitcairn people. On that day, Pitcairn Islanders became Norfolk Islanders. This island has been our home ever since. It has been signed, this Statement by members of the elders of this community, representing the majority of the island elders of the community welcoming the ensuing dialogue between the Australian Government and our elected officials regarding improving the relationships between the Commonwealth and Norfolk Island. We are Australian citizens and are grateful for the protection that that bestows upon us. But as the elders, there are concerned at what these talks may hold for the future of the Norfolk Island people. As the government proceeds to examine the best interest of the elders and the people of Norfolk Island the elders asked to keep in mind these two related

questions; when the new conditions are fully realized, will we as a people still exist , and will Norfolk Island continue to be our home. It would be to everyone's eternal shame if the answer were "no". Thank you Mr Speaker.

MINISTER ADAMS

Thank you Mr Speaker. On 14 May this year the Administrator issued a press release advising that Norfolk Island was to receive in excess of \$10 million in a variety of measures. These funds were provided in recognition of the serious economic problems Norfolk Island is facing and the need for support and certainty. The funding, the Administrator said, will provide support for the continued delivery of essential services on Norfolk Island in the short term; and that the Australian Government will continue to work with the Norfolk Island Government to enhance Norfolk Island's economic sustainability. The provision of these funds, the Administrator said, will be tied to reform milestones, which the Australian Government will negotiate with the Norfolk Island Government in the coming months and, I repeat, in the coming months. In responding to the Administrator's announcement that same day, the Chief Minister, the Hon Lisle Snell, when expressing sincere thanks to Assistant Minister Briggs, to Departmental Officers and to the Administrator for their efforts in securing this vital funding, advised the Norfolk Island community that these funds will enable the Norfolk Island Government to continue to fund essential services in the 2014/2015 financial year and will now assist the Administration to prepare its Annual Budget with certainty, I repeat , with certainty. Acknowledging that the essential funding would come tied to reform milestones, the Chief Minister at the time requested that the Norfolk Island government and the Norfolk Island Administration receive an advance copy of the funding agreement so that due consideration can be given as to whether we have the resources to meet the milestone timeframes and to enable appropriate negotiation in this respect. Mr Speaker we have heard this morning that the Administrator is not prepared to issue a message under the Norfolk Island Act for the Appropriation Bill to be introduced into the Legislative Assembly today until he is provided with evidence of certain requirements having been met, or will be met before the Bill is passed and returned to His Honour for assent. That is the Administrator's prerogative. However, let the record show that despite the Norfolk Island Government having requested it receive an advance copy of the funding agreement, and the Administrator in his press release indicating that negotiations on the funding agreement milestones would take place in the coming months, regrettably that has turned out not to be the case. The Funding Agreement template and schedules were not received until last Tuesday with further milestone requirements being placed on the table by Minister Briggs as late as last Friday morning with an expectation that signing of the Funding Agreement was a prerequisite to a message being provided by the Administrator under section 25 of the Norfolk Island Act 1979. The Chief Minister has tabled and read into Hansard the letter from Assistant Minister Briggs. Mr Speaker when standing for election to the 14th Assembly I made it quite clear that I strongly supported a return of the Commonwealth and Norfolk Island Governments to the negotiation table. Mr Speaker that time has surely arrived, and the Norfolk Island Government in responding today to the letter from Minister Briggs is proposing, as the Chief Minister has just read, that Minister Briggs return to the Island at his earliest convenience to have frank and open discussions – government to government – with a view to resolving all the outstanding issues committed to by the Commonwealth Government and the Norfolk Island Governments since November 2010 to give certainty as to future governance of Norfolk Island, a future which ensures that the path down which Norfolk Island is travelling is one which has as its prime objective to cease to be a contingent liability on the Commonwealth of Australia which surely is the goal of both our governments.

Members will recall and the Chief Minister has already referred to this in the letter that has been tabled today and read into Hansard from the Norfolk Island

Government to Minister Briggs, that when Minister Briggs sat around this table with all of us in February 2014 Minister Briggs indicated a clear willingness to hold regular video conference/teleconferences, with the Norfolk Island Government, seeing this as a worthwhile means of ongoing dialogue between our two governments. Regrettably, it is unfortunate that we have been unable to settle times for that dialogue to commence. A return visit by Minister Briggs will commence that dialogue; long overdue dialogue, and obviate the current unpalatable difficulty where Norfolk Island public servants are being required to negotiate funding agreements which require decisions of both our governments and/or of the Legislative Assembly of Norfolk Island.

