



**NORFOLK ISLAND LEGISLATIVE ASSEMBLY
14TH LANI HANSARD – 11 FEBRUARY 2015**

MR 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

CONDOLENCES

MR EVANS It is with regret that this House records the passing of Dr Colleen McCullough Robinson; William Robertson Lillico; Kerri Elizabeth Hamilton-Irvine; Patricia Jean Buffett; Douglas Ross Clark.

Dr Colleen McCullough Robinson had global recognition on the world stage – the novels, movies, musicals and historical research. But on Norfolk Island Colleen will be particularly remembered for her strong support for our people in their constant battle to be recognized for their right to determine how they were, and are to be governed. Most people on Norfolk recognized that Col and her wisdom was on their side. She often described Norfolk as a "fragile butterfly.....don't tamper with it because you will destroy something very precious and beautiful". She ruffled a few feathers when she used the terms Colonial Overlord and Bloodless Genocide in the media. She then made sure that she accompanied Rick when he travelled to Geneva in 1994 to the United Nation's Working Group on Indigenous People. To this end she worked with Rick in penning letters and submissions to various Commonwealth Standing committees. Col's stance on justice and equity is witnessed in her essay "Portrait of a Colonial Overlord" in her book, "Life Without the Boring Bits". To her husband Rick, to her many friends both here and overseas this House extends its deepest sympathy. May she rest in peace.

William Robertson Lillico was born in a small mining town in Northumbria, England, the youngest of six children. Bill left school at 12 due to the Second World War, and with his friends would hide at the end of an airstrip and watch the fully laden Lancaster bombers take off on their raids – a sight and sound he would never forget. As a lad, Bill worked as a waiter in a silver service restaurant in an English pub called "The Queen's Head". Bill's life changed forever when he attended a boy's camp weekend and with his mate detonated an explosive in a gully nearby. Bryan Nunn was the camp leader and getting caught was Bill's introduction to the man who was to become his father figure, dear friend and mentor. At the end of the camp Bryan said to Bill "If you ever come to London, look me up and I will find you work in my family's company". Two weeks later Bill was on a train to London—a huge undertaking for a 14 year old who had never been outside his small village. Over the years Bill eventually found his niche in the company and during this period he designed a hydraulic tailgate to assist with loading and unloading the lorries – a big step forward in transportation of goods. Bill voluntarily joined the Air Force Reservists and served with the armed forces in occupied Germany. There he witnessed the terrible devastation but also found his two passions. Motorbikes and gliding. Bill's trait of taking risks continued with his building and racing cars at Brans Hatch and Silverstone raceways. He was a very keen fisherman, spending many hours on Bryan's 60 foot recommissioned vessel which had been used to rescue downed pilots in the war. He met his future wife Joy, a nurse, and they had three children, David,

Paul and Jayne. Summer holidays were spent in Majorca at the Nunn's family villa and these holidays were well documented on super 8 film. Sadly Paul was killed in a motorbike accident at the age of 20. Bill read an article written by Alan Wicker about Norfolk Island. Bryan was going on an overseas trip so Bill suggested he go and "check out that Norfolk Island". Eventually Bill's family, as well as Bryan and Lily, sailed for Norfolk with Bill flying ahead to buy houses and to meet them on their arrival in December 1971. Norfolk was now their home. David and Jayne each had children, giving Bill seven grandchildren, Paul, Dion, Talae, Kyara, Rebecca, Kahli and Ford. He was great grandfather to Aiyana and Phoenix, and Ivy with another due in June. In 1983 Bill married Lesley and gained another daughter in Liane. Bill's working life on Norfolk ranged from building, to working at the soft drink factory, to making a business fixing lawn mowers and chainsaws. As a self taught mechanic, he earned the name "Mr Fix It" and restored many machines destined for the scrap heap. He was very inventive and modified an old hospital bed to become a mobile workbench. Bill was an active member of the Lion's Club and was involved in making the formwork for the concrete barbeques in our picnic areas, along with other community projects. He was committee member in the formative years of the Youth Centre, thus facilitating Bryan's wish to support the youth of Norfolk Island. To Lesley, Liane, David and Jayne and their families, to his extended family and friends, this House extends its deepest sympathy. May he rest in peace.

Kerri Elizabeth Hamilton-Irvine was born in Sydney in September 1964. On leaving school she became a bank clerk for The National Bank and travelled NSW as a relief clerk. Kerri first came to Norfolk for a holiday in 1986 with her friend Jane, whose mother was the matron at the hospital. She loved it so much she soon returned and applied for a three month permit, and was still here 28 years later. Thanks to a green fiat with bad brakes, she started a relationship with Lee and they married in September, 1991. Kerri was a great photographer, needle worker, tennis player, cake maker and gardener. Her garden was a testament to that. Her needlework included a very large tapestry of the sheering of the rams, and anyone who saw her photography knew what a keen eye she had. At a young age, Kerri was a very highly graded tennis player, and bragged that she had been privileged to play with Granma Girlie out Crystal Point. Granma won, but Kerri never forgot. She loved her animals and made sure that their welfare came before her own. That's the kind of person she was. She loved her grandchildren, Alyssa, Tiare and Tamara. Travel was always high in Kerri's thoughts and before she came to Norfolk, she went on a Contiki world tour, where she had her 21st birthday. A few years ago she travelled to Africa and Egypt with good friend Phil Lineham, and earlier this year Kerri finally got Lee to join her and they visited Canada. Kerri was very spiritual and sensitive to the wellbeing of her close friends. She had a very good but strange sense of humour and would often catch people off guard with it. Kerri was a very private person and tried never to let people know she was down, always more concerned about others than herself. Kerri, with her happy smile, generosity, and her unconditional love, will be missed by many. To her husband Lee, to Skye and Kerri's grandchildren, to her friends, this House extends it deepest sympathy. May she rest in peace.

Patricia Jean Buffett was born in January 1946 in Hamilton, New Zealand, the baby sister of 5 big brothers and a sister Beris - who died as a child. Paddy loved ballet and there are many photos showing her dressed up for various performances. She excelled in the school debating team and this made her a formidable opponent in any argument. It also made her a superb adjudicator, in a calm and reasoned manner, for any family disagreement and everyone wanted Paddy on their side as she was invariably right. At 17, a handsome and charming young man from Norfolk Island rode in on a Triumph Bonneville who, much to the horror of her brothers - would put Paddy on the back of his bike and wheel her off for hours at a time, cruising the Waikato all dressed up in black leathers. In 1963 Paddy married this drake from Norfolk Island, and within six years produced two daughters Rhonda and Cara. In 1974 Harry succumbed to the call of his homeland and returned with his family. For the next 40 years, Norfolk became Paddy's second home and Harry's family became her family. She worked in a number of positions in the island, all of which required a keen and intelligent mind. After a period in the office at Irvines Building Supplies she worked at the Hospital

pharmacy, at the same time studying to become a pharmacy assistant, continually excelling and impressing her daughters with her high marks. She continued to set high standards when she became Director of the Norfolk Hospital, a position which included the coordination of Emergency Services. This responsibility she retained for some years even after leaving the employ of the hospital. Paddy continued dispensing drugs, comfort and advice, first at Barrett's then returning to work for Rick Irvine at the House of Perfumery. Recognizing Paddy's ability, Rick appointed her as a Company Director. Paddy had a community spirit. She was Pony Club President and chaperoned a local team to a riding camp in Armidale; a keen and patient golfer and took great pride in becoming Ladies Captain. She cared about people and was at her best when she was looking after or helping someone else. She was an ideal member of the Social Services Board – a role she held for many years and relished because it gave her an extra opportunity to care for others. Paddy was an exceptional card player and a great cook. Her kitchen exuded warmth and comforting smells. Paddy was full of surprises and her quiet, gentle, calm manner did not run to her taste in music. Alice Cooper's "Welcome to my Nightmare" album gave her, her favourite all-time musician. In 2010, after 47 years of marriage her beloved Harry passed away leaving a huge gap in her life. She took up bridge, loving the challenge of the game and enjoying the company of the people she played with. It became a very fulfilling part of her life. This House extends its deepest sympathy to Rhonda, Cara and their families, to her extended family and to the many persons in our community who will sorely miss her. May she rest in peace.

Douglas Ross Clark was born in November 1959, the youngest in a family of five, at Temora on the Riverina - good solid sheep and wheat country. Doug's upbringing was reflected in him in a number of ways; he was handy, practical, quietly spoken and careful with his money. In 1977 Doug lost his eldest brother and only six weeks later his good friend. After that Doug found it difficult to stay in the small country town and left to work for the Commonwealth Bank in Canberra. He was transferred to Norfolk in March 1981 and the team he joined remained lifelong friends. Doug brought a property on Poverty Row and began building a house. In the mid 80's Doug left the bank and worked for Jack Huckstep as a painter. A strong friendship grew and Doug became a close part of the Huckstep family. After several years Doug went out on his own. In the early 90's Doug rekindled his relationship with Pip and they were married. Doug formed a special bond with Pip's dad, Bruce Griffiths, who he saw as a man like himself – a man with ideas who loved projects, a good discussion, analysing and experimenting. It was this relationship which saw their first nursery established. The nursery on Poverty Row today, is an international producer of world class palm and pine seedlings and more recently first class strawberries for the local market. Doug eventually sold his nursery to his partner Rob from Holland. The sale saw Doug continue as Manager, and gave the nursery the opportunity to grow. Through their 20 year partnership, Rob and Doug became close friends. In the mid 90's, Doug and Sara's relationship began. They had three beautiful children Keelan, Lleyton then Millie. They were loving parents and gave their children a stable supportive family. When it became apparent that Lleyton had special needs, Sara and Doug founded NIS-E-DU becoming pioneers for the developing of special needs programs and advocates for assisting all children with special needs on Norfolk. An Australia Day award last year recognised those efforts. Doug followed Lleyton's development working with him at Banyan Park, volunteer reading, assistance at school and helping on school sports days. Doug more recently served on the Education Review and the school board. He spoke constantly and fondly of his children. After they separated Doug continued to hold Sara in high regard. In the last few years Doug formed a relationship with Marie, firstly here on Norfolk then travelling to New Zealand to see her. Over the years Doug played different sports. He played football for Reds and took on committee and organising roles. Squash, golf, backgammon, chess or cards. In the last few years Doug found archery which he loved but gave more of his time on working bees, encouraging juniors and organising international shoots than actually shooting arrows. He became President and a driving force behind the club. He formed strong friendships with local and overseas archers, organising various hunting trips. Doug was a steward at the A & H show. Over the years he employed many workers and close friendships were formed. He was handy. He painted, planted, built furniture, extended his deck and his house. His

MS ADAMS That may be so and that's not that I'm aware of. So how it was raised at the Public Meeting Mr Nobbs was in connection with the theatre and the difficulties that we're having with the theatre and there is a possibility there talking with one of the executives of one of the Service Clubs and after the meeting we're going to pursue that actively. Thank you.

MR NOBBS Just quickly. It was the Mawson Units. It involved not only cash it involved a group of Lions coming over here and doing work on them and it was quite an extensive project. I think

MR SPEAKER Question

MR NOBBS Can you ensure that processes are put in place so that future essential voluntary works such as we've seen and this is not just one instance of it are not compromised or lost to any entity really, not only the Hospital.

MS ADAMS I can only give you my best assurance that I will do so.

MR NOBBS I've got a couple more. Delloitte's. In relation to Delloitte's to the Minister for Finance. The Company Delloitte's is currently on the island in what appears as a third consultancy on the future of the GBE's. Can the Minister please provide to the community details of this latest visit and activity and whatever they are doing, and I say this as there is a perception that it is yet another attempt to have the Company recommend disposal of the Government Business Enterprises which to date they have not recommended. That's the perception from the community ok?

MR SHERIDAN Thank you Mr Speaker. I'll just respond briefly because I have a Question on Notice in regard to this that will fully explain it, but there is certainly no intention from Delloitte to make any recommendations in regards to their activities on the island. They are providing information to the Norfolk Island Government and the Commonwealth for their consideration as to the best way forward for the Government Business Enterprises.

MR NOBBS In relation to potholes. The Minister responsible for potholes. Would the Minister please initiate a proper survey and maintenance programme of the roads by management to ensure at least potholes are filled regularly as some potholes, particularly those creating a potential hazard on corners, are not repaired, and I'm not talking about hours or day I'm talking about months. Thank you.

MR WARD Thank you Mr Speaker and Mr Nobbs for the question. The Administration does have of course a maintenance programme and does attend to these potholes as Mr Nobbs calls them, deteriorated sections of the road as they can, as resources allow, and extra resources have been applied to that over the Christmas period as most people are aware. I believe there probably is justification for doing a few different trials to see if we can slow the deterioration on some of these roads and I will be talking with the Service about that, but ultimately it is up to those that have the experience and qualifications in that area to best deal with it with the resources they have.

MR PORTER A Supplementary if I may. In regard to the patching of the road failures could the Minister advise if they are seeking expert advice given that a number of the recent patching seem to have failed quite soon after being put in place.

MR WARD Thank you Mr Speaker. Thank you Mr Porter. I would have to refer that one to the Service to see if there is any external advice on it but there is certainly some very experienced people in our roads crew who are aware of the best techniques to be using and it's a matter of bringing all those people to the table and determining the best way forward with a lot of these things.

MR NOBBS If the Minister has got a programme of schedule well that would be fine, that's one way of seeing what they're doing, what management has the blokes doing. I'm not criticising the guy

MR SPEAKER and your question is

MR NOBBS Would he provide it please

MR WARD Mr Speaker I don't have the programme as such but I can certainly seek that material.

MRS WARD Thank you Mr Speaker. A question to the Chief Minister. Given the Chief Minister's previous Statement in the House that ongoing uncertainty surrounding Norfolk Island's proposed taxation regime has in itself created a stumbling block to investment what is the Chief Minister doing to keep pressure on the National Government of Australia to uphold an action it's collection commitment to include the island in the Federal taxation system

CHIEF MINISTER Thank you Mr Speaker. I will be making a Statement regarding this and other matters at the appropriate time but the Government obviously over the last four years has looked at many instances and it was anticipated Mr Speaker and agreed from the outset that Norfolk Island would enter the Federal taxation system. Norfolk Island people are independent people with a strong community ethic and we are not seeking to drag on the Australian taxpayer, indeed this independent ethic was a substantial factor in establish our unique governance arrangement. The reality is that we have been looking at the system of where we can raise some more revenue and how it's going to impact on the community, but I will be making a Statement.

MRS WARD Thank you Mr Speaker. Again to the Chief Minister. Is it a fact that the Norfolk Island Government business community has had ample opportunity to raise concerns with both the Norfolk Island Government and the Commonwealth in relation to doing business on Norfolk Island and can the Chief Minister give the business community a guarantee that Federal tax will be rolled out in a way that will not cause the local economy to collapse.

CHIEF MINISTER Thank you Mr Speaker. That question is hypothetical, I can't answer that. I can't guarantee that it will or will not give a certain answer.

MRS WARD Supplementary if I may, as to why the current Government remains committed to the introduction of Norfolk Island into the Australian tax and social security system if they don't have those guarantees.

CHIEF MINISTER Thank you Mr Speaker. Mrs Ward is quite right. We don't have those guarantees and we are seeking them,

MRS WARD Thank you Mr Speaker. Again to the Chief Minister. Given that the Norfolk Island Government has stated in its fact sheet which were recently distributed within the community that a change of direction in relation to the Goods and Services tax could be in the best interests of the community. Will the Chief Minister explain how this will affect the delivery and funding of State and Commonwealth services, particularly for Education and Health.

CHIEF MINISTER Thank you Mr Speaker and Mrs Ward. It is rather hypothetical and I would have to take that On Notice.

MRS WARD Supplementary if I may Mr Speaker. Is the Chief Minister saying that within the fact sheets he is promoting hypothetical possibilities.

that very short window of time we had available to us was past. That then leaves us with a situation where the insect has now well and truly entrenched across the island. I had the opportunity of taking a couple of specialists from the Pest and disease Survey down to some areas of African Boxed Thorn which in other places where the Psyllid occurs is known to be a habitat or a host for the Psyllid, and when we found these areas of Boxed Thorn which are over fairly steep cliffs it was well entrenched into that area, it became obvious that there would be a completely different approach needed and at this point what we're looking at is a biological control agent but a lot of work has to be done to deal with that. With the introduction of any biological control agents you have to be very careful not to have impact on something that is an unintended impact on some other species or variety, so that's where it's at at this point.

MR EVANS Thank you Mr Speaker. Probably another one to Minister Ward and I do apologise for not giving him any pre-warning of this and so I'll be happy if he takes it On Notice. Can the Minister please advise the community why the Human Resources Department of the Administration of Norfolk Island with three and sometimes four staff with clearly compared to ten years ago there are less staff in the Service. Can the Minister confirm justification for all of these positions in this one Department, considering that other Departments are under manned and struggling to complete the work. I'd be happy for you to take that On Notice. I do understand I didn't go with protocol Mr Speaker.

MR SPEAKER The Service is in the Chief Minister's area and I'll refer that to the Chief Minister.

CHIEF MINISTER Thank you Mr Speaker and thank you Mr Evans for the question and certainly that is an area in my bailiwick and I will take that On Notice.

MR SPEAKER Honourable Members I just remind you a number of questions have been taken On Notice this morning. There is a process for that and the Member asking the question needs to record that in writing so that it can be properly attended to.

MRS WARD Thank you Mr Speaker. Again to the Chief Minister, seeking clarification on an understanding by the community that the Government has been led to believe the Roadmap is dead, I seek clarification from the Chief Minister to whether in fact that is true.

CHIEF MINISTER Thank you Mr Speaker and Mrs Ward for the question. No the Roadmap is not dead. We still refer to it as the Roadmap for reform process was established, Mr Speaker as your well aware by the former labour Government and the previous Norfolk Island Government. This was seen as a means of bringing Norfolk Island into Mainland fiscal arrangements to alleviate the extra pressures imposed on a small geographically isolated community, and Mr Speaker it was anticipated at that time and agreed from the outset that Norfolk Island would enter that system. There have been many changes since then, it's four years ago now and we're looking at a whole new demographic of reform Mr Speaker. But to answer the question – no the Roadmap is certainly not dead.

MRS WARD Thank you for the clarification. Mr Speaker again to the Chief Minister. Given that community members gathered at last Friday evening's Public Meeting chose not to endorse the preferred, the Norfolk Island preferred Territory model of government, how does the Chief Minister intend to proceed from here.

CHIEF MINISTER Thank you Mr Speaker. Whilst the question of the comparison of the two models of government, that is the Commonwealth's regional council model and the Norfolk Island Government's Territory model was part of the agenda it was agreed that we would not debate within those public forums the two systems of proposed

government. Why we didn't receive much input into the local proposal of our own government probably was because very few people had knowledge of what it was all about, and in that respect we hope to put out more information, seek more feedback and we will be doing so in the near future, especially Mr Speaker in relation to our just completed Strategic Vision Plan for Norfolk Island.

MRS WARD Thank you Mr Speaker. Again to the Chief Minister. Will the Chief Minister explain to the House why non executive members were not invited to be part of the four day Norfolk Island framework for the future Strategic Vision workshop that was held over the long weekend.

CHIEF MINISTER Thank you Mr Speaker. It was A Government decision Mr Speaker and we wanted to get the process underway. We had a short timeframe and with no disrespect to the other Members of this House Mr Speaker it was considered to be the fastest and most appropriate way to deal with it and to get the information to them as quickly as possible, and I think it worked, I'm very pleased with it, and the Members of this House will be able to make comment on the draft proposal.

MRS WARD Supplementary please Mr Speaker. When the Chief Minister makes the document, the Strategic vision paper available to the community will he be making it perfectly clear that it was a paper developed by four Minister's,

CHIEF MINISTER Certainly.

MRS WARD Thank you Mr Speaker. My question is to the Minister for the Environment. When will the Minister finalise the process of public consultation based on the original draft Public Reserves Plans of Management provided to him in March 2013.

MR WARD Thank you Mr Speaker and thank you Mrs Ward for the question. I guess the most direct way to answer that is probably to say never, because I certainly intend to have these plans seriously re-worked to reflect and deal with a number of issues that have come to light over time.

MRS WARD A supplementary if I may. Is it a fact that serious issues are both held by the Minister alone and therefore this is a unilateral position that he is holding.

MR WARD Obviously there can only be one Minister for the Environment to make that decision Mr Speaker, but the concerns I have are held by a number of people in the community and in Government. So they are issues that will be dealt with.

MRS WARD Thank you Mr Speaker. The reference to concerns held by community members. Is this a result of feedback that came to him as a response to the initial community consultation phase,

MR WARD No Mr Speaker it's more a matter of issues that have come to light on the day to day management of the Reserves, and certainly structural issues that need to be addressed properly.

MRS WARD Thank you Mr Speaker. I'm wondering if the Chief Minister wonders that he is bound by protocol and process under the law to

MR SPEAKER The question to the Chief Minister

MRS WARD To the Minister to review the Plans of Management annually. Is he aware of that.

MR WARD Mr Speaker I have read the Act and while I couldn't quote it verbatim here I'm certainly happy to look at that again and make sure that I'm not overlooking any detail.

MR PORTER Thank you Mr Speaker. I'm not sure to which Minister I should address this matter. During January a survey on the airline contract to Australia for both passenger and air freight services was conducted. Can the Minister advise if given that it was a key stakeholder survey can the Minister advise if the Government is comfortable with the level of consultation in this matter, and if not, has this view been shared with the Department.

MR SHERIDAN Thank you Mr Speaker. That survey that was undertaken as Mr Porter has correctly stated, it was a Commonwealth survey and I'm unaware as to who they directed their survey questions to. I'm aware that a number of organisations on the island were privy and asked to fill in that questionnaire. As to whether or not the Norfolk Island Government is happy as to the extent to which it was distributed we are unable to say because we don't know what the distribution was.