Thank you Mr Speaker.

MINISTER WARD Thank you Mr Speaker. Mr Speaker I endorse the comments of the Chief Minister and support the timeframe outlined by Minister Sheridan. The apparent lack of co-ordination between Minister Brigg's office and his supporting Department is of concern, as is the apparent lack of recognition that residents here are paying way beyond their sustainable capacity now. There is no way this government can raise the revenue take from this dwindling population. Any raising of taxes will only hasten the decline of our population and our economy. In the last few days we have seen more substantial business closures. Apart from the personal anguish of these closures, these are businesses that will no longer be contributing to the Norfolk economy. As I have said previously, Norfolk Island has funded three levels of government supported by one fickle industry. We have not had the benefit of a mining boom such as that mainland Australia enjoyed, and even they have experienced decline. It is time for respectful dialogue between the parties and the time for us to move forward in a positive way, and I look forward to these negotiations that our Chief Minister has referred to. Thank you Mr Speaker.

MR NOBBS Thank you Mr Speaker. I agree with what's been spoken this morning and I won't go into all the details of it. I'm really disappointed with the situation, I'm disappointed with the Commonwealth Public Servants involvement and the senior representative on Norfolk Island. I repeat what I've said before, I've witnessed and reacted accordingly for many years now both as a Norfolk Island Public Servant, a Commonwealth Public Servant, as a member of the former Advisory Council and a Member of the Norfolk Island Legislature. For years I've witnessed such tactics emanating from some Officers, some Officers I say, because some of them have been really good in the Commonwealth Public Service Canberra. However from the signing of the first of the documents that has led us down this path or road as they call it, to where we are at the present time, the current issues were inevitable. I'm disappointed that the Australian Government, it was Prime Minister Abbot who made, and he's made a lot of statements but I just pull out a couple. One is that in his view he preferred a helping hand to a hand out. The second one was that is abhorrence for the actions of ration head Putin standing over a neighboring state. If this is not a standover tactic I don't know what it, and as I repeat and I have said here ever since I've been in this place is one thing I hate is standover tactics and I'll react very vigorously to them. Is this new? Obviously it's not. I grew up in the Norfolk Island politics from a very early age and I can tell you straight and with all honesty that it is not the first nor will it be the last but it is the current situation we have to deal with. I'll very simply say can it be resolved? It certainly can. There are some very very simple solutions which the Commonwealth Government appears or their advisors appear not to consider as essential, they are so simple that they can't understand them. Thank you Mr Speaker.

MR EVANS Thank you Mr Speaker and I'd like to endorse what the other Members have said and sort of I suppose it leaves to ponder to any

Norfolk Islander that lives on Norfolk Island to hear what's been going on, what the Commonwealth does and I suppose reverting back to my sporting thing that it sounds like a game where the goalposts change a lot. I sit and wonder and I know most Norfolk Islanders want some surety as to where we are going but one certainly ponders that if all these things that Minister Briggs expects Norfolk Island to do, you wonder what sort of Norfolk Island that Australia is going to march into in a couple of years. It's probably not going to be a very health one and you probably wouldn't want to call it Norfolk Island because there mightn't be too many of us left here but I hope that we can sort of do something and like Mr Nobbs said there are some very simple answers and hopefully we can get to those pretty quickly without this unsurety that we are in at the moment. Thank you Mr Speaker.