MR NOBBS I just want one for the Minister for Finance in relation to electricity. Minister can you inform the community of the current status of the review of the electricity which commenced with a group of a committee I understand and has the review per se, that's the total review, not the electricity review group, has it been completed as yet or is it still ongoing.

MR SHERIDAN Thank you Mr Speaker and thank you Mr Nobbs for the question. It's always ongoing Mr Nobbs, review. I intend to make a Statement in regards to the electricity Expressions of Interest that just recently has been completed Mr Speaker.

MR NOBBS I think it would be in the area of Minister Ward, it relates to Quarantine dog. Is it correct that there are issues that prevent a proper screening and apprehension process being undertaken by the new Quarantine dog and its handler and if so what measures are being initiated to overcome the problems.

MR WARD Thank you Mr Speaker and Mr Nobbs for the question. Mr Speaker the Quarantine dog as most people will be aware is a fairly recent introduction here and it's certainly proving to be highly effective at detecting items that people have either forgotten or maybe have concealed. As for the detail that Mr Nobbs is asking I'd actually have to refer that to the Service and get their feedback on how that operation is proceeding, get a formal response from the.

MR NOBBS I've got two parts for the Minister for Finance and he may be going to do something about it. It's in relation to proposed contractual arrangements for the supply of fuel. I can't remember whether you gave an answer to Mr Porter on that one. Is that progressing.

MR SHRIDAN Thank you Mr Speaker and as I've suggested before Mr Speaker the fuel contract is still being assessed. I am aware that the tender had closed and there was a number of tender. Those tenders are under review and we are awaiting a recommendation from the Service to move forward with that proposal.

MR NOBBS Just a Supplementary. Is it close or is it a long way

MR SHERIDAN It's very close apparently, very close.

MR NOBBS The second one I seem to recall that contractual arrangements were being negotiated for provision of certain infrastructure required at Telecom. Is that progressing or has it gone in the too hard basket.

MR SHERIDAN Thank you Mr Speaker and Mr Nobbs. I think I know where your going with this. Yes the progression of the improvement to the Telecom services is progressing and we actually have a person flying in on Friday to further that proposal for discussions.

MRS WARD Thank you Mr Speaker. My question is to the Minister for the Environment. What does the Minister hope to achieve by flying to Australia this week for a meeting on the Marine Reserves and will he provide a Statement or report to the House on the outcomes for Norfolk Island at the March sitting of the Norfolk Island Legislative Assembly.

MR WARD Thank you Mr Speaker and thank you Mrs Ward for the question. Yes I can confirm that it is my intention to attend a workshop on the Marine Reserves on Monday in Sydney. This is around the planning processes for the Marine Reserve. The current Plan of Management that applies to the Marine Reserve around Norfolk Island has been set aside or rather never been enacted fully in that regulations for that Marine Reserve were never put into place. The Liberal Government, when it came into power took the decision to re declare the Reserve and that causes a review of the management of the Reserve and it gives us the opportunity to have input into that process. It particularly will give me an opportunity to represent both the Norfolk Island Government and the Norfolk Island Fishing Association's concerns that the area known around the island as the "box" should be fully recognised and defined in the Plan which it currently isn't, and to have an active role in the management process. There will be a number of other issues but I don't have that documentation with me to go into that in full.

MRS WARD Thank you Mr Speaker. My final question is to Minister Adams. Minister does the Norfolk Island Hospital Enterprise have a current signed Memorandum of Understanding with South East Sydney Local Health District, is it current. Is it a document that requires annual review.

MS ADAMS Thank you Mr Speaker and Mrs Ward for the question. Yes the MOU remains current until such time as either party on giving of 6 months notice determines otherwise.

QUESTIONS ON NOTICE

54 Mrs Ward to ask the Minister For Finance – Will the Minister provide details on the Norfolk Island Government's overall policy approach to fuel and electricity supply and the extent to which the policy has been or is proposed to be implemented. The response is Mr Speaker is that Norfolk Island Government's approach to fuel and electricity supplies is that both of these services are provided at cost to the community and at this time the actual pricing does not actually cover the cost of delivery of these services. As the public is aware electricity has been subject to recent Expressions of Interest for electricity solutions, for storage and supply dimensions and fuel has been subject to a tender for the supply and storage and delivery of fuel to Norfolk Island. Both are very complex matters and have involved and have involved extensive off-shore oversight to ensure that the best solutions are found. With fuel importation, charges are applied for road maintenance (which does not cover the full road maintenance costs) plus charges are incorporated into the price of fuel for the maintenance of the Ball Bay fuel depot. Both components are kept to a minimum. We recognise the impacts that electricity pricing has on those on Island and despite the need for injection of funds into the electricity generation and reticulation network, we continue to keep charges as low as possible returning little to the NIG. The 2014/15 budget includes an excess over expenses of \$50k for both electricity and fuel. This is before allowing for depreciation in both of these areas. The electricity EOI has considered what we can do to reduce this loss, how to store or utilise current wast energy, equipment needs in the power

house and improved metering and charging mechanisms. I plan to announce further details in relation to the electricity EOI today.

55 Mrs Ward to ask the Minister for Finance – Given that the Ball Bay bulk storage facility is proposed to be outsourced along with the other aspects of the fuel supply operation; will the Minister answer the following:

1) What is the current condition status of the bulk storage facility. The response to that Mr Speaker is the Ball Bay facility are compliant with the relevant standards of bulk fuel storage. A large amount of work has been carried out over the past seven years firstly to return the tanks to specification and then to maintain them at that level. In addition the truck ?? and all pipework in the facility has been totally replace. 2) What are the current and ongoing costs associated with running and maintaining the storage facility. Mr Speaker the short answer to that. Over the past seven years approximately \$200,000 has been spent to maintain the facility at its current standard. 3) Is it a fact that the Norfolk Island Government builds into the wholesale price of fuel a component for the upkeep and operation of the bulk storage facility. The response to that is yes the wholesale fuel price is calculated to recover all costs associated with Norfolk Energy under the competitive competition principles including the total cost of upkeep and maintenance of the bulk storage facility and the last part of the question is Is the land owned by the Commonwealth and if so; what are the ongoing associated costs? The response Mr Speaker – the land is occupied under a Crown Lease from the Commonwealth. If the annual fee was set at \$500 per annum when the current 10 year lease commenced on the 5th October 2007 the fee is indexed at 4% per annum. So the annual cost for the current year is \$657-97.

56 Mrs Ward to ask the Minister for Finance – Given the Minister's previous statement that the Norfolk Island Administration only seeks to break even in its fuel supply role; will the Minister explain how the outsourcing of the bulk storage facility will have a positive effect on the price of fuel to the local consumer and if it has the reverse effect; will the Minister reject a new arrangement in relation to the storage facility? The response Mr Speaker At this point in time I have not seen the result of the fuel tender process so I am unable to fully ascertain the final cost of fuel to the community as part of this process. I must allow the fuel tender process to conclude as the material is commercially sensitive at this moment. The tender result will need sign off by the Commonwealth due to the value of the tender and if the indications are that the cost of fuel will rise dramatically then the NIG does have the ability not to accept any tenders or that part of the tender that refers to the bulk storage facility.

57 Mrs Ward to ask the Minister for Finance – What is the current cost per litre of diesel fuel used for electricity generation as reflected in the Norfolk Electricity budget and what is the methodology used to lower or raise the KW hour tariff in line with movements in the price of diesel? The response Mr Speaker. The current cost per litre of diesel fuel for the electricity generation is \$1-75 per litre which is the wholesale diesel price, the wholesale diesel price is \$2-17 so less the GST and the 20c road levy as these are deemed to be internal transfers. The methodology utilised to determine the price of a Kilowatt hour tariff for electricity is based upon the price of fuel at the purchase time with the Norfolk Island hour kilowatt tariff increasing or decreasing 1c for every 3.6c movement in diesel price. The Norfolk Island Government often covers small increases and the decreases in fuel prices to enable the stable price to the community. The Norfolk Island Government does not price gauge in this undertaking. One litre of diesel produces 3.6 kilowatt hours of electricity so therefore the cost of diesel is 48.6 cents per kilowatt hour the difference between the tariff of 71c and the diesel cost of 48.6c ie. 22.4c is to cover the cost of reticulation, overheads and wages.

58 Mrs Ward to ask the Minister for Finance – What is the Norfolk Island Government's plan for electricity generation; short, medium and long-term and what are the expected outcomes for house-holds and business including government business enterprises. Mr Speaker as detailed in previous answers, the community would be aware that the NIG is currently assessing Expressions of Interest to ascertain solutions for storage and supply dimensions, including rates of charging and in particular solutions for the Solar PV oversupply. This Expressions of Interest has only been finalised in the past few days and it is now the intent to progress a limited tender process with four companies to further explore their options that they have outlined. This will take a fair bit of time and it is the intent that upon the conclusion of the tender process that the NIG will have detailed plans as to how to progress the electricity undertaking moving forward for the long-term benefit of the community. This is also compounded by the work that Deloitte's is undertaking in providing data to the NIG so that they can make decisions on how the future management of the electricity undertaking will be in the future. The outcomes for house-holds and business alike are that everybody connected to the electricity grid will be paying their fair share towards the costs of providing reticulation and depreciation expenses. It is envisaged that when these solutions are implemented that the cost per KWh will reduce.

59. Mrs Ward to ask the Minister for Finance – Will the Minister list the agreed recommendations arising from the Deloitte review of Government Business Enterprises and explain the agreed deliverables and expected outcomes from the current stage of the reform process? Mr Speaker We have to remember that this is a Commonwealth funded project in which the Administration and the NIG are very active participants. The understanding of both these parties is that Deloitte have not made any recommendations and that their ultimate aim is to deliver a series of reports which detail the framework that could be applied to the 19 GBE's, improve efficiency of operations and where feasible explore potential private sector involvement in the businesses. Deloitte's initial findings were that there was a limited scope for privatisation due to not a big enough market, unclear financial performance and lack of reliable data, investment requirements would be prohibitive and that the NIG relies on revenue from its business activities to fund day to day operations. Deloitte has provided some guidance on recommended operating structures for the 19 GBE's, with the majority of these being more government involvement or a management contract which also includes a table of which GBE's should be converted first to obtain the best benefit. Their report highlights options and opportunities and it is important that the NIG and the Commonwealth have the opportunity to discuss each stage moving forward to achieve the best outcomes. In the past few months we have written on two occasions to the Commonwealth to actually sit and have these discussions. The NIG met with Deloitte last week, to discuss their new activity but I do think that it is important that open discussions with the Commonwealth are necessary and we have not been successful in having these to date. Mr Speaker the current project undertaken by Deloitte and Worly Parsons who are assisting them list the following important deliverables 1) develop a full cost of service for all Norfolk Island GBE's that clearly records actual costs to each GBE of service delivery. This will include the back office support provided by the Administration of Norfolk Island to each GBE and 2) Develop a standardised government framework that can be applied across all Norfolk Island GBE's, this includes principles, policies, procedures, keeper of formal indicators, Memorandum of Understandings, community service obligations, management structure as appropriate and required and 3) GBE asset management and A) develop a template and guidelines to enable the Administration of Norfolk Island to document current assets for each GBE fields to include but not be limited to a quantity measure for asset current condition, critically of the asset to the GBE's operation, maintenance schedule, useful life, current value, replacement value and life cycle costs. B) Complete an asset management plan for each GBE data to include but not limited to a quantity measure for

asset current condition, criticality of the assets of the GBE's operation, maintenance schedule, use or life, current value, replacement value and the life cycle costs.

60. Mrs Ward to ask the Minister for Cultural Heritage and Community Services

– Thank you Mr Speaker. Mr Speaker Questions On Notice 60-63 seriously deserve in depth consideration and in depth response. The Director is on leave and with Mrs Ward's indulgence I would prefer if she wouldn't mind whilst I've got preliminary responses to the questions I would ask her indulgence that I response in march by which time we will have the final report and we will have had the conversation about the Service Clubs etc.

MR SPEAKER

Moving then to 64. I just mention that therefore 60-63 will remain on the paper.

64, Mrs Ward to ask the Minister for Cultural Heritage and Community Services –

Thank you Mrs Ward for the question. The question reads; Given that the development of consolidated health legislation as set out in the Nexus and Smyth Reports form part of the agreed joint funding agreement 2014-15; will the Minister inform the House which Government officer or department has been charged with undertaking the task and will the Minister provide a progress report that will give Members confidence that the June 2015 milestone deadline will be met? Mr Speaker the 2014/2015 Funding Agreement include the milestone No 17 this is in the May to June 2015 period the following requirement. Consolidation of health legislation as set out in the Nexus and Smyth Reports and addressed governance issues identified in Smyth Report. The Nexus Report, the 2013 Nexus Report. The October 2013 draft Health Services Plan by Nexus Management Consulting made six recommendations. The only recommendation relating to legislation is recommendation No 6. Which is in the following terms. It is recommended that existing legislation covering individual public health measures be consolidated into a single Public Health Act. The Smyth interim report of June 2013 by Dr Tim Smyth entitled Interim Report Review of Norfolk Island health Legislation did not issue specific recommendations but made a number of key findings and proposed the adoption of the following principles. Revision and consolidation of the health legislation into three key acts namely Health Services Act, Public Health Act, Mental Health Act and adoption of the Mainland Health Practitioner National Law and linking and aligning the regulatory and compliance functions with an appropriate mainland State. The Smyth Interim Report specifically contemplated that further intergovernmental and multi jurisdictional discussion would take place. The Smyth Interim Report concluded that a section headed "Next Steps" which states – This interim report outlines a number of key findings. As the review was commissioned by the Norfolk Island Hospital Enterprise it is appropriate that the Norfolk Island Hospital Enterprise and its Advisory Board consider these findings in the first instance. Following this consideration in the next step preliminary multi jurisdictional discussions involving the Norfolk Island, Commonwealth Government and the NSW Government might then occur to guide the next stage of the review. Subject to this discussion the development of the Norfolk Island Health Services Act, revision of the Public health Act, adoption of the National Law on the registration and regulation of health professionals and a decision in principle to align Norfolk Island Health legislation with appropriate to NSW legislation appear to be worth exploring in more detail. To date very limited intergovernmental discussions have taken place regarding progression of reform in this area. At present there is no intergovernmental consensus as to what a reformed health legislative landscape would contain. However it should be noted that the community was consulted on the Nexus recommendations in November last year and the report dated 8 December 2014 and entitled Response to the draft Health Services Plan appear by R & S Mueller Enterprises Pty Ltd for the Norfolk Island Hospital Enterprise indicates community support for actioning the recommendations. The initial problem therefore is that the draft Nexus Report and interim Smyth Report are general in their terms and could not for example and as might be inferred from the milestone, simply be referred to

the Legislative Draftsman as instructions for the preparation of new legislation. Nevertheless the Funding Agreement imposes a requirement to consolidate health legislation as set out in the Nexus and Smyth Reports. We have to try and meet such a requirement. To progress this matter further with the agreement of the Chief Executive Officer the Legal Service Unit has been preparing a background paper which 1) Reviews and comments on the relevant parts of the Nexus and Smyth Reports 2) Highlights public health related areas previously identified as requiring the form and 3) Offers recommendations regarding an appropriate and prioritised legislative programme. The purpose of the background paper is to enable clear instruction to be issued with the preparation of amending legislation and hopefully meeting the Commonwealth Department understanding of the milestone requirements. Completion of the paper has been delayed by other legislative priorities however I am advised work on this task has resumed as a priority.

65 Mrs Ward to ask the Minister for the Environment – Given the Minister's words in the House last December that he had asked the Chief Executive Officer to meet with the Department of Infrastructure and Regional Development to find an agreeable way forward in relation to the Cascade and Kingston Pier upgrade project; will the Minister confirm that this meeting took place and brief Members on the outcome of the meeting and let the community know whether or not they should hold out hope that an economic development project will commence in 2015? Mr Speaker I can confirm that a meeting was held between Officers of the Department of Infrastructure, Administrator Hardgrave and I on the 18th December 2014. I followed this up on the 24th December 2014 with a letter to Assistant Minister Briggs and c.c to Ms R. Fleming, Executive Director of Local Government and Territory that reads: Dear Minister, the Norfolk Island Government has recently reviewed issues regarding CDG010 Development Grant for Cascade Jetty on the Northern coastline of Norfolk Island. The Norfolk Island Government jetty upgrade which is viewed as a vital component in Norfolk Island's port infrastructure. However under the draft project Funding Agreement a co-contribution from Norfolk Island of some \$5.75m plus committing to fund potential overrun costs is a commitment this Government cannot responsibly commit to under current circumstances. While the construction management of this project is well within the capacity of the Norfolk Island Administration, the Government of Norfolk Island is not in a position to underwrite any costs overruns on this Commonwealth vested asset. Although the Cascade Jetty upgrade is necessary the current project was designed to fit the limits and conditions of the grant on offer at the time, rather than as a part of a properly prioritized port strategy. The Cascade Jetty upgrade in whatever form it may ultimately take will definitely be one component of such strategies. Recommendation No 3 of the Joint Standing Committee Report Norfolk Island - Same Country Different World reads; The Committee recommends that the Commonwealth assume responsibility for the Cascade and Kingston Pier upgrades and that the Commonwealth expedite the work in line with Australian standards and occupational health and safety requirements as soon as practicable. The Norfolk Island Government endorses this recommendation and would welcome a collaborative approach to developing and implementing a Norfolk Island port strategy. Accordingly as you (Minister Briggs) have indicated that the Australian Government will be considering its position on the recommendations of the Joint Standing Committee in early 2015 it would be prudent for the Norfolk Island Government to consider its position on signing the Cascade Jetty Grant Agreement subject to decisions on the various JSC recommendations being advised in early 2015. We thank you Department and all who have had involvement in this matter for the initial offer of the grant and for all of the subsequent communications. Signed R.J. Ward

66 Mrs Ward to ask the Minister for the Environment – Isn't it a fact that the original Federal Grant funding for the pier upgrade project was approved with the understanding that the Norfolk Island Government was not a going concern and that future obligations in relation to the purchase of a crane and barges were unfunded and if so; what has caused the Norfolk Island Government to no longer trust the Commonwealth to remain committed to

economic infrastructure development on the Island? Mr Speaker this is not a matter of trusting the Commonwealth or not. Initially there was a significant emphasis on the restructure of our Government Business Enterprises and an expectation that there would be divestment of at least some of those businesses with the sale proceeds be applied to funding the commitment we would be taking on under the Jetty Funding Agreement. Later there was consideration of including the amount in forward projections under the Norfolk Island Annual Supply budget. The fact of the matter is, in short, that the funds needed for the supplementary component of the project, that is 100 tonne crane and barges was not funded for the tune of some \$5.75m, and there was no likely prospect of the Norfolk Island Government being in a position to underwrite these costs. These along with potential open ended overrun costs gave rise to unacceptable known costs and risks that the Norfolk Island Government was not willing to take on or commit this small community to. Thank you.

67 Mrs Ward to ask the Minister for the Environment –

Given the Norfolk Island Government's new policy in relation to future rock supply; when will essential exploratory drilling work at Cascade, Headstone and Jacob's Rock commence and how much has been allowed for in the budget review process to undertake this work? Mr Speaker the exploratory drilling at Selwyn Reserve has been proposed by a group of private individuals who have undertaken an enormous amount of work on a proposal to construct a road through the Selwyn Reserve starting in the vicinity of the old steam engine and terminating at sea level rock shelf known as Jacob's Rock. The proposed drilling is to quantify what drilling and what volume and quality of raw rock may be available for a possible quarry and operation. This drilling has been approved by the Commonwealth as the registered land holder, and is to be undertaken at the cost of this group. I would anticipate that this work will be in collaboration with the Norfolk Island government to some extent. The question as to whether we may be able to contract the drilling equipment this group would be importing so as to assess other potential quarry sites is yet to be determined, but I have flagged this issue informally with the Administrator's Office and will be following this up at the appropriate time. The question of how much to budget will become clear when we know if we can link in with the Jacob's group or have to contract someone else to import the necessary equipment. Thank you Mr Speaker.

68. Mrs Ward to ask the Chief Minister – Will the Chief Minister outline his Government's plan to repay the \$11.4 million airport runway re-seal loan; fund the next reseal and fund currently unfunded depreciation worth approximately \$44 million and; what timeframe is attached to the action plan? Mr Speaker the Norfolk Island Government is committed to repayment of all debts owed to the Commonwealth and this is demonstrated by the pay down of the Department of Education loan over the past 12 months, where a monthly payback of the loan of \$240,000 plus an additional \$480,000 in the past 12 months above normal repayments, have seen this debt reduced to the current account only being owed. It is the intent that the current \$240,000 will be ongoing to pay the education account in full when it falls due. The Airport loan has had to be deferred with agreement by the Commonwealth due to the Norfolk Island Government's financial position and it is my intent that when the political position in regards to the governance issue is resolved then I will be able to sit down and look at the finances in regard to any transfers and equalisation payments to ascertain how these loans will be repaid. It must be remembered that this loan is an interest free loan so the debt is not increasing unlike that of the past education debt. The issue of the next repayment due around 2020/21 and how it will be funded will be the result of direct consultation with the Commonwealth and the ability for the Norfolk Island Government to apply for infrastructure grants etc when we enter into the Australian taxation system. At this point in time the Norfolk Island Government certainly cannot afford for this reseal in its own right. The issue of depreciation has been identified and currently over the forward estimates to 2025 this is approximately \$23m. Funding for this depreciation will also be dependent on how the financial arrangements with the Commonwealth are determined.

69 Mrs Ward to ask the Minister for Environment – Given the Minister’s unilateral policy position on land rates stated at the last Sitting of the House; will he outline the alternate local revenue streams that have been examined by him and will he indicate whether or not sufficient revenue will be raised to deliver services in a way that upholds National standards particularly in the area of health, education, policing and community welfare? Mr Speaker the question of an alternative revenue raiser is not new. I believe the rates concept stems from the mistaken belief that Norfolk’s are unwilling to pay their way, something we all know is not the case. There has been a history of ignoring the economic reality and placing ever greater burdens upon the community and wondering why people are leaving. The Household and Business Income and Expenditure Survey paint a clear picture when government’s tax people to the limit leaving nothing for discretionary spending, nothing to enhance their quality of life it does not matter what further taxed you impose. Neither the island’s budget nor the people will prosper. Over the decades successive Assembly’s and their Finance Minister’s have sought out better taxing systems. They have not found an answer. The reality is that there is no capacity for increased taxing of this community until both government’s can commit to a economic diversification. The first urgent step in this direction is to appoint an Economic Development Officer and an Agricultural ? Officer. While it is hard to be prescriptive at this time with so many unknowns to deal with I can advise that I have researched through many documents and held discussions with a wide range of people on this subject. I have examined the various options discussed in the 2003 discussion paper Taxation Options for Norfolk Island. It is interesting to note that this report was looking at which options could be applied rather than a combination of Australian taxation and land rates. It recommended broadening the tax base which as we know was done with the introduction of the NSL and later development of GST which we have today. If the Commonwealth wishes to take the Norfolk people with it on this reform process it needs to respect local customs and values and it must recognise the need to diversity the economy. Note I say diversified, that is to retain tourism but develop the export markets that are possible so that we are not totally dependent upon one fickle industry. Thank you Mr Speaker.

70 Mrs Ward to ask the Minister for Finance – Will the Minister provide answers in relation to the proposed municipal rates levy system:

1. Provide the reasons behind the development of the special rate levy system,
- 2 Describe how the benefit principle will be applied, and;
3. Explain why rural and agricultural land has been aggregated but residential land has not? Mr Speaker I do intend to speak at length during tabling of a new Bill but I will briefly respond to this question. The special rate system was developed over the past few years as a result of the May 2013 Funding Agreement milestone requiring an implementation schedule agreeable to the Department for introducing property valuation and rating system for future financial years. This was the intent that the rating system would be based upon valuations and the first action was to have the ability to value land and this was achieved by the Land Valuation Bill which was assented to on 17th February 2014. Due to the time frames and the inability for the Norfolk Island Government to obtain the services of a Valuer General it was agreed by the Commonwealth in December 2013 that we could use a process of municipal rating that did not include valuations with a view to utilising valuations at a later date. In February 2014 Minister Briggs in response to letters from the Norfolk Island Government advised that “Your Government should continue to work on introducing measures to expand and normalise its revenue base. In response to your letter of 19th December 2013 concerning municipal rates, land taxes and the proposed Cascade Jetty extension project it is my view that the Norfolk Island Government should be considering and introducing those revenue raising measures which are generally collected by Mainland jurisdictions including land tax. I note there is a requirement under the Funding Agreement to implement an appropriate municipal rates regime by 1 July 2014 and that the Cascade

Jetty extension project is dependent on satisfactorily meeting this requirement. Separate to this I expect the Norfolk Island Government to scope and implements land taxes as a means of normalising its tax base and improving its financial position. Prior to introducing municipal rates I request that you advise me of the model that you propose to implement. I expect that the municipal rates model will be progressive and aligned with broader Australian local government rating models. Once I have seen the specific municipal rate system proposed by the Norfolk Island Government I will consider matters of implementation including any phasing arrangements.”. Mr Speaker in June 2014 Minister Briggs wrote in response to the Norfolk Island government’s municipal rating implementation strategy 2014/15 to 2017/18 and in part wrote “I agree that the Norfolk Island Government have satisfied my requirements for a municipal rates regime to include the Funding Agreement negotiations for the Cascade Jetty extension project to progress subject to the following conditions. That Norfolk Island Government commence the rating regime in the first half of 2014/15 and Norfolk Island Government collect at least \$250k in municipal rates in 2014/15/ All privately owned land portions including vacant land are charged rates. Multiplying factors for tourist accommodation properties to be phased in to minimise adverse impacts on the industry and the proposed rating regime be reviewed in 12 months to allow for land valuations to be undertaken and a value based component to be added to the rating model”. Mr Speaker Paul McInnes from Minister Briggs Department also wrote in July 2014 confirming some of Minister Briggs’ letter in that the municipal rating strategy indicates that rates will be charged per billing the recipient no per portion of privately held vacant land. Municipal rates should be charged on individual portions of land, not individual owners. This will remove complications for levying municipal rates should these portions be sold or transferred in the future”. Mr Speaker special rates are designed to address the benefit principal and may be used in lieu of or even to compliment the valuation base differential rating process. This means that a special rate may be charged for as a fire levy or a environmental levy or a special rate for a specific purpose such as if a special project was to be undertaken by the Norfolk Island Government and funds are required to fund its establishment. Part 3 of the question refers to an older versions of the rating policy paper and is no longer valid as portions are not to be aggregated in any land use area. This may be different in a valuation based system where it is usual for contiguous portions owned by the same owner may be valued as the one portion.

71 Mrs Ward to ask the Minister for Finance – Given that the Australian Government is not willing to fund the Norfolk Island Government’s preferred Territory model of government and given the Norfolk Island Government’s insistence to date that it is the best way forward; is the Norfolk Island Government proposing to fund its preferred model without Australian Government support? Mr Speaker the answer it the Norfolk Island Government proposing to fund it’s preferred model without Australian Government support is a very big no. The Norfolk Island Government preferred model only works in conjunction with the Australian Government supporting the Norfolk Island Government through payments as of right for participating in the Australian taxation system through the equalisation and transfer payments that all other States and Territories receive to assess then provide community based services such as Health, Policing, Education, Road Programmes etc. If it is the belief that the Norfolk Island Government could support itself without Australian Government assistance I would not be party to these discussions or I have not been presented with any evidence to suggest that Norfolk Island Government could stand alone.

72 Mrs Ward to ask the Minister for Cultural Heritage and Community Services – Given the Norfolk Island Education Report 2014 recommendation that the Norfolk Island Government negotiate the extension and implementation of relevant Commonwealth and NSW legislation to support the provision of education to the Island and given the general support of Members; what has the Minister done to pursue the matter? Mr Speaker the Education Report certainly contains excellent recommendations however, I have thought

long and hard on this and I've come to the view that until the model of governance going forward for Norfolk Island has been determined I believe there is little to be gained by my endeavouring at this point in time to endeavour to negotiate for implementation of relevant Commonwealth and NSW legislation. This became evident to us in the latter part of 2014 where we continued to endeavour to negotiate with the Queensland Government to put in place the same arrangement with Queensland Health as we have in place with NSW Health, and the bottom line was from Queensland Health who is going to fund the Commonwealth's contribution into the Queensland Health Scheme, and that of course allowed us to go absolutely nowhere with Queensland, and it mirrors exactly where we are at with Education, but this is recognised in the Report at 3.1 which has recommended that we postpone making significant amendments to the Education Act 1931 of Norfolk Island until a policy direction on a sustainable funding and service delivery model is agreed between the parties. So whilst I'd very much like to Mrs Ward there is little point in my endeavouring to make that exercise at this time.

73 Mrs Ward to ask the Minister for Cultural Heritage and Community Services – In relation to child protection and safe guards for local children attending the two pre-schools and Norfolk Island Central School; has the Minister developed a policy in relation to employees and volunteers who come into contact with children and young people and if so; what has the Minister done to assure herself that the policy has been implemented and is working effectively? Mr Speaker on the 10th December 2014 following a meeting with the Principal of the Norfolk Island Central School and the Chief Executive Officer of the Public Service about a range of matters I wrote to Mr Peter Johnson who was the then Executive Director for Peoples and Services with the Department of Education and Communities in the following terms. "Dear Mr Johnson ancillary Staff Norfolk Island Central School. The Principal of the Norfolk Island Central School Mrs Michelle Nicholson in the Education Review Report has drawn to my attention a number of issues relating to the operation of the Norfolk Island Central School. The two most pressing issues to be resolved are 1) The method of engagement and terms and conditions of employment of office support and ancillary staff employed and NICS and 2) Working with children police checks. 1) The office support staff, Teacher's Aid's, while this isn't quite relevant I'm giving you the whole letter so that your across where we're at with the Department of Education. The Office support staff, Teachers Aids and Casual relief Teachers have been engaged on an adhoc basis over the years resulting in the blurring of lines of management and supervision. The Norfolk Island Education Act 1931 amendment of which is long overdue is silent on the engagement of office and support staff. The Education Review recommended that "a new service delivery arrangement include the provision of administrative and support staff". The Norfolk Island Government would be pleased if you could advise whether the Department of Education and community would be willing to enter into a Memorandum of Understanding in relation to the provision of administrative and support staff at the Norfolk Island Central School which would ensure that those persons are responsible to the Principal, are engaged by the DEC under the DEC Policies and Procedures and subject to the DEC's Code of Conduct. In this respect I have requested the Principal to provide me with a detailed list of all Office staff, Teacher's Aids and Casual Relief Teacher's currently engaged at the Norfolk Island Central School, and a copy is attached. In the meantime pending resolution of this proposal I have instructed the Principal to prepare a Code of Conduct for non DEC employees at the School. A copy of my letter to the Principal is attached". Due to the Norfolk Island's current financial situation it is not envisaged that the salaries and wages paid to non DEC staff will be the same as paid for similar positions in NSW schools but this is open to negotiation once the impact is quantified. 2) The Education Review recommended "Norfolk Island Government develop a policy position in relation to child protection for all employees and volunteers at Pre-School and the Norfolk Island Central School. The Norfolk Island Government understands the necessity to ensure the safety of children at all times including at Norfolk Island Central School. Norfolk Island does not currently have legislation which requires

persons who work with children to undergo working with children Police checks. If the above proposal for DEC employment policies and procedures to apply to NICS office support and non DEC teaching staff is agreed, Police clearance will be automatically required. In the meantime is DEC able to assist to enable the appropriate working with children Police checks to be undertaken for those currently engaged at NOCS. It is regrettable that these issues were not addressed at the time of entering into the revised Memorandum of Understanding for the provision of teaching of staff at the Norfolk Island Central School, however with your assistance I'm sure that we can resolve these issues to the satisfaction of all stakeholders. I look forward to progressing this with you". Mr Speaker I'm yet to receive a response but now that the new school year has commenced I will again liaise with the Department of Education and Communities on these issues. I've continued to liaise with the Principal of the Norfolk Island Central School and the CEO.

74. Mrs Ward to ask the Chief Minister – What has the Norfolk Island Government done since March 2013 to convince the Commonwealth that the Island has the political will and capacity to legislate, administer, manage and partially fund efficient, equitable, effective and transparent State level services now and into the future? Mr Speaker the period since March 2013 has been a challenging one for the Government and this Assembly. We have been faced with a change of government federally, ongoing Funding Agreement negotiations with the Commonwealth, the Joint Standing Committee process and Report and the Deloitte's process and report. During that period this Government has participated in those processes in a positive and co-operative manner. In our submission to the Joint Standing Committee we outlined our position on economic development which at the time of the Joint Standing Committee visiting Norfolk Island was the main focus of their work. We sought the right to respond to the question of governance when it was introduced by Neil Pope's submission to the Joint Standing Committee in the dying period of their public submission process which was denied. We have formally responded to the joint Standing Committee final report once again outlining our commitment to our preferred model for Territory self governance and economic development on Norfolk Island. We have had robust negotiations during the period leading up to the signing of the Funding Agreement to secure essential Commonwealth funding and we have, and will continue to, introduce legislative requirements as outlined within that agreement. We have participated in the Deloitte's process and as I speak are continuing to work with Deloitte's representatives on island on the next steps emitting from their Report. We have costed our preferred model for Territory self governance and are continuing to seek engagement with the Federal Minister on a co-operative way forward in delivering governance reform to Norfolk Island. Mr Speaker over the last ten years or more the Norfolk Island Administration has been reduced to a bare bones operation to a point of placing great personal burden upon many of its employees. It has also engendered a culture of frugality and skilful improvisation that has seen the island operate for a fraction of the cost of administering for example, Australia's comparable external territories. The real issue for Norfolk Island can simply be identified as a balance of trade problem. Local wages are a fraction of typical Mainland wages yet the people have to raise the taxes to pay Mainland rates of pay to Schoolteachers, Police Officers, Health Services and the like. Addressing the balance of trade for example increasing our GDP is a single means of addressing the island's economic downturn. This Government Mr Speaker has at all times put the overall interest of Norfolk Island at the forefront of our representations to the Commonwealth in the most transparent manner. We have and are continuing to call on the Commonwealth to embrace us and the community of Norfolk Island in a transparent engagement that will enable the necessary clarity of their model of governance for Norfolk Island to be available for consideration within the governance reform process. Thank you Mr Speaker.

MR SHERIDAN Thank you Mr Speaker. Under Section 33B of the Public Monies Act 1979 I am required to table directions in relation to transfer of expenditure between divisions. I therefore table the **Virements** for the period 5th 2014 through to the 6th February 2015. Also Mr Speaker in accordance with Section 19 of the Goods and Services Tax I'm required to provide a quarterly report on the operation of the GST system and I therefore table that quarterly report for October through to December. Mr Speaker under the Commonwealth Finance Minister's Norfolk Island Orders 2011 Section 20 I'm obliged to table into the House periodic financial statements for the Administration of Norfolk Island and each Territory authority. I therefore table the monthly report for December 2014 for the Norfolk Island Administration together with the mid year budget review for 6 monthly report for the Norfolk Island Administration, the Norfolk Island Hospital Enterprise and the Norfolk Island Government Tourist Bureau and I would like to make a short statement in regards to the 6 monthly report referred to.

MR SPEAKER

Thank you.

MR SHERIDAN This is a Statement in regards to the **mid year budget review** against the financial policy and objectives statement that comes with the original budget. The background. The mid year budget review of Mid-year Budget Report 2014/15 provides updated information to allow the assessment on the Administration of Norfolk Island's Financial performance against the Statement of Financial Policy and Objectives table in the Legislative Assembly on 25th June 2014. This MYBR is tabled in accordance with Division 3 of the Commonwealth Finance Minister's (Norfolk Island) Orders 2011, and will be available on the Government Information website www.norfolkisland.gov.nf. The Norfolk Island economic situation remains unchanged from that outlined in the Statement of Financial Policy and Objectives; however an increase in visitor numbers of 4% compared to the same period last year, on top of the 8% increase in 2013/14, is an encouraging trend. Long Term Financial Objectives The Norfolk Island Government's (NIG) long term financial objective remains unchanged and this is to place the Territory into a financially sustainable position of the preferred model of territory self-government endorsed by this Government. This includes the participation in the Australian Taxation system and transfer payment arrangements for the provision of state and local government services to the community. Details of which are still to be determined depending on the type of governance arrangements that are agreed to with the Commonwealth. It is still the Government's intent that the Government Business Enterprises are to be assessed utilising the Deloitte's Access Economics framework with a view to examining and considering options associated with these services to ascertain whether or not they remain under Government control. It is hoped that this can be achieved prior to the commencement of the FY15/16. The NIG is still committed to local tax reform and Legislation is being introduced today towards commencing rating in the current financial year for progression into future years to ensure that the NIG's financial base is sound. Key Financial Measures The NIG will be provided with direct financial support of up to \$7.5 million in 2014/15 for the provision of essential services. In the six months to December 2014 \$1.4 million was received from the balance of the 2013/14 Funding Agreement milestones. The first receipt of \$1.3 million from 2014/15 milestones has been provided by the Commonwealth but sits in a Trust account which we are unable to access at this moment but as I believe will be transferred from the Trust account into the Administration's account today. As it is anticipated that the full \$7.5 million will not be received so the following measures will continue:- Public Sector recruitment continues to be to vital positions only. Ongoing reviews are identifying improvements in process to maximise the utilisation of existing staff. Capital expenditure will be reduced by \$700k with the delay of work associated with Cascade Jetty and the High Temperature Incinerator together with the deferral of a new cherry picker and in/out meters for electricity usage. Mid-year Budget Review Outcomes The Mid year Budget Review for the Administration of Norfolk Island has shown a total comprehensive loss for the six months of \$2.31 million which is \$576k less

than the budgeted loss of \$2.88 million .Revenue was \$642k above budget due to sales of mobile phone cards, telephone roaming traffic and liquor bond sales all being above budget. Expenses were \$2.19million below budget for the six months with wages being below budget due to the recruitment restrictions, some expenditure being delayed to the second six month period, and the Healthcare and Workers Compensation Funds have not required any financial assistance from the Administration. Receipts from Funding Agreements are \$2.26 million below budget for the six months. The outcome for the Norfolk Island Government Tourist Bureau for the six months is an excess of \$76k compared to the break-even budget. This excess is due to the delayed timing of marketing activities and will be absorbed in the second six months. The outcome for the Norfolk Island Hospital Enterprise for the six months is an excess of \$151k before depreciation, with revenue being \$65k above the six month budget, and expenses being \$85k below. Financial Year 14/15 – 12 Month Outlook.Indicators from the budget review process, currently being finalised, are that the original budget revenue estimates will be achieved and expenditure savings will be in the order of \$700k. Reduced Capital expenditure activity will equate to \$700k. These reductions will partially offset the expected reduction in Funding Agreement receipts of \$2.375 million and that's dated 30th January 2015 Mr Speaker.

MR WARD

Thank you Mr Speaker. I'd like to table the letter that I read out earlier in Questions On Notice regarding the **jetty**.

STATEMENTS

CHIEF MINISTER

Thank you Mr Speaker. **“The Best Way Forward for NI” Public Meeting.** The Norfolk Island Government has recently conducted community meetings to discuss the matters of **governance on Norfolk Island** economic development for Norfolk Island, the General Business Enterprises and transition to the Australian taxation, medicare and social welfare systems. Mr Speaker on the first night I made the following welcome. It is relevant that we have someone who has experience in the administration and governance of the Indian Ocean Territories to act as a Facilitator and our extended thanks to Simon Millcock in agreeing to undertake the important role of Facilitator that night. I mention this Mr Speaker simply because it is the only comparison place closely associated with how Norfolk Island may transition to a new governance model and can be mirrored against for example the Department of Infrastructure and Regional Development has a long standing with the Indian Ocean Territories. Some circumstances which apply there could quite similarly apply here. It is extremely difficult to firm up our preferred model or strategy for the future governance model on hearsay and unsubstantiated reports and fact sheets that do not reflect proper consultative views and proper detail of impacts to this community. I do not wish to get into a discussion on the Commonwealth's advice to the community except to quote one example. In His Honours 3rd December letter to residents he stated that there would be an overwhelmingly positive impact for residents on the introduction of the Federal taxation and social security but did not elaborate on how this was to happen and under what governance system would this apply. His Honour also stated that it is clearly important new and transitional government arrangements that must be agile and robust to ensure local views and aspirations are fully engaged. I mentioned to Ladies and Gentlemen on the night it is your turn to present to your government for recording and for future considerations your thoughts on a collective submission that can be made on the way forward for Norfolk Island. During the course of the evening at the meetings we would expect that you will voice your concerns and we will try and answer those concerns, possibly tonight. If not as mentioned we have recording equipment to ensure proper analysis can be made for and on during the discussions and response. The proposed regional governance model has similarities to the Norfolk Island Government proposed model, the main difference is the responsibility of State type functions, how will they be managed, funded and what legislative powers for the control of those for the benefit of this community will need to be made. Service agreements for

example if it is agreed that we will retain State type functions we will strive to retain employment for locals in all of those areas, we will strive to contain control of your future and the future of your children and their children in being able to have a proper and meaningful say in how they are governed. We recognise and indeed so does the Commonwealth that private investment and infrastructure injection is hugely important for the ongoing stability of Norfolk Island. We also recognise that under this cloud of uncertainty that prevails over us that this ask for investors to risk investing on Norfolk Island is a big ask, however I am thankful that there are a number of you here that can see possibilities. We are also aware that damage could occur and eventuate to establish businesses already operating if the status quo existing on Norfolk Island today is not given due consideration and is altered without a proper impact study. Mr Speaker those meetings were attended by over 220 residents, overwhelmingly identified the necessity for more information to be provided to the Norfolk Island community on those matters. The meeting also requested for both the Norfolk Island and Commonwealth Governments to work in a collaborative manner on those issues prior to decisions by the Commonwealth. To that extent I intend to write to Assistant Minister Briggs this week to identify that I intend to establish a task force from the Government's Minister's and others to work in conjunction with him and Departmental Officers to enable mutually agreed approaches on those matters. This will then enable both Governments jointly to present those outcomes to the residents of Norfolk Island as a positive and united way of moving forward. We would make ourselves available to meet with him to pursue those matters as a priority. Mr Speaker the uncertainty surrounding the future governance of Norfolk Island by the Commonwealth's lack of clarity on governance reform timing and details is detrimental to both business confidence and the Norfolk Island's ability in knowing the ongoing status of any legislation it may be considering to pass within the Funding Agreement requirements. If that offer is not taken up by the Assistant Minister then Mr Speaker enough is enough. We need certainty and direction Mr Speaker. Norfolk Island and the livelihood of our community is not a toy for the Commonwealth to play with at its leisure. The Norfolk Island community deserves more respect than is currently being afforded to it by the Commonwealth. Accordingly I would request that the Commonwealth Government determines its position on the Norfolk Island's governance model as a matter of priority and the timing of that process is made available to the Norfolk Island Government and community as soon as possible. Mr Speaker I refer to a letter that I will table that I received from the Deputy of the Administrator, Australian Territory of Norfolk Island on the 4th February 2015. "Dear Chief Minister thank you for your letter of 28th January regarding the Norfolk Island Government's planned public consultations now to be held on 5th and 6th February 2015. Over the last few months the Australian Government has placed a priority on public consultations as part of its consideration of the report of the Joint Standing Committee on the National Capital and the External Territories on Norfolk Island. As part of this effort the Department of Infrastructure and Regional Development has distributed fact sheets including on taxation and social security. In response to these consultations we have received a great deal of input from a broad range of community members who are grateful for this response. Residents have the opportunity to continue to use the Norfolk Island Reform email address if there is a specific issue that is not able to be addressed through these other means. The fact sheet on taxation and social security includes details of where further information can be obtained. We are aware that many residents of Norfolk Island have taken the opportunity to seek this information. We have no immediate plans for a shop front. Any further arrangements will be announced pending a decision by Government. I wish to advise in advance that I do not plan to attend the Norfolk Island Government's consultations. We see it important that you can receive your own input. I would however be grateful for a readout from you following conclusion of your consultations". Signed Yours Sincerely Robin McKenzie, Deputy of the Administrator, and I table that letter Mr Speaker. This uncertainty is the product of the Commonwealth Mr Speaker and this Government will not allow this type of insecurity to continue. Time for the Commonwealth to show honesty, transparency and respect to this community is now. This Government has made numerous

attempts to engage the Commonwealth in a collaborative approach. As I have said we will once again seek collaborative approach but if that approach is dismissed or ignored as out other approaches have been, then as I have said previously enough is enough and the Commonwealth should stop playing with the life of this community and clearly state its position and the timing of that. If the Commonwealth is unable to do that then serious questions should be asked why not. Mr Speaker, and Members would be aware that I have withdrawn my intentions to bring forward a Referendum today. Whilst I appreciate any proposed changes to Norfolk Island governance is one of the most significant in the island's history and deserves the utmost consideration by the people within this community and elsewhere, particularly those Mr Speaker of Pitcairn descent who have since their ancestors created the first permanent settlement on Norfolk Island in 1856. This community deserves the right to express their views in any way possible. However Mr Speaker I believe there remains too many gaps in this reform process that we have committed to to ask such a question as proposes at this time. Mr Speaker in concluding I wish to also table a letter from the Honourable Jamie Briggs which I received on the 4th December. It reads "Dear Chief Minister/Lisle thank you for your meeting with me in Adelaide on the 8th October 2014 and for your letters dated 25th September 2014 and 16th October 2014 about new governance models for Norfolk Island and Commonwealth funding for essential services to Norfolk Island. On the 20th October 2014 the Joint Standing Committee for national Capital and External Territories released its report on economic development of Norfolk Island titled – Same Country Different World – The Future of Norfolk Island. The report emphasises that strengthening economic development on Norfolk Island is not possible without addressing problems with the existing governance model. Amongst other things the report recommends repealing the Norfolk Island Act 1979 and establish a local government on Norfolk Island. Consideration of governance structures is critical to improving service delivery and boosting economic growth whilst preserving Norfolk Island's unique culture and ensuring ongoing local representation. I have asked the Administrator of Norfolk Island the Honourable Gary Hardgrave to lead community consultation on the recommendations of the report. The consultation will consider new models of governance and will commence shortly. I encourage all Norfolk Island residents to participate in these discussions and make their views known. The consultation period will end in mid December 2014 and the Administrator will provide a report to me on the outcomes which I will release publically". Mr Speaker we have not received to this date any advice from the Minister or the Administrator regarding the report on those outcomes. I continue with the letter Mr Speaker "Whilst this process is under way I expect the Norfolk Island Government to focus on its core responsibilities including improving the standard of essential services and fulfilling its reform commitments already agreed under the current Funding Agreement and the Commonwealth. I look forward to receiving the first report on achieved milestones due in November 2014. I trust this information will be of assistance and I have copied this letter to the Administrator of Norfolk Island". Signed Yours sincerely, regards, Jamie Briggs 17th November 2014. I so table the letter.