MRS WARD Thank you Mr Speaker. I'm just going to comment on something perhaps that the Minister for Finance has said and that is that he's at a loss as to what to do, and I think that the key point is about and a conversation that hasn't been had is all around the current level of service delivery and that's where there seems to be a problem. There seems to be an expectation from the Commonwealth that we will do something about that, we will help ourselves and we will weigh in and act as a self governing Territory and do something about having a conversation with the community and saying "what level of service delivery do you expect and what are you prepared to pay for". So that is a basic level and crosses into areas that the Deloitte Report are examining right now. So I think what we've got, what the major problem is, is the timing, a timing issue. Because when I listen very carefully to the Chief Minister and I thank him for being so open in this process because everybody in the community now knows as much as we do, when he refers to Minister Briggs; letter and those dot points, the Funding Agreement simply goes into finer and I should say less points, reading Minister Briggs' letter, but the overarching areas are basically the same. So to me it comes back to an understanding off both sides that Norfolk Island cannot sustain current service delivery when you talk about health, and education and social security. So I can't say anything, I can't add anything to the debate that the Federal Government isn't already very aware of, and if you read the senate estimates and you read Minister Briggs' statement in the House and how many reports and how many years this has gone on for, it's nothing new. So in terms of going back to the negotiation table I'm not quite sure why the Chief Minister needs to call for that. I would say that Minister Briggs' letter sets out areas which are nothing new, it's part of a reform package that we're already working through. Yes there are certainly complexities, particularly in the area of health and I will raise that because one of the points is that the key recommendations of the 2013 Nexus Management Consulting Health Service Plan Review must be implemented within the life of this Funding Agreement. Now while in principle we can agree to move towards an MPS this is why I put a Question On Notice on the Notice Paper a couple of months ago was trying to highlight and show that while the Norfolk Island Government can be committed to reform in this area without commitment from the Commonwealth in this area then we can move back to "in the Pink or in the Red" which was a Report done by the JSC in 2001. Unless you have Commonwealth commitment in this extremely important area, Norfolk Island does not have the capacity to deliver, and the Chief Minister has also put that in his letter to Briggs' where he says Minister Briggs "that the Norfolk Island Government or the Norfolk Island Administration" and I've just taken notes from the Chief Minister's reading "may not be able to deliver on Minister Briggs' expectations", and I think that everybody understands too on both sides of the table, but while there is the desire and the will, we do not have the capacity or the capability. So when our Minister for Finance says he's at a loss of what to do, perhaps there is no need for Minister Brigg's to come but there's certainly a need for the Minister for Finance to go over and have a conversation with his Honour the Administrator and to work through those

details. I hope they are simply timing issues because I believe that all of this is being carried out to use the Minister Sheridan's words "in good faith", and as long as we continue in good faith and as long as we all understand that we are tracking down a reform process which will integrate us into the mainland systems and that that hasn't changed then I'm sure solutions will be found and I hope that we can reach the point where we have an Appropriation Bill introduced into this House on the 25th. I think it is possible. I don't think we need to go back to the negotiation table, I think this is part of it. These are expectations of the Federal Government, the Australian Government and although yes there are some complicating factors in the detail I just don't see that there's a need to go back to the negotiation table. So I just put that on record. I missed that point if that's what the Norfolk Island Government's willing to do I don't actually see the need for that but I would like to see the Finance Minister and the Administrator put their heads down and try and work through this so that we can have that Appropriation Bill to have certainty for the community, certainly for the next 12 months. I don't need to say that what I really seek is the decision from the Federal Government and when you read Minister Briggs' statement in the House that is what's being worked on, that is why he sought comment from this community was to help him form a policy to take up to the Federal Cabinet because that is what the Prime Minister of Australia has asked for and he has a principal position is that all Australians should be treated the same. Thank you Mr Speaker.

SPEAKER Thank you Mrs Ward. Any further discussion in terms of this matter. No further discussion.

CHIEF MINISTER Thank you Mr Speaker. Mr Speaker I should quite rightly point out it appears that discussion has concluded. In accordance with Standing Order 82 I move that discussion be now concluded.

SPEAKER Thank you Honourable Members I put that question to you. The question is that the discussion be now concluded.

QUESTION PUT
QUESTION AGREED

SPEAKER In terms of the commencing Motion this morning the first was the matter of public importance and the second matter was that as soon as practical we might follow by Presentation of Papers. I will now call on Presentation of Papers only for one matter.

PRESENTATION OF PAPERS

MINISTER ADAMS Thank you Mr Speaker. In accordance with Section 41 of the Interpretation Act 1979 I table the Healthcare Levy Amendment Regulations 2014 and with your indulgence I will read from the Explanatory Memorandum that accompanied the Regulations at Executive Council. The Healthcare Levy Amendment Regulations 2014 prescribed the forms to be used in making claims and the time for making certain applications. The forms are based upon those that have been in use that have not been previously prescribed, in particular Form 1 is prescribed to provide a form of statutory declaration to support the claim for exemption from payment of the levy under the grounds of income under Section 10. The statutory declaration is made under the Statutory Declarations Act of 1959 of the Commonwealth that applies in Norfolk Island and provides a comprehensive list of qualified persons who can act as witnesses. Form 2 provides a form for application for suspension of the Healthcare Levy and the Medivac levy under Section 11a. To avoid problems a time limitation is provided for the making of