MS ADAMS

Mr Speaker I have five this morning but I'll leave it to you as to whether I do all of them at once. The first statement is on **KAVHA Heritage Management Plan Update**. Mr Speaker I provide an update to the community on the KAVHA Heritage Management Plan. The draft plan that will replace the 2008 KAVHA Conservation Management Plan has now commenced its public exhibition phase. Professor Richard Mackay is back on island this week to facilitate the exhibition and conduct several workshops with principle stakeholder groups. In fact this afternoon at 1.00pm at Governors Lodge the tourism industry workshop will be held and at 3.00pm this afternoon at Governors Lodge the open community workshop will be held, and anyone interested in either of those forums is most welcome and encouraged to attend. I understand Richard spoke on the radio yesterday about this process and how people can make use of the opportunity to be part of the on island engagement this week. Hard copies of the Draft Plan are available to read at the Visitors Information Centre, the Post Office, Public Library and KAVHA office as well as

online at www.kavha.gov.nf The survey has been uploaded to the KAVHA web page to assist with the feedback process. Hard copies of the forms can be provided for those without computer access by calling the KAVHA office on 23101. I urge everyone especially visitors to make use of this opportunity to contribute to this final stage of fine tuning the new Heritage Management Plan for the Kingston and Arthurs Vale Historic Area. If you are happy with the Draft Plan, please log onto the web page and say so too. Mr Speaker I conclude by extending my sincere gratitude and compliments to Professor Mackay and his teams for their outstanding work in delivering a professional and contemporary plan for the Norfolk Island and Australian Governments which has been a long and at times challenging exercise and which has been undertaken with the utmost respect for the Norfolk Island community who have a long and passionate association with the place in multiple capacities and long may it be so. I also thank the KAVHA Management Board, Project Manager Anita French and the project Review Group consisting of Jodie Quintal, Liz McCoy, Fred Howe, Caine Anderson, Brett Sanderson and Ron Nobbs for their extensive contribution to support the Consultants deliver an excellent Draft Plan. Thank you Mr Speaker.

MR NOBBS Can I move that the Statement be noted.

MR SPEAKER Question is that the Statement be noted

MR NOBBS Thank you Mr Speaker. I would also encourage all islanders to take heed of this particular document. KAVHA is a hugely potential area for assisting dramatically in improving the Norfolk Island economy. This potential has definitely not been exploited in the past. My personal view on the actual support provided by the Planners in developing the Draft Plan of Management, that's the Professor and his Assistants, the Draft Plan of Management for implementation or not by the Norfolk Island and Commonwealth Governments. The process to date has been excellent by those developing the Plan, excellent but I am concerned that all this good work may become shrouded in political manoeuvring unfortunately. There appears that specific governance arrangements within the Plan, some of which are completely contrary to the original concept agreed to years ago. The current Memorandum of Understanding for KAVHA speaks of the objectives functions, membership, meeting of the Board, cost sharing formula, financial arrangements, support to the Board, museums and finally States. This Memorandum of Understanding also records the intention of the Government's to establish the Board by local statute. That was in 1994 and it's still in place. The Draft Plan diverges significantly from this. It provides a different structure where the Board becomes purely advisory to the Manager of the area. The process appears to be a mirror image of that of the Norfolk Island National Park regime which is totally inappropriate for a National Park which covers a significant area of this island and is essential to the island's economy. Add to that process KAVHA and we have a significant area of the island, that's combining KAVHA and the National Park that appears to be manipulable of the island's economy without the real ability of the community to intervene. There is a need to ensure that the Board extends as proposed under the MOU should be retained but not in an advisory, sorry I'm say that – the need to ensure the Board as proposed and extended because it includes others than Norfolk Island Government or Commonwealth's representative, should be extended to include other stakeholders as it should be extended as proposed, should be retained but not in an advisory role but as a management board with attendant responsibilities. However there are other issues in there which people will have obviously with the Plan of Management but I just wanted to point out that this is a key one as far as the whole island is concerned is the risk of this proposed management arrangement coming into force. Thank you Mr Speaker.

SPEAKER Any further debate. The question is that the paper be noted.

QUESTION PUT
QUESTION AGREED

MS ADAMS Thank you Mr Speaker. I have a couple of Statements in regards to the School. The first one. Paul Kiem who is the past President of both the **History Teacher's Association of Australia** and the History Teacher's Association of NSW together with three other History Teacher Association executive colleagues will be visiting Norfolk Island at the end of February for a weekend famil. The History Teacher's Association of Australia Incorporated seeks to foster an interest into history and the teaching of history, provide a forum for discussion and for the exchange of information relative to the teaching of history published from time to time related to history and the teaching of history, sponsor and support all such activities as may assist history teachers and the teaching of history and conduct programmes and conferences inviting the participation of history teachers. The purpose of the visit of Paul Kiem and those accompany him is to brainstorm a rationale and ideas with Norfolk Island Central School towards a History Teacher's conference to be held on the island in early 2016. It is anticipated that whilst they are here they will visit historic Norfolk sites which may become part of the conference programme, explore walks which may be of interest to conference delegates and partners as well as beginning to work on a conference programme, establish the dates and the timeline over the next ten months. Paul Kiem has been an editor of teaching history since 1995, was chief Examiner of modern history, is the author of a number of techs and speaks widely on modern and extension history. Paul has taught history for more than 20 years predominantly in secondary schools but also at TAFE and University and is currently Professional Officer and Publisher for the Australian History Teacher's Association of NSW. In recent correspondence Paul has shared his excitement with working with us and the Norfolk Island Central School towards the inaugural History Teacher's Association conference event on the island with the long term view of Norfolk Island's history being incorporated into the history curriculum. That's the major purpose behind us pushing this initiative. Thank you.

Further on education Mr Speaker. **NICS Rotary Funding to improve Student Learning Outcomes.** Recently the international and local Rotary community has provided substantial funding to the Norfolk Island Central School to improve student learning outcomes. This funding is now committed to providing all of our year 5 – 11 students with powerful personal laptops for use within the school and in their home setting. Further it will provide an additional 10 mini ipads for our junior school. Norfolk Island is truly blessed with the generosity of our Service Clubs and on this occasion the students at the Norfolk Island central School, and on behalf of my Assembly colleagues and the community as a whole I say thank you to Rotary. Their funding contribution was very substantial. In 2014 the P&C body provided 30 Ipads. So all in all together with the Rotary contribution we now have 40 Ipads for our students to access during school time. In addition to the forth going the 2014/15 school technology budget has purchased 30 new stand alone desk tops for the technology room which will be available for use by all pre-school to year 4 students. The Pre-school students visit NICS each week and will have regular technology lessons and access to the next new technology equipment during their visits. I wish also to extend thanks to a Aloha Apartments who have generously donated mini Ipad 2's for use during school time. The Norfolk Island Central School is able to access all appropriate software and licences so as to ensure our students continue their transition as successful 21st century learners and to compete as global citizens, May I also thank our Rotarians for supporting a project to provide speech pathology consultations and testing for all of our 2015 Kindergarten students and we extend a welcome to Speech pathologist Ms Lyn Rogers. Moving along from Ipads and computers Mr Speaker.

I extend a warm welcome to the new **School Counsellor Ms Judith Byrnes** who arrived on Monday and has already commenced work at the Norfolk Island Central School. The School Counsellor is funded by the Norfolk Island Government. Ms Byrnes is an experienced

School Counsellor with the Department of Education and Community and will be working from the School for a four week block returning during Term 2 for a further four weeks. Parents are invited to contact the School if they wish to nominate their child for an appointment. Ms Byrnes will also provide assistance to our Pre-school kids and their family. Finally Mr Speaker the visiting Paediatrician Michael McDowell and Jane Lesley will be on island again next week until 21st February and thanks go to NISEDU for their ongoing assistance. Parents can contact the Hospital or the Principal if they wish their child to see the Paediatrician or the Speech Pathologist. Thank you Mr Speaker.

Mr Speaker the 19th March 2015 marks the 225th anniversary of the 1790 wrecking of the **Flagship of the First Fleet HMS Sirius** at Sydney Bay Norfolk Island. This event is an important part of the early story of the establishment of the Norfolk Island and Port Jackson settlements, and the Administrator has already been publishing information around the activities that he is enthusiastically pursuing during the celebration of this anniversary, and that will be left to him to speak about. However the Norfolk Island Museum, and this is the reason for my bringing it to you today is joined with the Norfolk Island Travel Centre in organising a week of activities centred on the anniversary and to date approximately 170 visitors will be travelling to the island to take part. The Highlight of the day will be talks given by Graham Henderson and Mira Stanberg the two key Maritime Archaeologists involved with the recovery of the Sirius artefacts from the wreck during the 1980's by Centennial Expeditions, now displayed in the HMS Sirius Museums. The Norfolk Island Central School will also be involved in activities during the week including a video link up for children from Mossman primary School to share their location Sirius stories, completing art works for display and singing at the Anniversary Day event. All wonderful things happening at our School.

Finally Mr Speaker today the House acknowledged the passing last week of Dr **Colleen McCullough Robinson** AO and I wish to take the opportunity to record my personal thanks to Dr Col, her passion and drive to tell the story of the Pitcairn Descendants to whom Norfolk Island today is their homeland. Dr Col's passing is the catalyst for me as Minister with responsibility for Cultural Heritage in the Norfolk Island Government to **write to Prime Minister Abbot** this week bringing to his attention the urgent need for our two governments to bridge the divide between us and to return to the negotiating table in order that there be a fair go for Norfolk Island. The letter has been copied to Deputy Prime Minister Warren Truss who is also the Cabinet Minister responsible for Infrastructure and Regional Development and the leader of the Opposition the honourable Bill Shorten. Whilst the letter to Prime Minister Abbot will be published fully and more widely in due course, for the record today I will read in part from the letter, including the first four paragraphs. The letter is headed "A fair go for Norfolk Island". The letter commences "This week we record the passing of a resident of Norfolk Island Dr Colleen McCullough Robinson AO who's funeral on Norfolk Island was attended by Senator Zed Seselgar on behalf of the Australian Government. Our national treasure, the late Dr Colleen McCullough Robinson in her book "Life without the Boring Bits" included a story entitled "Portrait of a Colonial Overlord" in which Dr McCullough Robinson describes Norfolk Island as "a tiny place, a moat in the vastness of the pacific's eye. Dr McCullough Robinson writes of the removal by authority of Queen Victoria the Pitcairn Islanders from Pitcairn Island to Norfolk Island in 1856. Dr McCullough Robinson writes "Norfolk Island became a homeland. It was a place with the natural settlement of genetically unique people, a people who developed a language peculiarly their own and two astonishing modern laws, the first that all women were entitled to vote on an equal footing with men and the second, that all children must be schooled. They came all 194 a self governing community, with their own language, laws, traditions, and culture". Dr Colleen McCullough Robinson further writes "In 1993 the Norfolk Islanders of Pitcairn stock declared themselves indigenous to Norfolk Island as a homeland and were accepted into the indigenous community at Geneva. Subsequently UNESCO recognised the official language,

Norfolk Island language, Norfolk, as a full and distinct language in its own right including it in the UNESCO Atlas of the World languages endangered in 2008". Mr Speaker, my letter as Minister for Cultural Heritage in the Norfolk Island Government goes on to encourage the Prime Minister to understand that Norfolk Island has a unique cultural heritage, which underlies the strength of our community resilience, our economy and, amongst others, is a major part of our tourism appeal; that any economic development that disempowers our community heritage is a high risk gamble; and that to decide on our governance model without reference to an agreed economic development strategy, is fraught with danger of economic collapse. The letter in its concluding paragraphs Mr Speaker draws to the Prime Minister's attention that it would be most regrettable if his government was to become the first since federation - and probably the first in the British Commonwealth - to abolish a democratically elected parliament, not because of failures of governance but instead because of a perceived need to strengthen the Norfolk Island economy as there is no logical or practical connection between economic sustainability and the removal of democracy. As mentioned earlier in my statement Mr Speaker, the letter to the prime Minister has been copied to the Hon. Warren Truss, Deputy Prime Minister and to the Hon. Bill Shorten, Leader of the Opposition and I will just read partly from the letter that went to both the Leader of the Opposition and the Deputy Prime Minister in enclosing with them a copy of the letter and attachments, the attachments to the letter to the Prime Minister was the article written in The Parliamentarian last year called Norfolk Island and the Commonwealth of Australia: Bridging the Divide. And so, 'I have copied you and the Deputy Prime Minister with my correspondence in the hope that one or both of you will be able to encourage the Prime Minister to consider the impacts of the continuing uncertainty on the future governance on Norfolk Island on the lives of the residents of Norfolk Island, it has now been over four years since Norfolk Island signed a Memorandum of Understanding with the Commonwealth of Australia agreeing that Norfolk Island enter the Australian taxation and social welfare system, that entry being conditional on there being a demonstrated net benefit for Norfolk Island taking into account local circumstances. Furthermore, it is now four years since the Commonwealth and the Norfolk Island Governments formally agreed a road map process for change, change which included 'a model for the Norfolk Island Government which meets the needs of the community through a mutually acceptable and appropriate form of modified self-government and is consistent with contemporary models for state, territory and local governments, but is modified to take into account the unique circumstances of Norfolk Island'. I conclude by saying, at no time has Norfolk Island agreed the removal of self-government and the Norfolk Island parliament." Thank you Mr Speaker.

SPEAKER

Anything further Minister? No, thank you. Any further statements? Minister Sheridan.

MR SHERIDAN

Mr Speaker the first one is on the rationing of fuel and it is dated today's date. Petrol stock rationing commenced Wednesday 28 January, 2015 and this rationing is expected to continue for another three weeks when the scheduled tanker arrives. Rationing commenced when the fuel tanker, which arrived on 24 January, was forced to sail for other ports which were also running short of fuel. It sailed on 28 January as the unfavourable weather at Norfolk Island was forecast to continue for some days. A second tanker was ordered and was due to arrive at Norfolk Island last night. As the weather forecast indicates that tanker would be unable to discharge within a week, and it only had a window of 2-3 days, that tanker has been advised to move on to other ports. This action minimises demurrage costs to Norfolk Energy. Norfolk Energy has secured space for one week's supply of drummed petrol to be shipped on the Norfolk Guardian which departs from Auckland on 13 February; and further supplies are being booked on the Southern Tiare which departs Auckland on 18 February. The next bulk tanker is scheduled to arrive at Norfolk Island during the period 25-28 February, 2015. Mr Speaker I would just like to take this opportunity to convey my thanks and appreciation to all those who are working

proactively to minimise the impact of this shortage. I thank the public for their positive approach to the shortage and request their continued understanding by not buying fuel that is in excess of their needs, if the community assists each other by only utilising their voucher when absolutely necessary the stocks should last until the Norfolk Guardian arrives next week. Also thanks goes out to the owner, operators and the employees of ExxonMobil, Natjola, Burnt Pine Fuel, Norfolk Guardian, Southern Tiare, the Service Stations and the Administration for their co-operative efforts. And second statement there Mr Speaker on the electricity expressions of interest. Mr Speaker I would like to provide an update on the Electricity Expressions of Interest of which was advertised back in August 2014. The Expression of Interest called for solutions to the Solar PV over supply on the Island, storage and supply dimensions including rates of charging. The evaluation process has been completed utilising the experience of LocalBuy Queensland and their LG TenderBox system to keep the Administration separated from the project. LocalBuy undertook independent oversight, probity oversight, technical oversight and their representative Michael Fullelove attended a site meeting. A very thorough Expressions of Interest document was prepared, along with a probity plan, evaluation plan, and conditions of offer document. The Expressions of Interest closed on 28 November 2014 with 16 expressions of interest being received while over 100 companies registered their interest with LGTenderbox to access the Expressions of Interest documents. As mentioned at closing 16 Expressions of Interest were received submitted by 12 different companies. At the completion of the evaluation process four companies were recommended by the Committee to be short-listed to take part in a limited tender process, a process of which will commence in the immediate future. The four companies that were successful in their Expressions of Interest were Hydro Tasmania, Harelec Services, Juwi ABB and ET Solar Australia. Mr Speaker these companies are in the process of being notified of their success and I look forward to the next stage of the electricity process to enable full use of all energy being produced, whether it is by the electricity generators or the private Solar PV's who put energy back into the reticulation network. On completion of this next stage the community should be able to see electricity prices being reduced as full potential of energy production is utilised in full. Thank you Mr Speaker.

SPEAKER Thank you Minister. Thank you indeed. Are there any further statements this morning? No further statements? I move to messages from the Office of the Administrator.

MESSAGES FROM THE OFFICE OF THE ADMINISTRATOR – NO 23

SPEAKER I have a message, **Message No. 23** and it reads, on 19 December 2014 the Administrator acting pursuant to section 21 of the *Norfolk Island Act 1979*, the Administrator declared his assent to the following proposed law passed by the Legislative Assembly: **Public Service Act 2014 – commencement of remainder of provisions** (Act No 11 of 2014). The message is dated the 9th of February 2015 and signed Robin McKenzie, Deputy of the Administrator. Chief Minister I am going to give you the call because you have some accompanying documents.

PRESENTATION OF REGULATIONS

MR SNELL Thank you Mr Speaker. Mr Speaker, may I table the Public Service Regulations 2014.

SPEAKER Thank you Chief Minister, they are so tabled.

REPORTS OF STANDING COMMITTEES

MR SPEAKER Reports from Standing Committees. There is one interim report Honourable Members, it is from the Impact of Bills and Subordinate Legislation Committee, an interim report to the Assembly, and I am the Chairman of that group, so I will briefly read it from here if you are comfortable with that. Review of impact of introducing the Traffic (Amendment) Bill 2014. On the 17th of December 2014, the Assembly resolved in accordance with Standing Order 20a to conduct the following inquiry. Inquiry into the impact of introducing the Road Traffic (Amendment) Bill 2014, namely the introduction of random breath testing of drivers for alcohol and illicit drugs and reduction in the acceptable blood alcohol threshold from 0.08 to 0.05. The Impact of Bills Committee has progressed the process of review, the Committee has received evidence from Officials, including the Minister for the Environment with carriage of the Road Traffic Legislation, the Chief Minister with responsibility for Police, the OIC of Police, the CEO of the Norfolk Island Administration, the Registrar of the Courts, as well as representatives of the Liquor Licensing Board. From the public arena, representatives have been made via public hearings and through written submissions from licensed premises including restaurants and service clubs and others independently in a private capacity. The Committee wrote to all holders of a current liquor license to advise of this inquiry and to invite participation, overall there has been a limited response to the invitations to provide views to the committee, 17 people have appeared in person, and 9 written submissions have been lodged. The Committee will allow further time to receive public submissions to inform the inquiry and seeks to have its full report to the Parliament at the March 2015 Sitting. I provide that report Honourable Members on behalf of the Impact of Bills and Sub-Ordinate Legislation Committee. Thank you.

SUSPENSION OF SITTING

SPEAKER Honourable Members we are now at notices, and the time is about 12.45pm, I think we might pause and have lunch and come back say in an hours time, it is 12.40pm now, so if we come back at 1.45pm that gives us an hour. And we will continue with the Notice Paper. Any difficulties with that process? Okay, that's what we will do Honourable Members, we suspend at this time and I will resume the Chair at 1.45pm.

RESUMPTION OF SITTING

SPEAKER Honourable Members we resume at Notices and Ms Adams, you have the first call.

NOTICES

NORFOLK ISLAND HOSPITAL ACT 1985

MS ADAMS Mr Speaker I move that this House, in accordance with sections 12(1) and 13 of the *Norfolk Island Hospital Act 1985*, resolve that Candice Anne Snell not being the Director, an employee of the Enterprise or a Minister be re-appointed by the Minister as a member of the Norfolk Island Hospital Advisory Board for a term of 3 years commencing on the date the notice of appointment is published in the Gazette.

MR SNELL Mr Speaker the Norfolk Island Government sincerely appreciates the assistance offered by Candice Snell and others who voluntarily contribute their time to be members of the Norfolk Island Hospital Board

SPEAKER Any further debate Honourable Members. There being no further debate I put the question – That the motion be agreed.

QUESTION PUT
AGREED

That motion is so agreed

NORFOLK ISLAND HOSPITAL ACT 1985

MS ADAMS Mr Speaker I move that this House, in accordance with with section 12(1) of the *Norfolk Island Hospital Act 1985*, resolve that Rhonda Evelyn Griffiths not being the Director, an employee of the Enterprise or a Minister be appointed by the Minister as a member of the Norfolk Island Hospital Advisory Board for a term of 12 months commencing on the date the notice of appointment is published in the Gazette.

SPEAKER The question is that that motion be agreed to, Minister Adams.

MS ADAMS Thank you Mr Speaker, I would like to extend my warm wishes to Mrs Griffiths and my thanks for her agreeing to serve as a member on the Hospital Advisory Board, Mrs Griffiths being a former Member of the Legislative Assembly, and with a very keen interest in governance issues I'm sure will play a very valuable role on the Board. Thank you.

SPEAKER Any further debate? Chief Minister?

MR SNELL Mr Speaker again, to reiterate my previous comments, but again that Rhonda Evelyn Griffiths for putting her name up for the Hospital Advisory Board.

SPEAKER Anything further? The question before us is that the motion be agreed.

QUESTION PUT
AGREED

That motion is agreed. Thank you. Notice number four, again, Norfolk Island Hospital Act. Minister another motion in your name.

NORFOLK ISLAND HOSPITAL ACT 1985

MS ADAMS Thank you Mr Speaker. Mr Speaker I move that this House, in accordance with section 12(1) of the *Norfolk Island Hospital Act 1985*, resolve that Gerard Marr, Chief Executive of the South Eastern Sydney Local Health District not being the Director, an employee of the Enterprise or a Minister be re-appointed by the Minister as a member of the Norfolk Island Hospital Advisory Board for a term of 12 months commencing on the date the notice of appointment is published in the Gazette.

SPEAKER Thank you, the question is that that motion be agreed to. Minister.

MS ADAMS Thank you. Mr Speaker I have nothing further to add, other than to give my thanks to the Chief Executive of South East Local Health District who plays a meaningful role, not only on Board discussions through the teleconference ability, but in a regular contact with the Director on issues at the Hospital, we have found his participation to be of great value to the Norfolk Island Hospital. He is at present in the United Kingdom, but I am looking forward on his return to his coming to Norfolk Island to attend the next meeting of the Advisory Board which usually happens at the end of the month, and for him to acquaint himself first hand with Norfolk Island's health arrangements, and that will be very helpful to this community. Thank you Mr Speaker.

SPEAKER Any further debate? No further debate I put the question, the question is that the motion be agreed.

QUESTION PUT
AGREED

That motion is agreed thank you Honourable Members. Notice Number five, Immigration Act 1980 – Application for General Entry Permit, Minister Adams.

IMMIGRATION ACT 1980 - APPLICATION FOR GENERAL ENTRY PERMIT

MS ADAMS Mr Speaker I move that for the purpose of paragraph 17A(1)(e) of the *Immigration Act 1980*, this Legislative Assembly resolve that Charlene Abria be authorised to make an application for a general entry permit under the Act.

SPEAKER Thank you, the question is that this motion be agreed to, Minister Adams.

MS ADAMS Thank you Mr Speaker, Mr Speaker this is a matter which Members of the Assembly have considered in their weekly meetings, Ms Abria is the partner of John Christian-Bailey who has written in support of her application and they have a young son, I am happy to support that motion Mr Speaker.

SPEAKER Any further debate? The question is that that motion be agreed to.

QUESTION PUT
AGREED

That motion is agreed. Thank you. Notice number 7, Community Title Bill 2015. The Minister for the Environment, Minister Ward.

**COMMUNITY TITLE BILL 2015
KOMYUUNETI TAITL BIL 2015**

MR WARD Thank you Mr Speaker, Mr Speaker I present the Community Title Bill 2015 and move that the Bill be agreed to in principle.

SPEAKER Thank you, the question is that the Bill be agreed to in principle, Minister Ward.

MR WARD Thank you Mr Speaker, Mr Speaker the Explanatory Memorandum is a substantial document, 28 pages, and I ask that the Explanatory Memorandum be noted as read and printed into Hansard.

COMMUNITY TITLE BILL 2014 / KOMYUUNETI TAITL BIL 2014
EXPLANATORY MEMORANDUM

The purpose of this Bill is to introduce an additional system for property holding for Norfolk Island. The Bill follows on from the White Paper “*Strata Title on Norfolk Island*” commissioned by the Administration and issued in March 2012 and the Norfolk Island Government Position Paper issued in response in October 2013.

OVERVIEW

The *Community Title Bill 2014* provides for the establishment, registration and administration of community title schemes. There are two different types of community title schemes possible under the Bill –

- (1) Community Schemes (dealing with vertical division of land); and
- (2) Community Strata Schemes (dealing with horizontal division of a multi-storey structure).

Both types of schemes divide land to create lots and common property.

Community Schemes

A community scheme allows for the vertical division of land while allowing for shared facilities, management structures and dispute resolution processes. In a community scheme lot boundaries are determined by surveyed land measurements and are unlimited in height and depth, unless otherwise specified on the plan. In contrast to a strata scheme the owner of a lot is responsible for the maintenance and insurance of any structures on that lot, and has no obligation for maintenance of other lot owner’s buildings.

Community Strata Schemes

In a community strata scheme lots are defined by upper and lower boundaries as well as lateral boundaries within a building erected on the community parcel. A lot must be defined by reference to parts of the building. There must be at least one lot that exists above another.

The structure itself is common property and it is therefore the responsibility of the body corporate to maintain and insure it.

Restrictions on Community Title Schemes

Land Title: Only land titles held in fee simple and registered without qualification under the *Land Titles Act 1996* can be the subject of a community titles scheme. Land held under Crown lease, qualified title or common law is excluded.

Planning & related controls: A community title scheme will be subject to all relevant planning, building and other regulatory controls. In a process similar to the scheme applying to subdivisions under the *Subdivision Act 2002* a community title scheme will be need to obtain development approval under the *Planning Act 2002* as a threshold requirement. All development standards and controls set out in the *Norfolk Island Plan* and the *Building Act 2002* will apply.

FUTURE DEVELOPMENT OF THE COMMUNITY PARCEL

The Bill allows for the future development of a scheme in two ways:

(a) Staging

The Bill provides a simplified approach to developing a community scheme in stages. The Bill allows for delineation of a “development lot” on a plan. This lot, although not part of the scheme, is land set aside for future development. Staging involves the inclusion of a development lot that is to be divided at a later time to create extra lots within that scheme. A plan may contain more than one development lot.

An example of a stage development:

Lot 1	Lot 2	Common property	Development lot 5 (for future development)
--------------	--------------	----------------------------	---

The completed community scheme:

Lot 1	Lot 2	Common property	Lot 3	Lot 4
-------	-------	--------------------	-------	-------

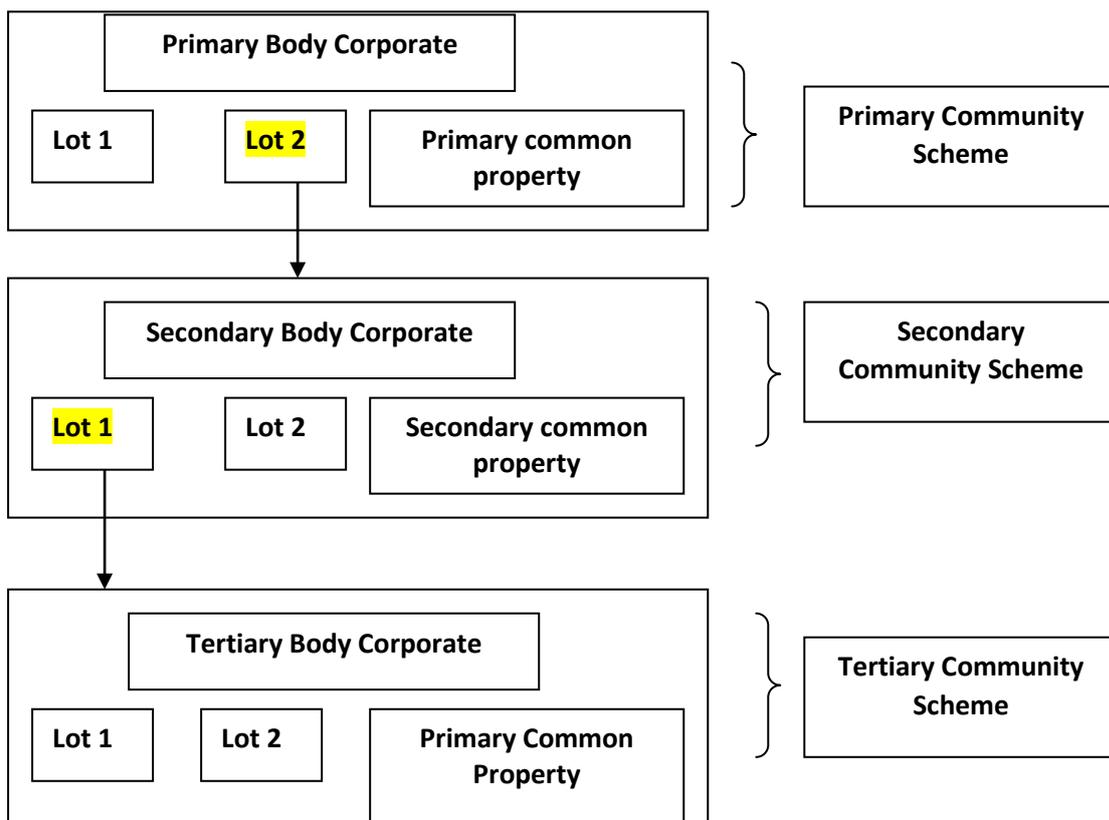
(b) Tiering

Tiering allows for the management of large or mixed land use developments. It allows a lot in a community or community strata scheme to be further divided to create a subservient scheme and managerial structures ('tiered' management). The first community plan lodged over an allotment is a Primary Plan of Community Division, which creates primary lots, primary common property and a primary community body corporate. A lot in a primary scheme can be divided by a secondary scheme to create lots and common property and a community body corporate at a secondary level. A lot in a secondary scheme can further be divided by a tertiary scheme to create lots and common property and a community body corporate at a tertiary level. Body corporates in the lower tiers will be members of the body corporate of the tier above.

Primary lots do not have to be further divided into secondary lots, and most divisions would not go beyond the primary level. Most residential schemes, consisting only of a moderate number of residential lots, will be a primary community body corporate and have only one level of management. Complex schemes involving residential, commercial and even recreational uses should form secondary or tertiary community body corporates. For example, a development with a large retail section and fifteen smaller residential lots would most likely have one primary body corporate covering the entire development and two secondary body corporates, one for the residential lots and one for the retail lots. A tiered management structure may also be set up where there is a large number of lots in a community parcel, even if each of the lots is used for the same purpose.

Each level of the scheme has its own common property, which its body corporate will manage. Schemes of more than one level can be complex.

An example of tiering:



DOCUMENTS ASSOCIATED WITH A COMMUNITY SCHEME

Community plans are accompanied by documents that must, or may, be associated with such developments. These documents –

- describe and set the standard of the scheme
- set out the rules under which the scheme will operate
- give the body corporate a completion guarantee
- provide up-front disclosure to a prospective purchaser or mortgagee as to the nature of the scheme.

The documents are –

- **Scheme Description;**
- **Rules**
- **Development Contract.**

The level of the scheme being entered into should be noted. The Scheme Description, Rules and Development Contract of any scheme above, also apply to that scheme.

The Scheme Description

This is an optional document for schemes that contain six lots or less that are used predominantly for residential purposes. It gives the prospective purchaser an overall view of how the scheme is to be developed and the end result.

This document must be lodged for commercial schemes, irrespective of the number of lots, or if the plan contains a development lot, or if the common property or a lot within the scheme is to be developed in a specific way.

The Scheme Description is designed to give up-front notice to prospective owners/mortgagees of a Community Lot, Community Strata Lot and Development Lot of the nature of a scheme, any binding provision or requirement to develop a lot and to remind the body corporate of the nature of the scheme. A scheme description must identify the community parcel and the lots and common property into which the parcel is to be divided, the purpose or purposes for which the lots and common property may be used and specify the standard of buildings and other improvements made or to be made to the lots or common property. This will include details of any proposed staged developments to give owners an indication as to the final size of the scheme, time frames in which it will be completed and details of the nature and scope of a lot owners obligation to develop a lot in a particular manner.

The Rules

This is a compulsory document for all schemes. It sets out the obligations of the body corporate in administering the scheme and the rules by which the scheme is to be run.

The rules must provide for

- the administration, management and control of the common property,
- regulation of the use and enjoyment of the common property,
- the use and enjoyment of the lots to the extent necessary to give effect to the Scheme Description. eg,
 - the purpose or purposes for which community lots may be used,
 - the design, construction and appearance of buildings on the common property, community lots
 - landscaping of community lots.

If it is desired that the rules be varied, the variation must be lodged with the Registrar within 14 days of passing the resolution to vary the rules. The body corporate can impose a penalty of up to \$500 for breaches of a rule which must be paid to the body

corporate. The fines may be imposed on members of the body corporate or any other person, including visitors or outsiders.

The Development Contract

This is a contract entered into by the developer and is a binding obligation on the developer to complete the scheme in accordance with the scheme description.

COMMUNITY BODY CORPORATE

A community body corporate must be set up [s.11, s.73] to administer the scheme's rules and manage the common property and any fixtures erected on it [s.77]. Owners of community lots automatically have membership of the body corporate [s.11(2), 76]. Owners of development lots are not members of the body corporate unless they also own community lots [s.11(2), 76].

Lot owners are guarantors of their community body corporate's liabilities, which means the body corporate's debts are enforceable against each of the lot holders directly [s.79].

A community body corporate must have a presiding officer, treasurer and secretary [s.78], and may establish a committee [s.90(1)] to carry out the functions and perform the duties of the body corporate within the limits of the committee's powers [s.92(1)]. A community body corporate may also delegate some of its functions to a person outside the body corporate (such as a body corporate manager) to assist in the running of the body corporate [s.82].

The body corporate must have a common seal [s.75].

The rules are the rules of the body corporate. As indicated above the body corporate can make rules which are binding on the body corporate, unit owners, tenants and visitors [s.45] about the management and use of common property and the use of community lots [s.38]. The first rules of a body corporate are those filed when the community plan is deposited with the Lands Titles Registration Office. A body corporate can vary the rules [s.39].

Powers of the body corporate

Some of the powers of the body corporate are to:

- administer, manage and control the common property for the benefit of the owners of the community lots [s.77(1)(a)]
- maintain the common property and the property of the body corporate in good order and condition [s.77(1)(b)]
- where practicable, to establish and maintain lawns or gardens on those parts of the common property not required or used for any other purpose [s.77(1)(c)]
- enforce the rules and the development contracts (if any) [s.77(1)(d)]
- enforce an owner's duty to maintain and repair their lot [s.100]
- borrow money or obtain other forms of financial accommodation and, subject to the Act or the regulations, give such security for that purpose as it thinks fit [s 117]
- carry out the other functions assigned to it by this Act or conferred on it by the rules [s.77(1)(e)].

Contributions

The body corporate raises funds by levying contributions against all lot owners, in accordance with an ordinary resolution passed at a general meeting [s.113(1)]. The committee may not set the contribution amount [s.113(2)]. The amount that each owner contributes to funds is normally calculated according to the 'lot entitlement' set out in the community plan [s.113(3)]. Put simply, a lot entitlement is the portion, or ratio, of the capital value of a lot as against the sum of the capital values of all the lots [s.26]. The body

corporate may, by unanimous resolution, determine that contributions are paid on some other basis [s.113(3)].

The body corporate may, by an ordinary resolution at a general meeting, allow contributions to be paid in instalments [s.113(4)(a)].

If contributions are not paid, they are recoverable as a debt [s.113(8)]; the body corporate can sue the lot owner and any subsequent owner (if more than one owner, any or all of them) for the money [s.113(7)].

Interest may be charged by the body corporate on contributions or instalments owing, this is done by ordinary resolution [s.113(4)(b)]. The amount of interest charged may not be more than the prescribed amount and interest cannot be charged on unpaid interest [regs].

Maintenance and repair of common property, lots - entry to premises

The Bill imposes on the body corporate responsibility, subject to specific exceptions, to maintain and repair common property, personal property vested in the body corporate and fixtures and fittings included in the common property [s.77(2)].

The Bill imposes a responsibility on a lot owner to maintain and repair their lot [s.133(1)], unless the body corporate's rules have transferred this responsibility to the body corporate [s.133(2)]. If the responsibility to maintain and repair lies with lot owners, and a lot owner does not fulfil this responsibility, the body corporate may give a lot owner written notice requiring them to carry out specific work by a certain time [s.100(1)(a)].

Similarly, the body corporate may require and enforce work on a lot to remedy a breach of the Act or the body corporate's rules, even if the breach was by a former lot owner, an occupier (tenant) or former occupier [s.100(1)(b)(i)].

The body corporate can also pre-empt problems and require an owner to do work to remedy a situation that is likely to result in a breach of the Act or the rules [s.100(1)(b)(ii)].

If the work is not done in the set time, the body corporate may authorise workers to enter the lot to do the work [s.100(2)]. This can only happen after the body corporate has given at least two days notice in writing to both the lot owner and the occupier (for example, any tenant) [s.100(3)].

Force cannot be used to enter the lot without an order from the Community Title Tribunal [s.100(4)], unless an officer of the body corporate or a person authorized by the body corporate (such as a body corporate manager) is satisfied that urgent action is necessary to prevent a risk of death, injury or significant damage to property [s.100(5)]. In such a case, the officer or authorized person can, after giving whatever notice (if any) to the lot owner and occupier they consider reasonable in the circumstances, authorize entry to a lot for the performance of work reasonably necessary to deal with the risk. To enter the lot in urgent circumstances, such force as is reasonably necessary may be used.

The individual lot owner is liable to the body corporate for the reasonable cost of work done [s.100(7)]. If the need for the work arose because of someone else, for example a tenant or previous owner, the lot owner can recover the cost as a debt from that person [s.].

Maintenance and repair of service infrastructure - entry to premises

The body corporate may need to enter a lot in order to set up, maintain or repair service infrastructure. If so, the body corporate must give notice to the owner of the lot to be entered [s.155(1)(a)]. The amount of notice required is whatever is reasonable in the circumstances [155(3)]. If the situation is an emergency and there is no time to give notice, then notice need not be given [s.155(2)(a)]. A lot owner may agree that their lot can be entered without notice [s.155(2)(b)].

If a person acting on the body corporate's behalf cannot enter the lot without using force, such force as is reasonable in the circumstances may be used [s.155(4)]. Any damage caused by the use of force must be made good as soon as practicable by the body corporate, unless the need for force was the result of an unreasonable act or omission on the part of the owner of the lot that was entered [s.155(5)].

Return of property

A body corporate may require anyone in possession of any record, key, or other property of the body corporate to return it to an officer of the body corporate by a specified time. The person in possession of the property must be given written notice to return the property, and the person it must be given to must be stated in the notice. Failure to comply with such a notice is an offence with a maximum penalty of \$2 000. [s.156]

Officers of the body corporate

A community body corporate must have a presiding officer, a secretary and a treasurer, who are appointed by ordinary resolution [s.78(1)]. Normally, these officers must be lot owners [s.78(2)]. If the scheme has ten or less lots, one person may hold two or more of these positions, and if the scheme has more than ten lots, one person may hold up to two of these positions [s.78(3)].

A community body corporate may appoint or engage a person to assist the presiding officer, treasurer or secretary [s.78(9)].

An officer can be appointed for up to a year, with all positions becoming vacant no later than the next annual general meeting of the body corporate [s.78(6)].

If a vacancy arises in any of the positions, the position can either be filled at a general meeting, or, if the body corporate has a committee, the committee may, by ordinary resolution, appoint a lot owner to fill the vacancy [s.92].

A vacancy will arise before the annual general meeting if the officer:

- resigns in writing to the secretary, or, in the case of the secretary, to the presiding officer [s.78(7)(e)]
- dies or sells their lot [s.78(7)(a), (c)]
- becomes bankrupt or applies to take the benefit of a law for the relief of insolvent debtors [s.78(7)(f)]
- is convicted of an indictable offence (an offence that may be heard before a jury) or is imprisoned for any offence [s.78(7)(g)].

An officer may be removed by special resolution of the body corporate (not the committee) on the grounds of misconduct, or neglect of duty, or incapacity or failure to carry out satisfactorily the duties of the office [s.78(7)(h), (8)].

The secretary of a community body corporate has the following prescribed functions [regs]:

- to prepare and distribute minutes of meetings of the body corporate and submit a motion for confirmation of the minutes of any meeting of the body corporate at the next such meeting

- to give, on behalf of the members of the body corporate and the committee, the notices required to be given under the Act
- to answer communications addressed to the body corporate
- to convene meetings of the committee
- to attend to matters of an administrative or secretarial nature in connection with the exercise, by the body corporate or the committee, of its functions.

General meetings and committee meetings can also be convened by members of the body corporate and other officers (see Committee and General Meetings below).

Treasurer

The treasurer of a community body corporate has the following prescribe functions [regs]:

- to notify owners of community lots of any contributions to be raised from them in accordance with the Act
- to receive, acknowledge, bank and account for any money paid to the body corporate
- to keep accounting records and prepare financial statements.

Records

The body corporate normally has a prescribed responsibility to maintain proper records, and to keep them in an orderly manner so they can be found easily for the purposes of inspection or copying [regs].

A community body corporate must maintain a register of the names of the lot owners, showing the owner's last contact address, telephone number and email address known to the body corporate, and the owner's lot entitlement [s.134] and must keep any information in the register for 7 years or as prescribed [regs]. The rules of body corporates with only two or three lots may exempt the body corporate from the need to maintain a register of names of lot owners [s.41].

The body corporate must make accounting records of its receipts and expenditure [s.135] and keep the records, along with

- receipts for the expenditure of money
- passbooks, deposit books and all other documents providing evidence of the deposit or investment of money
- ADI statements and all other documents providing evidence of dealing with money invested or on deposit for 7 years or as prescribed [regs].

The body corporate must make a record of notices and orders served on the body corporate and keep the notices and orders for 7 years or as prescribed [regs].

Minutes of meetings must be kept for 30 years or as prescribed [regs].

Copies of correspondence received or sent by the body corporate and notices of meetings of the body corporate and its committee must be kept for 7 years or as prescribed [regs].

A body corporate must ensure that a statement of accounts is prepared for each accounting period [s.], and must keep each statements of account for 7 years or as prescribed [regs].

ACCESS TO INFORMATION

Insurance policies

A lot owner, a mortgagee of a lot, or a prospective owner or mortgagee of a lot may request, through the body corporate's secretary or a member of the committee, to see any or all of the insurance policies currently held by the body corporate [s.107]. No fee is applicable.

If the applicant wishes to have copies of the current insurance policies under s 138(1)(b) a fee applies. If the applicant is the owner of a unit, a prescribed fee will apply [regs]. If the applicant is a mortgagee of a unit, or a prospective purchaser or mortgagee of a unit, a prescribed fee will also apply [regs].

The body corporate must make the information available within five business days after the request [s.107, 138]. Failure to do so is an offence with a maximum penalty of \$500.

Bank statements

On the request of a lot owner made through the secretary or a member of the committee, a body corporate that does not have a body corporate manager must provide the lot owner with quarterly bank statements for all accounts maintained by the body corporate, and must continue to provide the statements until the person ceases to be an owner or revokes their application [s.138(2)]. Failure to do so is an offence with a maximum penalty of \$500. If a body corporate has a manager, application can be made to the manager for quarterly financial statements (see Body corporate managers).

Rules

The body corporate must make available up-to-date copies of the rules that owners and occupiers of lots, prospective purchasers of a lot or someone considering entering into any other transaction in relation to a lot may inspect or purchase [s.47(1)].

No fee may be charged for inspection of the rules [s.47(2)]. The maximum fee a body corporate may charge for buying a copy of the rules will be set. Copies of rules can be obtained from the Lands Titles Office for a fee.

Other information in relation to a lot or the body corporate

A lot owner, a mortgagee of a lot, or a prospective owner or mortgagee of a lot (or someone on their behalf) may apply to the body corporate, through the secretary or a member of the committee, for access to the following information or documents [s.138(1)]. The information or documents must be provided within five business days after the request [s.138(1)]. Failure to do so is an offence with a maximum penalty of \$500. The body corporate may under the Regulations reduce or waive any of the specified fees [regs].

Information to be provided [s.138(1)(a)]:

- particulars of any contribution payable in relation to the lot, including details of any arrears of contribution related to the lot
- particulars of the assets and liabilities of the body corporate
- particulars of any expenditure that the body corporate has incurred, or has resolved to incur, and to which the lot owner must contribute, or is likely to be required to contribute.

If the applicant is a lot owner, under the Regulations no fee applies. If the applicant is a mortgagee of a lot, or a prospective owner or mortgagee of a lot, a prescribe fee applies..

Copies of documents to be provided[s.138(1)(b)]:

- the minutes of general meetings of the body corporate and meetings of its committee for such period, not exceeding two years, specified in the application
- the statement of accounts of the body corporate last prepared by the body corporate.

If the applicant is a lot owner, a prescribed fee applies. If the applicant is a mortgagee of a lot, or a prospective owner or mortgagee of a lot, a prescribed fee applies.

Documents to be made available for inspection:

- a copy of the accounting records of the body corporate
- the minute books of the body corporate
- a copy of any contract with a manager
- and the register of lot owners.

No fee applies to inspecting a copy of the contract with a manager or the register of lot owners.

If the applicant is a lot owner, under the Regulations no fee will apply to inspect accounting records or minutes [regs]. If the applicant is a mortgagee of a lot, or a prospective owner or mortgagee of a lot, a prescribed fee will apply in relation to accounting records and minutes [regs].

COMMON PROPERTY

What is common property?

The common property consists of those parts of the community parcel that do not comprise or form part of a lot, and includes the service infrastructure not for the exclusive use of a lot [s.32(1)(a), (b)]. In addition, the common property includes any building that is not for the exclusive use of a lot and was erected before the deposit of the community plan, any building erected by the developer or the community body corporate as part of the common property, and any other building on the community parcel that has been committed to the care of the community body corporate as part of the common property [s. 32(1)(d)-(f)].

In the case of a strata plan, the common property also includes those parts of the building that are not part of a lot [s.32(1)(c)]. Unless a particular strata plan indicates otherwise, the boundary of a unit is the internal surface of the walls, floors and ceilings [s.25(4)].

Service infrastructure

Service infrastructure is the cables, wires and pipes that provide services to lot owners and the common property [s.5(1)]. The service infrastructure is shown, as far as it is practical to do so, on the plan of community division through the common property, and on a lot where it services more than the one lot [s.21(4)(e)]. As service infrastructure that serves more than one lot forms part of the common property, it is the responsibility of the body corporate to maintain it [s.77]. Service infrastructure that only serves one lot is the responsibility of that lot owner to maintain.

Commercial use of the common property

In community titles the common property can be used, subject to planning approval, for commercial ventures such as a retail centre [s. 32(2)]. Any profits are returned to the community body corporate and must be paid into the administrative or sinking funds [s.32(3)]. Surplus profits may, by special resolution, be distributed to owners of the lots in proportion to lot entitlement, if more money than is needed is held in the administrative fund

or the sinking fund [s.116]. As there can be losses as well as profits, any commercial venture should be based on detailed financial and legal advice.

If members of the public have access to the common property, or a part of it, then members of the public are entitled to use the common property, or the relevant part of it, in accordance with the rules [s.32(4)].

Management of the common property

Common property is managed by the community body corporate [s.77], which is required to keep an administrative and a sinking fund [s.115]. A two lot scheme may be exempt from the requirement to keep an administrative and a sinking fund through its rules [s.41(1)(d)].

INSURANCE

Building insurance

It is the responsibility of the community body corporate to insure the common property [s.102(1)].

As a general rule, buildings in a community strata scheme are common property (unless otherwise defined on the plan) and should be insured by the body corporate [s.102(1)(b)].

In a community scheme, buildings within a lot are not common property and are the responsibility of the lot owners. However, the body corporate's rules may authorise or require the community body corporate to act as agent for the owners of community lots in arranging policies of insurance [s.38(3), Sch 1 Part 1 (1)11].

Owners in a community scheme also have a duty to insure any part of their property such as a wall, which provides support and shelter to a building or other structure on another lot or on the common property [s.105(1)].

Fidelity guarantee insurance

Fidelity guarantee insurance must be held by all body corporates [s.103], apart from 2-lot community body corporates with no administrative or sinking fund and community body corporates with common property insurance cover of a prescribed amount. A policy of fidelity guarantee insurance covers the risk of theft or fraud of the body corporate's funds by any person authorised to handle the body corporate's funds, including a manager. The insurance cover must be for the amount of the maximum total balance of the body corporate's bank accounts at any time in the preceding three years, or a prescribed amount, whichever is higher.

Other insurance

A community body corporate must insure itself against risks that a normally prudent person would insure against and the amount of the insurance must be the amount that a normally prudent person would insure for [s.103(1)(a), (2)]. In the case of insurance for bodily injury, the insurance must be for at least ten million dollars [s.103(2)].

RULES

Variation of the rules

The Bill requires developers of community schemes to draft individual rules (ss 13, 38) which reflect the nature of the particular scheme [s.12(4)]. The rules must cover the administration, management and control of the common property; regulate the use and enjoyment of common property; and regulate the use and enjoyment of community lots to give effect to the scheme description [s.38(2)]. Model rules may be prescribed [s.38(5), regs].

In relation to buildings and other structures on community lots, the rules may also regulate issues such as position, design, dimensions, construction, appearance, maintenance and repair [s.38(3), Sch 1 Part 1 (1)3]. Landscaping and the appearance of community lots can be covered in the rules [s.38(3), Sch 1 Part 1 (1)5], and requirements or restrictions on the use of community lots can be imposed to prevent interference with the use and enjoyment of other lots [s.38(3), Sch 1 Part 1 (1)5].

The rules cannot be inconsistent with the scheme description (if any) of the scheme or, if there are higher levels above the scheme, the rules or scheme description of those schemes [s.44].

The rules are binding on the body corporate, the owners and occupiers of the community lots and development lot or lots (if any) comprising the scheme, and persons entering the community parcel [s.45].

The rules may be varied by special resolution of the body corporate [s.39], except in the case where the body corporate wishes to change the number of votes that may be cast in respect of each community lot, when a unanimous resolution is needed [s.89 Sch 2 r5(2)]. If the rules are varied, the variation must be lodged with the Land Titles Office within 14 days of passing the resolution to vary the rules [s.39(2)]. The variation only takes effect when the lodged variation is filed with the community plan by the Registrar [s.40(2)].

What cannot be in the rules

A body corporate cannot prevent or restrict a lot owner from selling or leasing their lot, or allowing someone to live in their lot, or mortgaging, or otherwise dealing with their lot [s.38(4) Sch1 Part 2 (1)(a)]. An exception to this rule is that the rules may prevent or restrict the owner of a lot from leasing or granting rights of occupation in respect of the lot for valuable consideration (that is, when the occupier will be paying rent or a fee) for a period of less than two months [s.38(4) Sch1 Part 2 (2)(a)].

Monetary obligations

The rules may not impose a monetary obligation on the owner or occupier of a lot except where:

- the rule provides for the exclusive use of part of the common property [s.38(4) Sch1 Part 2 (1)(b)] or
- the rule deals with a lot owner's responsibility to pay an insurance premium, where the rules authorise or require the community body corporate to act as agent for the owner in arranging the insurance policy [s.38(4) Sch1 Part 2 (2)(b)].

Access to a lot

The body corporate may not prevent access by the owner or occupier or other person to a lot [s.38(4) Sch1 Part 2 (1)(c)].

Assistance dogs

The rules may not prevent an occupier of a lot who has a disability from having and using an assistance dog [s.38(4) Sch1 Part 2 (1)(d)]. Similarly, a visitor to a lot who has a disability may not be prevented from using their assistance dog [s.38(4) Sch1 Part 2 (1)(e)].

Articles that reduce the value of a unit or unfairly discriminate against a unit holder

Any rules that reduce the value of a lot or unfairly discriminate against a lot owner may be struck out by order of the Tribunal [s.43]. The application to strike out the rule must be made by a person who was a lot owner, which includes a person who has contracted to purchase the lot, when the articles came into force. The application must be made within three months after the person (or either or any of the lot owners where the lot is owned by two or more persons) first knew, or could reasonably be expected to have known, that the articles had been made [s.43(2)]. An application to strike out a rule would normally be made to the Tribunal as a minor civil action under s 148.

Breaches of the rules

If it is claimed that a lot owner or occupier (for example, a tenant) of a lot is in breach of the rules, the body corporate may request that the person either do what is required under the rules, or stop doing what is not allowed under the rules. If the person continues to breach the rules, mediation may be sought, or a penalty may be imposed by the body corporate if there is provision for this in the rules, and/or the matter may be taken to the Community Title Tribunal (see Disputes).

Penalties for breaching the rules

The rules of a strata body corporate may impose a penalty of up to \$500 for contravention of, or failure to comply with, any rules [s.38(3) Sch1 Part 1]. If all the units in the scheme are non-residential, the penalty may be up to \$2 000 [s.38(3) Sch1 Part 1(1)12, (7)]. These fines may be imposed on members of the community body corporate, occupiers, visitors or any other person entering the community parcel [s.45].

Notice of a penalty

The body corporate must give notice of the imposition of a penalty using the form set out in regulations [regs].

Time for payment of a penalty

The date set for payment of the penalty must be at least 60 days after the date the notice is served [s.38(3) Sch1 Part 1(4)(b)(ii)].

Non-payment of a penalty

If a penalty is not paid in time, the body corporate may recover the amount as a debt. If the notice has been given to a tenant, then, ultimately, action can be taken in the Magistrates Court (minor civil action jurisdiction) to recover the debt. If the notice has been given to the owner of a community lot, the penalty may be recovered by the strata body corporate as if it were a contribution payable to the strata body corporate, and interest will be payable on the penalty amount in the same way as if it were such a contribution. [s.38(3) Sch1 Part 1(4)(c)]

Challenging a penalty

A person who has received a penalty notice may, within 60 days after service of the notice, apply to the Tribunal for revocation of the notice [s.38(3) Sch1 Part 1(4)(d)]. A representative of the body corporate will be required to attend the hearing and will have to show that, on the balance of probabilities, the person committed the alleged breach [s.38(3) Sch1 Part 1(4)(e)].

When an application to revoke a penalty is made, the requirement to pay the penalty is suspended until the matter is resolved [s.38(3) Sch1 Part 1(4)(f)].

The Court must revoke the penalty if it is not satisfied that the person breached the articles as alleged, or if it is satisfied that the alleged breach is trifling [s.38(3) Sch1 Part 1(4)(d)].

A breach may be regarded as ‘trifling’ if the circumstances surrounding the breach were such that the person ought to be excused from the imposition of a penalty on any of the following grounds [s.38(3) Sch1 Part 1(5)]:

- there were compelling humanitarian or safety reasons for the conduct that allegedly constituted the breach; or
- the person could not, in all the circumstances, reasonably have averted the breach; or
- the conduct allegedly constituting the breach was merely a technical, trivial or petty instance of a contravention of or failure to comply with the relevant articles.

COMMITTEE

Powers and responsibilities of the committee

The body corporate can choose to run all of its business through general meetings or it can, by ordinary resolution [s.90(2)], set up a committee [s.90(1)] to carry out the functions and perform the duties of the body corporate within the limits of the committee’s powers [s.92(1)]. The committee cannot delegate its functions or powers, but the body corporate can appoint someone, such as a body corporate manager, to assist the committee to carry out its role [s.92(3)].

The committee has full power to transact any business of the body corporate [s.92(2)], except that:

- the body corporate may impose limitations in the rules on what the committee can do [s.92(2)], and
- the committee does not have the power to do anything for which a special or unanimous resolution is required [s.92(4)].

If a committee is considering a controversial issue, such as raising special levies, it may be sensible to give advance notice of this to all lot owners.

Membership of the committee

A committee is appointed by an ordinary resolution at a general meeting of the body corporate [s.90(2)]. The body corporate's office bearers (presiding officer, treasurer and secretary) must be members of the committee [s.90(3)]. All members of the committee must be natural persons (not, for example, companies) [s.90(3)]. In a residential, or mainly residential, scheme, the members of the committee must be members of the body corporate (lot owners), but, if a body corporate is a lot owner, the person appointed by it to vote at meetings is taken to be a member of the body corporate [s.90(4)].

A member can be appointed for up to a year, with all positions becoming vacant no later than the next annual general meeting of the body corporate [s.91(1)].

A vacancy will arise before the annual general meeting if the member:

- is an office bearer and ceases to be an office bearer [s.91(2) Sch 3 1(1)(d)]
- resigns in writing to the secretary [s.91(2) Sch 3 1(1)(e)] (note that an office bearer may not resign from the committee while continuing to act as an office bearer)
- dies or sells their lot [s. s.91(2) Sch 3 1(1)(a), (c)]
- becomes bankrupt or applies to take the benefit of a law for the relief of insolvent debtors [s.91(2) Sch 3 1(1)(f)]
- is convicted of an indictable offence (an offence that may be heard before a jury) or is imprisoned for any offence [s.78(7)(g)].

A member may be removed by ordinary resolution of the body corporate (not the committee) on the grounds of misconduct, or neglect of duty, or incapacity or failure to carry out satisfactorily the duties of the office or non-compliance with the Code of Conduct for committee members [s.91(2) Sch 3 1(1)(h), (2)].

If there is a casual vacancy in the membership of the committee, the committee may appoint a suitable person to fill the vacancy [s.91(2) Sch 3 1(3)].

A committee member must at all times act honestly in the performance of their duties. Failure to do so is an offence with a maximum penalty of \$4 000, or, if an intention to deceive or defraud is proved, \$15 000 or four years imprisonment [s.96(1)].

A committee member must not make improper use of their official position to gain a personal advantage for themselves or another. Doing so is an offence with a maximum penalty of \$15 000 or four years imprisonment [s.96(2)].

Immunity of committee members from liability

A committee member is not personally liable for an act or omission while acting, or purportedly acting, as a committee member unless the act or omission was dishonest or negligent [s.98(1)]. The body corporate is liable for the acts or omissions of committee members, except in the case of dishonesty or negligence [s.98(2)].

Meetings of the committee

A committee must keep minutes of its meetings [s.94 Sch 3 2(7)].

A committee meeting may be called by the presiding officer, treasurer or secretary, or by any two members of the committee [s.93(1)].

At least three days written notice of a committee meeting must be given [s.93(2)]. The notice must set out the day, time and place of the meeting, and the meeting agenda [s.93(2)(4)].

The day, time and place of the meeting must be reasonably convenient to a majority of the members of the committee [s.93(3)].

Chairing

The presiding officer chairs committee meetings, but in the absence of the presiding officer, the members present may appoint another member to chair the meeting [s.94 Sch 3 2].

Decisions and disclosure of interest

Decisions of the committee are made by majority vote [s.94 Sch 3 2(3)].

It is an offence with a maximum penalty of \$15 000 if a committee member who has a direct or indirect pecuniary interest (apart from an interest arising solely from the fact that the member is also a member of the community body corporate [s.95(4)]) in a matter under consideration by the committee does not disclose the nature of the interest to the committee and does not take part in any discussions or decisions of the committee in relation to that matter [s.95(1)].

Any disclosure of interest must be recorded in the minutes of the committee [s.95(3)].

Decisions without meeting

A decision may be made by a committee without meeting if [s.94 Sch 3 2(6)]:

- written notice setting out the proposed decision is served on every committee member, and
- within seven days after the notice is served on all members of the committee a majority of the members give written notice to the secretary setting out the proposed decision and expressing their agreement with it.

Proxies

A committee member may appoint another committee member or a member of the community body corporate to act as their proxy at a committee meeting that the member is unable to attend [s.94 Sch 3 2(4)].

Quorum

To work out the quorum required for a committee meeting, divide the total number of members of the committee by two, ignoring any fraction resulting from the division, and add one [s.94 Sch 3 2(2)].

Example 1

If the body corporate has resolved that the committee has five members, then:

- divide 5 by 2 (= 2½)
- ignore the half (= 2)
- add one (= 3)

So the quorum for a committee with five members is three.

Example 2

If the body corporate has resolved that the committee has eight members, then:

- divide 8 by 2 (= 4)
- add one (= 5)

So the quorum for a committee with eight members is five.

GENERAL MEETINGS

General meetings of the community body corporate must be held at least once in a calendar year. However, the rules of a body corporate with only two lots may say that an annual general meeting does not have to be held [s.41(1)(a)]. The annual general meeting of a primary community body corporate must be held within three months after the commencement of each financial year [s.88(1)]. The annual general meeting of a secondary or tertiary community body corporate must be held within 6 months after the commencement of each financial year [s.88(2)].

A general meeting may be called by [s.87(1)]:

- the presiding officer, treasurer or secretary of the body corporate
- any two members of the committee
- a member or members of the body corporate the value of whose lot entitlement or combined lot entitlements is 20 per cent or more of the aggregate value of all the lot entitlements
- a member or members of the body corporate who holds, or who together hold, 20 per cent or more of the total number of community lots in the scheme, or
- on the order of the Tribunal following an application under Part 14 (see Disputes).

At least fourteen days written notice of a general meeting must be given [s.87(3)]. The notice must set out the day, time and place of the meeting, and the meeting agenda [s.87(4)(5)].

The day, time and place of the meeting must be reasonably convenient to a majority of the members of the body corporate [s.87(4)].

Agenda

The agenda of every general meeting must include [s.87(6)]:

- the text of any unanimous or special resolutions to be moved at the meeting
- a motion confirming the minutes of the previous general meeting.

In the case of the first statutory general meeting, the agenda must also include prescribed matters such as:

- the appointment of the presiding officer, treasurer and secretary
- the custody of the body corporate's common seal and the manner of its use
- the body corporate's recurrent and non-recurrent expenditure in its first financial year and the amount to be raised by contributions from owners of community lots to cover that expenditure
- the appointment of an auditor of the body corporate's accounts in its first financial year or a special resolution that the accounts for that year need not be audited
- whether the policies of insurance taken out by the developer are adequate
- whether the body corporate should establish a committee
- the delegation of functions and powers by the body corporate
- whether the rules of the scheme need amendment.

In the case of all subsequent annual general meetings, the agenda must also include prescribed matters such as:

- presentation of the accounts for the previous financial year
- contributions to be paid by members for the current financial year

- presentation of copies of the body corporate's insurance policies required by the Act (see Insurance)
- presentation of any expenditure statements required by the Act (see Financial Management)
- if the body corporate must have its annual statement of accounts audited (see Financial Management), the appointment of an auditor of the accounts for the current financial year
- the appointment of the presiding officer, treasurer and secretary of the body corporate
- other appointments to be made or revoked by the body corporate at the meeting
- discussion of the policies of insurance required by the Act to be held by the body corporate
- the number of applications for relief made under Part 14 of the Act (see Disputes) and the nature of the claims or disputes the subject of those applications
- proposed controls on expenditure by delegates of the body corporate
- if it is proposed to enter into a contract, or renew or extend a contract, with a body corporate manager
 - the text of the resolution to enter into, or renew or extend, the contract, and
 - where and when a copy of the contract or proposed contract and the explanatory pamphlet (see Body corporate managers) can be viewed or obtained by members of the body corporate.

Quorum

To work out the quorum required for a general meeting, divide the total number of members entitled to attend and vote (see Voting) by two, ignoring any fraction resulting from the division, and add one [s.89 Sch 2 r1(6)].

Members may be present in person or by proxy or, if applicable, via remote communication (see below).

If a quorum is not present, the meeting must be adjourned for at least 7 days, but no more than 14 days, and written notice given to members of another meeting. If a quorum is not present at the second meeting, those present are entitled to work as a 'quorum', which means they can legally make decisions. [s.89 Sch 2 r1(7)]

Attendance by remote communication

The rules of a body corporate may make provision for attendance and voting at meetings by members by means of telephone, video-link, Internet connection or any similar means of remote communication. If the member complies with the requirements in the rules, they may attend and vote at a meeting by remote communication.

Alternatively, a member may request the secretary of the body corporate, in writing, to attend and vote at the meeting by means of remote communication. If the secretary of the body corporate makes the necessary arrangements to receive and record the member's attendance and voting at the meeting by remote communication, and the member complies with any requirements of the secretary in relation to the request, then the member may attend and vote at the meeting by remote communication.

A body corporate is under no obligation to provide facilities for remote communication to members [s.89 Sch 2 r1.(9)].

Chairing of general meetings

Generally, the body corporate's presiding officer must chair meetings of the body corporate [s.89 Sch 2 1.(1)]. However, if the presiding officer is not present, another person at the meeting may be appointed to chair [s.89 Sch 2 1.(3)].

If it is proposed that the body corporate's manager, or an employee of the manager, will chair a meeting of the body corporate, a majority of those present and entitled to vote at the meeting must agree to this [s.89 Sch 2 r1(4)].

In addition, if it is proposed that the manager chair the meeting, the manager must inform the meeting, before any vote is taken of prescribed matters [regs] such as:

- any proxies the manager holds for the meeting, and that the proxies are available for inspection (in accordance with the rules for proxy voting)
- that the manager may only chair the meeting if a majority of those present and entitled to vote agree
- that the manager may only vote on the question of who is to chair the meeting if the manager holds proxies specifically allowing them to vote on this
- that he or she has no right to prevent any member from moving or voting on any question or motion.

Any person chairing a meeting who has a direct or indirect pecuniary interest in any matter to be voted on at the meeting must disclose the nature of the interest to the members present at the meeting before the vote is taken, even if they themselves cannot or are not voting on the matter. Failure to do so is an offence with a maximum penalty of \$15 000. [s.89 Sch 2 r3(3)]

VOTING

The owner of a community lot is entitled to attend general meetings of the body corporate and is entitled to vote if there are no outstanding amounts payable to the body corporate in respect of the lot [s.89 Sch 2 r2(1), (19)].

Lot owners generally have one vote [s.89 Sch 2 r5(1)(a)]. However if the scheme is for commercial purposes this may be varied within the rules [s.89 Sch 2 r5(1)(b)].

The Act limits the voting power of the developer of a community scheme who owns one or more community lots. The developer is the person who was the registered proprietor of the land that now comprises the community parcel immediately before the lodgement of the plan of community division [s.5(1)]. The number of votes cast by the developer, and anyone 'associated' with the developer according to s 6(2), may not exceed the total of votes cast by other community body corporate members [s.89 Sch 2 r5(3)]. This is designed to prevent developers changing scheme descriptions and development contracts.

Proxy voting

A member may appoint another person to vote on their behalf [s.89 Sch 2 r2(3)]. Even if a proxy nomination has been made, a member may attend and vote at meetings on his or her own behalf [s.89 Sch 2 r2(5)(g)].

A proxy nomination is effective for a period of 12 months or such lesser period as may be specified in the written notice of nomination [s.89 Sch 2 r2(5)(f)]. However, the nomination may be revoked earlier at any time by the lot holder, by giving written notice to the secretary. Any contract or agreement purporting to prevent revocation is unenforceable [s.89 Sch 2 r2(5)(e)].

In addition, if the body corporate's manager, or an employee of the manager, is nominated as a proxy, the nomination ceases to have effect on the person ceasing to be the body corporate's manager or an employee of the manager [s.89 Sch 2 r2(8)].

The nomination of a person as a proxy of a member must:

- be sent in writing to the secretary of the body corporate (except for the first statutory general meeting, when written notice must be given to the person initially presiding at the meeting), and
- specify whether the nominated person is nominated to attend and vote:
 - at all meetings, and in relation to all matters, on behalf of the lot holder, or
 - only at specified meetings, or in relation to specified matters, on behalf of the lot holder,
- if the proxy is required to vote in a particular way on a matter in which the owner has a direct or indirect pecuniary interest (other than an interest that the owner has in common with all the owners of the community lots), specify the nature of the owner's pecuniary interest[s.89 Sch 2 r2(5)].

Failure to comply with these requirements will invalidate the nomination.

Disclosure of interest by a proxy

If the proxy is required to vote in a particular way in relation to a matter in which the member has a direct or indirect pecuniary interest (other than an interest that the member has in common with all the members), the nomination must specify the nature of the member's pecuniary interest. In addition the proxy must declare the member's interest before the vote is taken. Failure to declare the member's interest is an offence with a maximum penalty of \$15 000[s.89 Sch 2 r3(1)].

Declaration of a proxy's interest to the meeting

Similarly, if the proxy themselves has a direct or indirect pecuniary interest in any matter to be voted on at the meeting, they must disclose the nature of the interest to the members present at the meeting before the vote is taken. Failure to do so is an offence with a maximum penalty of \$15 000 [s.89 Sch 2 r3(1)(a)(ii)].

Declaration of a proxy's interest to the person who nominated them

If a proxy has a direct or indirect pecuniary interest in any matter to be voted on at a meeting (other than an interest that a proxy who is a co-owner has in common with all the other co-owners), they must, if it is practicable to do so, disclose the nature of the interest to the person who nominated them before the vote is taken. If this is not practicable, they must disclose the nature of the interest to the person who nominated them as soon as practicable after the vote is taken. Failure to do so is an offence with a maximum penalty of \$15 000[s.89 Sch 2 r3(1)(a)(ii)].

BODY CORPORATE MANAGERS

Many body corporates choose to appoint a manager to assist in running the affairs of the body corporate.

A manager can only carry out the powers and functions delegated to them by the body corporate and stated in the contract appointing them [s.82]. A manager does not have any powers independent of the body corporate.

Body corporate managers are in a fiduciary relationship with the body corporate [s.83] and must –

- act honestly and in good faith;

- exercise due care and diligence in performing their functions;
- must not make improper use of their position to gain a direct or indirect advantage for themselves or a third party; and
- comply with a Code of Conduct set out in Schedule 5.

The legal responsibilities of the body corporate do not change with the appointment of a manager. It must still have a Presiding Officer, a Secretary and a Treasurer, who must all be members of the body corporate, and is still legally liable for decisions made on its behalf.

Appointing a manager

Managers can be appointed at a general meeting by an ordinary resolution [s.81(3)], although the power to appoint may be delegated to a committee.

If it proposed to appoint a manager (or extend or renew a strata manager's contract) at an annual general meeting, then the agenda for the meeting must include:

- the text of the resolution to enter into, or renew or extend, the contract;
- where and when a copy of the contract or proposed contract, including the attached schedule of the manager's professional indemnity insurance policy, and the required explanatory pamphlet, can be viewed or obtained by members of the body corporate; and
- proposed controls on expenditure by the manager.

Documents to be provided

The following requirements will be prescribed in the regulations to be met when appointing a paid manager, or renewing or extending a contract with a paid manager.

At least five clear days before the date of the meeting at which the body corporate is to consider whether or not to enter into a contract with a manager, the manager must make available for inspection by members:

- a pamphlet setting out the role of the manager and the rights of the body corporate; and
- a copy of the proposed contract, which must have attached to it a copy of the schedule to the policy of professional indemnity insurance maintained by the manager.

The pamphlet

The pamphlet must specify the rights of the body corporate to:

- inspect records held by the manager;
- revoke the delegation of a particular function of the manager;
- appoint the manager as a proxy and revoke that appointment;
- be informed of any payment that the manager receives from another trader for placing the body corporate's business
- terminate the contract; and
- apply to the Magistrates Court for a resolution of any dispute.

The contract

The contract must:

- be in writing;
- specify the term of the contract;
- set out the functions or powers to be delegated;
- specify the rights of the body corporate if it wishes to end the contract after 12 months;

- set out the remuneration payable to the body corporate manager in respect of the work performed in exercising the delegated functions or powers, or set out the basis on which such remuneration is to be calculated;
- contain a statement verifying that the body corporate manager is insured under a policy of professional indemnity insurance as required by the Act and an undertaking by the body corporate manager that the body corporate manager will maintain that insurance throughout the life of the contract;
- contain an undertaking by the body corporate manager that the body corporate manager will allow any member of the body corporate to inspect, at any time during ordinary business hours, the records of the corporation in the possession or control of the body corporate manager and specifying how an inspection can be arranged; and
- have annexed to it a copy of the schedule to the policy of professional indemnity insurance maintained by the manager.

The professional indemnity insurance policy schedule

The professional indemnity insurance policy schedule must state:

- the name of the body corporate manager;
- the name of the insurer;
- the nature of the policy; and
- the amount for which indemnity is provided under the policy.

DUTIES OF MANAGERS

Professional indemnity insurance

A manager must have professional indemnity insurance of at least \$1.5 million per claim during a period of 12 months. A body corporate's manager must maintain this level of professional indemnity cover while working for the body corporate.

Duty to act in the best interests of the body corporate

When doing work for the body corporate, a manager must:

- act honestly and in good faith; and
- exercise due care and diligence; and
- not make improper use of their position to gain, directly or indirectly, an advantage personally or for any other person; and
- comply with the Code of Conduct in Schedule 5 [s. 83].

Disclosure of interest

If a manager, or their employee or agent, has a direct or indirect pecuniary interest in a matter in relation to which they propose to perform delegated functions or powers, the manager must disclose the nature of the interest, in writing, to the body corporate before performing the functions or powers. Failure to do so is an offence, with a maximum penalty of \$15,000 [s.84(1)].

For example, if a manager (or their employee or agent) would receive a commission from a building maintenance company for contracting them to maintain the body corporate's common property, the manager would have to inform the body corporate in writing about the commission before entering into a contract with the company.

Access to records

If a body corporate member requests, a manager must provide the member, on a quarterly basis, with a statement setting out details of the manager's dealings with the body corporate's money. The manager must continue to provide the statements until the person ceases to be a member or revokes

their request. Failure to provide this information when requested is an offence, with a maximum penalty of \$500.

If a member requests access to records of the body corporate, a manager must make the records available for the member to inspect within 10 business days of the request. If the member asks for copies of any records, on payment of a fee (no more than \$1.20 per page, the manager must also provide copies. Failure to provide access or copies is an offence, with a maximum penalty of \$500.

Trust account audits

Managers or any agent who is authorised by the body corporate to receive and hold money on behalf of the body corporate are under strict legal obligations. An audit report of the manager's trust account in relation to a body corporate must be forwarded to the secretary of the strata body corporate each financial year. In addition, a statement setting out details of dealings by the manager or agent with the body corporate's money must be produced to the body corporate upon request, and all financial records must be kept for at least five years. Any manager or agent who fails to comply with any of these requirements is guilty of an offence with a maximum penalty of \$8,000.

Return of records and trust money

If a body corporate revokes the delegations it has given to a manager (effectively, if the body corporate dismisses the manager or if the contract between them is not renewed), then the manager must return all records and trust money.

Return of records

Within 10 business days of the delegations being revoked, records must either be returned by mail sent by registered post, or be made available for collection.

Return of trust money

Within 10 business days of the delegations being revoked, trust money must either be returned by electronic funds transfer, or by cheque sent by registered post, or be made available for collection.

Ending a manager's contract

A body corporate's contract with a manager must state the term of the contract. If a body corporate wishes to end a contract before the end of the term because it believes the manager is not performing well, it would be advisable for the body corporate to obtain legal advice. If the body corporate believes the manager has breached their duty to act in the best interests of the body corporate, or any other duties under the Bill, the body corporate is entitled to seek to end the contract. If the body corporate and the manager cannot agree about a proposed termination, or the terms of a termination, the dispute resolution process set out in the Act may be used. This process involves making an application to the Magistrates Court (minor civil action jurisdiction).

A body corporate may end a manager's contract that is for a period of over 12 months, which is taken to include any renewal period at the option of the manager, after the contract has run for 12 months. The body corporate must give at least 28 days' written notice of the termination, although the notice period can be less if agreed in the contract.

OWNERS' RESPONSIBILITIES FOR MAINTENANCE, REPAIRS AND INSURANCE

Owners of a “lot” are responsible for the maintenance, repairs and insurance of their own property. If they do not fulfill their responsibilities of maintenance and repair, the community body corporate may write to them requiring that the work be done within a set time. If the owner does not comply with the notice, the body corporate may have the work done. The cost of the work will be a debt owed by the owner or owners to the body corporate. However, an owner and an occupier of a lot (including a tenant) must be given two days' written notice of any entry onto their property to carry out maintenance or repair, and force can only be used to enter a property if an order from the Magistrates Court has been obtained by the body corporate (the body corporate would have to file a minor civil action and the owner would have a chance to contest the application).

An exception is where urgent action is necessary to avert a risk of death or injury or significant damage to property. In this case, the body corporate can authorize someone to enter a lot to carry out necessary work - after giving whatever notice (if any) to the owner and occupier of the lot as is reasonable in the circumstances, and using such force as may be reasonably necessary in the circumstances.

DISPUTES

Part 14 establishes the Community Title Tribunal and establishes procedures for dispute resolution. The first stage of dispute resolution is the conciliation process. The comparatively informal conciliation process can assist to resolve disputes between the body corporate and a lot owner or occupier, or between owners or occupiers.

If no resolution can be worked out then an application may be made to the Tribunal to decide the matter. Not all disputes can be taken to the Tribunal. Those who can make an application are:

- the body corporate,
- the owner or occupier of a community lot,
- the owner or occupier of a development lot,
- a person who has contracted to purchase a development lot or community lot; and
- any other person bound by the rules of a community scheme except for persons invited to or visiting the community land.

Only the types of disputes outlined in the Act may be heard by the Tribunal – these are situations where:

- a breach of the Act or the body corporate rules is alleged;
- an occupier claims to have been prejudiced by a wrongful act or omission of the body corporate, committee, the developer, or the owner or occupier of another lot;
- a member of a community body corporate claims that a decision of the body corporate or the committee is unreasonable, oppressive or unjust;
- the community body corporate and a body corporate member, or two or more body corporate members are in dispute about the occupation or use of a lot, or the position in which a cable, wire, pipe, sewer, drain, duct, plant or equipment should be laid or installed; or
- an order authorising a person to use force to enter a lot or a building on a lot is sought.

BUYING INTO A COMMUNITY TITLE

A community body corporate must [s.138, 139] on application by a prospective purchaser of a community lot or a development lot, provide the following information within five business days of the application (the amount that can be charged for providing the information will be set by regulations) [regs]:

- any contribution payable in relation to the lot (including details of any arrears of contributions in relation to the lot);
- particulars of the assets and liabilities of the body corporate;
- any expenditure that the body corporate has incurred, or has resolved to incur, and to which the owner of the lot must contribute, or is likely to be required to contribute;
- a copy of the minutes of general meetings of the body corporate and meetings of its committee (if any) for up to two years, as requested;
- a copy of the statement of accounts of the body corporate last prepared by the body corporate;
- copies of current policies of insurance taken out by the body corporate;
- a copy of any contract with a body corporate manager (for inspection); and
- the register (for inspection) of the names of the owners of the community lots, showing the owner's last contact address, telephone number and email address known to the body corporate, and the owner's lot entitlement.

A prospective purchaser must be able to inspect, within five business days of making an application, such information as is required to establish the current financial position of the body corporate, including a copy of the accounting records of the body corporate; the minute books of the body corporate; and any other documentary material prescribed by regulation.

MR WARD

Members will recall these documents were tabled as Exposure Drafts at the May and December 2014 sittings of the House and made available for review and comment by members of the community and the Commonwealth. Comments received from the community have been broadly supportive of the Bill. A separate Bill addressing consequential amendments arising from the Bill for land title, subdivision, planning legislation is listed for presentation to the House today. The introduction of the Bill today is culmination of a great deal of work on a complex area of legislation. The availability of community strata title laws in Norfolk Island has the potential to encourage and facilitate economic development for the island. Members will recall that in 2012, during the term of the Thirteenth Legislative Assembly, the University of NSW was retained to prepare a White Paper on the introduction of strata title in Norfolk Island. The White Paper was prepared by Prof Peter Butt and Senior Lecturer Cathy Sherry, both of whom are highly regarded Australian Property Lawyers with a particular interest in strata title issues. The White Paper was tabled in the House by Minister Sheridan in April 2012, in September 2013 this Government issued a position paper in response to the numerous recommendations set out in the White Paper, the Governments position was broadly in agreement if most, if not all, of the White Paper recommendations. Subsequently this Community Title Bill 2015, as it is now, has been developed as an Exposure Draft for public review and comment. This initiative is one that has been long awaited in some sections of the community and it is probably fair to say it is viewed by suspicion by others who see the community title as subdivision by stealth. As Minister responsible I have examined the concept with these concerns in mind. Having community, or strata title in place, does not increase the level of development that can occur on any portion of land. The Norfolk Island Plan will remain as the primary planning control and all community title, strata title, applications will be subject to the Norfolk Island Plan across all planning zones. One immediate outcome of this legislation is that there will be the capacity for the very well planned, well supported retirement complex near Burnt Pine to be developed as per the owners plans which commenced some 15 years ago. Community title will enable some small business owners to buy an individual shop or office area rather than having to purchase a whole property or being stuck with lease or rental arrangements. For property owners the concept opens new possibilities for funding developments or re-developments. Community/strata title will not suit everyone, it is sufficiently complex, it will not work as a defector form of subdivision. One element of the current planning process that has and will keep arising is the need to divide marginally undersized deceased estates, or land under those estates I should define. Community title will in some cases provide a solution other than subdivision or forced sales of jointly owned

land. Again, I thank the Administration's Legal Team for the extensive effort they have made to get this legislation to this point. Thank you Mr Speaker.

SPEAKER

Thank you Minister. Debate Honourable Members.

MR SHERIDAN

Thank you Mr Speaker. I will just say a few quick words. I'll have a more detailed response in the March sitting, but I just applaud the Minister for bringing this legislation forward, it's been a long time coming and I've been advocate of this strata title legislation to improve the economic potential of Norfolk Island. I see it has great potential, I see it that it will free up, as the Minister said, it will free up some capital from business people, so that they can reinvest in their properties, or reinvest in other properties and I see this as a gain for the business community within Norfolk Island. I think Minister Ward touched on a few of the fears within the community and I will respond in kind I think. I hold the same fears as Minister Ward, but I don't think they are fears that we can't overcome. I believe that it is not really about obstacles, it is about finding solutions for our problems, and that is what we should be trying to do here, to enable better use of our land and for the commercial sector to give them better opportunities. Thank you Mr Speaker.

MR SNELL

Thank you Mr Speaker. Mr Speaker I acknowledge and appreciate the work that has been done in bringing this community title bill to the House and I appreciate comments by Minister Ward, he referred to the recommendations of the White Paper, there were 24 of them, the only recommendation not accepted by the Government was recommendation number 23 and it reads 'the Registrar of Titles should be provided with training from experienced strata surveyors and given any necessary financial assistance to enable his office to deal with any surveying and registration issues that might arise' and the Government makes no comment on that recommendation Mr Speaker, however the Government takes into account also that there has been some query as to why there wasn't a more simplified version of the community title bill and it is my understanding that the legal services looked at a simpler form of a community title bill but decided that to cover all of the aspects that are required in such a document that there way forward was to adopt the South Australian model and amended accordingly. Mr Speaker one of the factors that we should bear in mind, is the fact that we don't want to introduce a system of land tenure here on Norfolk Island that favours only a few but places an administrative and costly burden on the community and certainly on our public service. And that is one area that the regulatory impact statement has touched upon, the regulatory impact statement, for the benefit of the listeners estimates an approximate \$7000 - \$8000 that's without ongoing costs to satisfy the requirements of the community and certainly with keeping with the intent of the bill I intend to support it, thank you Mr Speaker.

MRS WARD

Thank you Mr Speaker. I just like to speak up at this stage that it is really a proud moment for those who have advocated and worked on this since 2010, next month it will be five years. And I would like to acknowledge the commitment and efforts by the previous Government in supporting it, Minister Sheridan has said that he has advocated for this initiative, indeed he has. And also to Craig Anderson who was instrumental at the time. For me it was always about creating flexible business options for both current development and future development, it was about affordable housing, and it was about increased residential aged care and retirement opportunities for people. People who share my passion will certainly be pleased that the bill is being brought forward today, it will certainly have my support, even though of course we all understand that this is just the first step. And same as the words said by the previous two Minister's around the fears, and the concerns, it is not our job to block and stop it is our job to find the solutions. And I note the, and it appears to be a Commonwealth point that has been raised as an issue, is the absence of general property law reform legislation, so I think we all understand that this is a complex issue, there is more work to be done, but this is a monumental step today and for that I thank Minister Ward for his effort and costs associated – we have many mechanisms to glean our fees and charges around planning development, to be able to cover those costs and to have the people who will profit from the development to be the ones who make those appropriate contributions, that it doesn't just hit everyone else in the community. It is an

obvious point, the needs of the community change, and this demonstrates to me our willingness to adapt to those changes. Thank you Mr Speaker.

MR NOBBS Thank you Mr Speaker, I have supported this, I mean you can talk about 2010, but the first one was put in in 1998 roughly, and it was a proposal for an old, a retirement village, I shouldn't say an old folks home, because I'd be talking about myself wouldn't I! A retirement village proposal and it didn't get through the Assembly, for what reason I am still unclear, but anyhow. Mr Gary Richards came on with his proposal in about 2002/3, the Government at that time promised it, and it was all sewn up and ready to go sort of thing as a one of exercise and it didn't happen and it has been sitting ever since obviously, which is unfortunate because the two differences between the two proposals were the first one was for retired persons to come here and live until they reached the next stage of your old age which is when you can't really look after yourself and they would then be moved on to another one, that's by agreement well beforehand, would be moved on to another arrangement where they actually came from in the first place. The second one, Gary's proposal was for an aged facility for locals. That was needed at the time, and it's still needed so if something like that could be produced immediately I would see it's a major. The issue really is that I am concerned that it's such a complex document, it's taken awhile to get it through the system, I think it was dealt with by the Infrastructure and Business Committee, I can't recall, at least 12 months ago, and it's still taken it's time. It is complex, not just for me, if you know what I mean. The issues are complex, what I was suggesting and the Infrastructure and Business Development Committee suggested, was that we start on one small entity and go from there and just show the community what it is really all about and how it would work, and we would sort of find out then what the deficiencies may be or the problems may be and go from there, but anyhow that hasn't occurred, so we have got to go with what we have got. The complexity of it to me is a worry, the extension it will extend to in the longer time is another one, and now that we have the document I will be really happy to go through it in detail and have a better discussion on it at the next meeting Mr Speaker.

MR EVANS Thank you Mr Speaker, I will certainly be supporting the bill and I think as Mr Nobbs said too, one of the first things we done when we joined the Infrastructure and Business Development Committee was go round and observe Gary's property and it was quite a shame that these things have taken so long and Gary's dream has been put on hold for some time, even though there was a lot of work, and I certainly commend Minister Sheridan for some of the work he done, and also previous Governments in the work that they've done, and I certainly hope that Gary can dream his dream and hopefully a lot of other people in economic development that can occur on Norfolk Island through this sort of Bill, so yes, certainly will be supporting it. Thank you Mr Speaker.

MR PORTER Thank you Mr Speaker. Just briefly concurring with the previous speakers, we are speaking about contemporary land use management and development options within the island planning scheme, it is not as they say, development by stealth, it is still controlled within our overall planning scheme. The benefits of adopting a modified existing system allow us the confidence that many of the pitfalls that have been dealt with and perhaps this is reflected in the complexity of this document and that I believe we can move this forward in confidence that it fills a very important niche in the development market of Norfolk Island. Thank you Mr Speaker.

SPEAKER No further debate at this stage. Minister Ward.

MR WARD Mr Speaker, just before I wrap this up. Just this morning I had word filter through to me that a couple who have lived here some 40 years are moving out of the island this weekend as a consequence of not having this type of retirement facilities they would like to be able to access here on the island, so those people are moving out imminently as result of that situation, so that's another aspect to it. If you wish to call for further debate?

SPEAKER We have concluded debate.

MR WARD Mr Speaker I move that debate be adjourned and the resumption of debate made an order of the day for a subsequent day of sitting.

SPEAKER Thank you, I put that motion to you Honourable Members.

QUESTION PUT
AGREED

That matter is so adjourned and will be made an order of the day for a subsequent day of sitting.

**COMMUNITY TITLE (CONSEQUENTIAL PROVISIONS) BILL 2015
KOMYUUNETI TAITL (KONSEKWENCHL CHIENJ) BIL 2015**

SPEAKER Notice number 8, Community Title (Consequential Provisions) Bill 2015. Minister Ward you have the call to introduce this matter.

MR WARD Thank you Mr Speaker. Mr Speaker, I present the Community Title (Consequential Provisions) Bill 2015 and move that the Bill be agreed to in principle.

SPEAKER The question is that this Bill be agreed to in principle.
Minister Ward.

MR WARD Mr Speaker this legislation is a flow on from the previous matter that we have just addressed. It seeks to make adjustment to a number of other areas of legislation that will work with the Community Title Act to make a complete package. The Bill is technical in its nature, just describing a range of amendments that would be made to Absentee Landowners Levy Act 1976, Land Titles Act 1996, definitions of a parcel of land a range of other technical matters along those lines, which I bore this House with, but they are all set out here in the document for perusal.

SPEAKER Any further debate in regards to this consequential legislation, Mrs Ward.

MRS WARD Thank you Mr Speaker. Just to make it very clear that Members had this put in front of them this morning as a Bill. I don't intend to block the Minister's attempt to bring it forward today, but I would like to put that on the public record, therefore I haven't considered it, thank you.

SPEAKER Further debate? No further debate at this time, Minister Ward.

MR WARD Thank you Mr Speaker, Mr Speaker I do apologize to Members that the material supporting this came in so close to the time we were presenting it to the House, but that is just the way it has worked out, and I felt it better to bring it to the House, and enable people to assess the whole package at one time, rather than introducing it at a later stage. Mr Speaker I move that debate be adjourned and the resumption of debate made an order of the day for a subsequent day of sitting, and I table the consequential amendments provisions.

SPEAKER The Explanatory Memorandum. I put that question to you Honourable Members, that this matter be adjourned and resumption of debate as an order of the day for a subsequent day of sitting.

QUESTION PUT

AGREED

Mrs Ward an abstention. That matter is so adjourned. Honourable Members, procedurally I am now calling on an order of the day before we continue with the Notice Paper, for reasons that the Minister will explain when that matter is called on.

ORDER OF THE DAY

SPEAKER So I am calling on Order of the Day number two, the Land Rates Bill 2014, we are resuming debate on that matter and Minister Sheridan you have the call to resume.

**LAND RATES BILL 2014
RIET FE LAEN BIL 2014**

MR SHERIDAN Thank you Mr Speaker. Mr Speaker I would like to move a motion in a minute, but I would just like to explain to everybody why the motion will seek to withdraw the Bill. And the reasons for that is, since I introduced this Land Rates Bill back in October 2014, there was always going to be a requirement to put in place a detailed stage amendment, to accompany some faults within the Bill that had been identified since that time. What's also happened during this period Mr Speaker, is that initially it was intended that there would be quite large regulations to support the land rates bill, what we have done over this period between October and now is that the detail stage amendments and the regulations, the majority of the regulations have been inserted into the Bill and the name has been changed to the Municipal Rates Bill 2015 so therefore Mr Speaker, if there are no other discussions in regards to this matter, I would like to move a motion to withdraw the Land Rates Bill 2014 and present a new Bill the Municipality Rates Bill 2015.

SPEAKER We will tackle the first part first, which is the withdrawal of this Bill. There is a proposal that leave be granted to withdraw the Land Rates Bill 2014, is leave granted? Leave is granted. That is matter is so discharged from the paper. Therefore we now continue the notices and I call notice number 9, Municipal Rates Bill 2015, Minister Sheridan you have the call to introduce this legislation.

NOTICES**MUNICIPAL RATES BILL 2015
MYUUNESIPL RIET BIL 2015**

MR SHERIDAN Thank you Mr Speaker. Mr Speaker, I present the Municipal Rates Bill 2015 and seek leave for the Bill to be considered through all stages at this sitting.

SPEAKER Could we handle the first bit first, which is the motion that the Bill be agreed to in principle. So that that is on the table, so if you would be kind enough to move that if that is your intent.

MR SHERIDAN Mr Speaker I move that the Bill be agreed to in principle.

SPEAKER The question is that the Bill be agreed to in principle. Now your proposal that this matter pass through all stages at this sitting, may I procedurally make this comment, for Bills to proceed through all stages, there is usually a recommendation from the Business Committee to do that, the Business Committee has not considered that, it has not refused it, it has not been placed before the Business Committee,

but it is open to the House to make the decision that the Minister is now seeking, that is that this matter pass through all stages. Therefore I ask the House whether leave is granted for that process. Is leave granted? Leave is not granted. Minister you have the call to resume debate on the question that the Bill be agreed to in principle.

MR SHERIDAN Mr Speaker I move that so much of Standing Orders be suspended as to allow the Bill to be considered through all stages at this sitting.

SPEAKER The question now before us Honourable Members, is as the Minister has proposed, that Standing Orders be put aside. It will require six agreeing Members in this context, not a simple majority, six of the nine members, I will therefore ask the House for their vote.

QUESTION PUT

Would the Clerk please call the House.

MR BUFFETT	NO
MR PORTER	AYE
MR WARD	AYE
MS ADAMS	NO
MR SNELL	NO
MR NOBBS	AYE
MRS WARD	NO
MR EVANS	NO
MR SHERIDAN	AYE

The result of voting Honourable Members, thank you, the Ayes four, the noes five the motion is not agreed to. The motion therefore is that we do not proceed through all stages at this sitting, I revert therefore to the original motion that is before us, that the Bill be agreed to in principle and Minister Sheridan you have the call to resume that debate.

MR SHERIDAN Thank you Mr Speaker that was a call. Considering some opinions here amongst the Members. Mr Speaker I would like to table the Municipal Rates Bill 2015 and the Explanatory Memo, I think the Clerk already has those, but I would just like to table those two, and I continue the debate on the ratings system for Norfolk Island with the tabling of the Municipal Rates Bill 2015 of which replaces the previous Land Rates Bill 2014 that I tabled at the October Sitting and have just withdrawn. I indicated back then that this was an enabling Bill to facilitate the imposition of levies of rates and charges on land and for related purposes. Mr Speaker I do not intend to go through the purpose of the whole Bill as this was addressed previously but in essence this Bill replaces the previous Bill with the title Land Rates Bill and it includes material from the previous Regulations, and the intended detail stage amendment of which I had provided Members with prior. What I would like to do Mr Speaker is table the explanatory memo and have it noted as being read into the House for the purposes of Hansard and then I will talk to various parts of the Explanatory Memo. And just to clarify Mr Speaker why I attempted to move this Bill through all stages, was that this material had been in Members hands previously just not in the consolidated way under the Municipal Rates Bill 2015.

MUNICIPAL RATES BILL 2015 / MYUUNESIPL RIET BIL 2015

EXPLANATORY MEMORANDUM

General Outline

This Bill provides for the introduction of municipal rates and charges.

The purpose of this Bill is to create a contemporary land rating system for Norfolk Island so as to provide flexibility, simplicity and certainty of responsibility and accountability. The Bill closely follows Chapter 4 Part 1 “Rates and charges” of the *Local Government Act 2009* (Queensland) and Chapter 4 “Rates and charges” of the *Local Government Regulations 2012* (Queensland).

Broadly, the Bill —

- Enables the Administration to levy rates and charges on rateable land.
- Specifies the types of rates and charges that may be levied and how they are to be levied.
- Provides for overdue rates and charges to be a charge over rateable land.
- Enables matters required, necessary or convenient carrying out or giving effect to the Act to be prescribed by regulation.

Clauses

PART 1 — PRELIMINARY

Clause 1 — Short Title

This clause is a formal clause which provides for the citation of the Bill. The Bill when passed may be cited as the *Municipal Rates Act 2015*.

Clause 2 — Commencement

This clause provides for the Act to commence on a date fixed by the Administrator by notice in the *Gazette*.

Clause 3 — Interpretation

Subclause 3(1) sets out the meaning to be attached to various words and phrases (some words and phrases are defined in the body of the proposed enactment where they may have limited application). Subclause (2) provides that for the purposes of the Act where land is subject to a mortgage, the person having the equity of redemption shall be deemed to be the owner in fee simple of that land.

PART 2 — RATES AND CHARGES

Clause 4 — Types of rates and charges sets out the 4 types of rates and charges (*general rates, special rates and charges, separate rates and charges and utility charges*) that may be levied under the Act.

Clause 5 — Land on which rates and charges are levied, identifies the 3 types of land that are exempt from rates and charges.

Clause 6 — Rateable value of land specifies that the rateable value of land is the unimproved value of that land under the *Land Valuation Act 2012*.

Subclause (2) enables the regulations to prescribe that the rateable value of land shall instead be the improved capital value of that land under the *Land Valuation Act 2012*.

PART 3 — RATES AND CHARGES DETERMINATIONS

Clause 7 — Power to levy rates and charges, specifies that *general rates, special rates and charges* and *separate rates and charges* may be levied for a financial year by resolution of the Legislative Assembly known as a Rates and Charges Determination.

Subclause (2) enables rateable land to be categorised and differential rates to be levied for rateable land according to whether or not the land is the principal place of residence of the owner.

Clause 8 — Rates and Charges Determinations, specifies the matters that a Rates and Charges Determination must include.

Subclause (1) requires a Rates and Charges Determination to include—

- if *differential general rates* are to be levied—the *rating categories* and descriptions of these categories.
- if *special rates or charges* are to be levied—the *rateable land* to which they apply and *overall plan* for the service, facility or activity to which they apply.
- if *cost-recovery fees* are to be fixed—the criteria used to decide the amount of the fee.
- If *special rates or charges* for joint government activities are to be levied—the summary of the terms of the joint government activities.

Subclause (2) requires a Rates and Charges Determination to include an outline and explanation of rates and charges revenue measures, concessions to be granted and any limit to an increase of rates and charges.

PART 4 — GENERAL RATES

Part 4 includes specific provisions regarding general rates, minimum general rates, differential general rates and rating categories of rateable land.

Clause 9 — Minimum general rates, enables a minimum amount of general rates to be fixed. Different minimum amounts may be fixed for different rating categories of rateable land but rateable land within a particular rating category must have the same minimum.

Clause 10 — Differential general rates, enables differential general rates to be fixed for different categories of rateable land although each category does not need to have a different rate.

Clause 11 — Categorisation of land for differential general rates, enables the Minister to decide the rating category applicable to each parcel of rateable land. Categorisation officers can be appointed in accordance with the regulations to assist in this task.

Clause 12 — Later categorisation, enables the Minister to make additional categorisation decisions where there has been an inadvertent omission or a change in circumstances.

PART 5 — SPECIAL RATES AND CHARGES

Part 5 contains specific provisions regarding special rates and charges as well as treatment of unspent or surplus rates revenue.

Clause 13 — Special rates and charges, specifies the content of an *overall plan* which must be included in a Rates and Charges Determination if special rates and charges are to be levied. Where an overall plan is for more than 1 year an annual implementation plan must be prepared for the financial year.

Clause 14 — Special rates and charges – treatment of unspent or surplus funds, sets out how unspent or surplus funds raised under special rates or charges are to be treated. Unspent funds raised for an annual implementation plan may be carried forward to the next annual implementation. Surplus funds after the implementation or cancellation of an overall plan must be paid to the current owners of the rateable land on which the special rates and charges were levied. The clause specifies the proportions of any payment.

PART 6 — UTILITY CHARGES

Part 6 contains specific provisions regarding utility charges.

Clause 15 — Utility charges, clarifies, without limiting, the bases by which utility charges may be levied. Utility charges for services can only be levied where the service is supplied in the last, current or next financial year.

Clause 16 — Utility charges before facilities are constructed, enables utility charges to be levied before the facility for providing the service has been constructed provided the Administration reasonably believes the services will be supplied in the next financial year and has started constructing the facility or has the necessary funds for constructing the facility.

Clause 17 — Separate rates and charges, enables a minimum amount of separate rates or charges to be fixed. The Legislative Assembly may levy separate rates or charges for a service, facility or activity, whether or not the service, facility or activity is supplied by the Administration.

PART 7 — LEVYING AND ADJUSTING RATES AND CHARGES

Part 7 includes specific provisions regarding rates notices, the adjustment of rates and charges and other matters about levying rates and charges.

Clause 18 — Rate notice for rates or charges, provides that rates or charges may only be levied by a rates notice and specifies what a rate notice contains.

Clause 19 — Other amounts under rate notice, enables rates notice to include other amounts that are payable to the Administration.

Clause 20 — Entities to whom rate notice must be given, requires rates notice to be given to the entity that requested a service be provided or in all other cases the entity recorded in the land record as owner of rateable land levied.

Clause 21 — Issue of and period covered by rate notice, enables rates notice to be issued, for utility charges for periods not less than 1 month, and for other rates or charges for the whole or part of the financial year as the Minister considers appropriate. Payment can be received prior to issue of a rates notice. At least once each year a rates notice for each parcel of rateable land.

Clause 22 — Electronic issue of rate notice, enables the Administration to issue rates notices electronically.

Clause 23 — Land stops being rateable, requires rates notice to be calculated only on the period when the land was rateable land.

Clause 24 — Change in value, requires the Chief Executive Officer to adjust the rates so that the rates are calculated on the new value of the land for the period that starts on the day the change takes effect under that *Land Valuation Act 2012*.

Clause 25 — Change in rating category, where land is given a rating category, or changed rating category, the Chief Executive Officer must adjust the general rates so that the rates are calculated on the new or changed rating category for the period that starts on the day the land was given the new or changed rating category.

Clause 26 — Special rates become or stop being payable, where land ceases to be leviable for special rates or charges the Chief Executive Officer must adjust the rates or charges so that the rates or charges are calculated on the period when the land was land on which the Legislative Assembly could levy special rates or charges

Clause 27 — Loss of entitlement to occupy land from Crown, where the right to occupy Crown lease land ceases the Chief Executive must adjust the rates or charges so that the rates or charges are calculated only for the period when the person was entitled to occupy the land.

Clause 28 — Rates or charges paid before adjustment, where rates or charges are paid before an adjustment the Chief Executive must refund any overpayment and recover any increased liability.

Clause 29 — Limitation of increase in rates or charges levied, the Legislative Assembly may limit the amount and rate of increases in rates or charges.

Clause 30 — Rates or charges may be levied or adjusted after end of financial year, the Legislative Assembly may levy or adjust rates or charges notwithstanding the Rates and Charges Determination was made in a previous financial year.

Clause 31— When rates or charges must be paid, the Legislative Assembly may set the date or period within which rates or charges must be paid and may limit the amount and rate of increases in rates or charges.

PART 8 — CONCESSIONS

Part 8 includes specific provisions regarding concessions – applicable criteria, type, procedures for granting, refunds, rebates, agreements to defer payment and acceptance of a land transfer in lieu of payment.

Clause 32— Criteria for granting concession, specifies criteria that the Minister must be satisfied exist before a concession may be granted.

Clause 33— Types of concession, specifies that the only types of concessions that may be granted are full or partial rebate, deferment of payment or acceptance of a land transfer in lieu of payment.

Clause 34— Granting concessions, specifies that the grant of concessions by the Minister must be in accordance with prior applicable resolutions by the Legislative Assembly.

Clause 35— Refund of rebated rates or charges already paid, clarifies that a person granted a concession and who has already paid the rates or charges is entitled to a refund.

Clause 36— Special provision for agreement to defer rates or charges, enables a concession consisting of an agreement permitting deferral of payment of rates and charges to a specific date or the occurrence of an event. The agreement may involve an additional payment as a condition of the deferral.

Clause 37— Special provision for agreement to accept land transfer, requires that an agreement to accept a land transfer in full or part payment of rates or charges must specify the due date for payment of the rates and charges.

PART 9 — PAYING RATES AND CHARGES

Part 9 relates to payment procedures for rates and charges and identifies who is liable to pay, how part payments are to be applied, the allowance of payment by instalment and discounts or other benefits for prompt payment.

Clause 38— Who must pay rates and charges, identifies the persons liable to pay rates and charges for rateable land, for service supplied and for previously rateable land.

Clause 39— Paying part of rates and charges, specifies how part payments are to be applied where the payer does not identify the amount being paid.

Clause 40— Paying rates or charges by instalments, enables the Legislative Assembly to determine to allow ratepayers to pay rates or charges by instalments.

Clause 41— Discount for prompt payment of rates or charges, enables the Legislative Assembly to determine a discount for payment of rates or charges before the end of a discount period.

Clause 42— Other benefits for prompt payment, enables the Legislative Assembly to authorise a benefit that is not a discount as an inducement for payment of rates or charges before the due date for payment.

PART 10 — OVERDUE RATES AND CHARGES

Part 10 relates to procedures regarding overdue rates and charges and identifies what are overdue amounts and when they become overdue, interest payable on overdue rates and charges, recovery procedures for overdue amounts, that overdue rates and charges are not subject to limitation periods and are a charge on the relevant land and where land may be sold for overdue rates and charges and how the proceeds of such sales are to be applied. Part 10 is closely modelled on similar recovery provisions contained in the *Absentee Landowners Levy Act 1976*.

Clause 43— What are overdue rates or charges and when do they become overdue, specifies what constitutes overdue rates or charges and when they become overdue. Court costs obtained as part of recovery proceedings can be treated as overdue rates or charges.

Clause 44— Interest on overdue rates or charges, enables the Legislative Assembly to determine a rate of interest of not more than 11% annually to be payable on overdue rates or charges.

Clause 45— Recovery of overdue rates and charges, specifies that overdue rates and charges are a debt due to the Administration and may be recovered in a court of competent jurisdiction.

Clause 46— No limitation of action, provides that notwithstanding any other law, an action for the recovery of rates and charges may be commenced at any time.

Clause 47— Charge on land, provide that unpaid rates and charges are a first charge upon the rateable land to which they relate in priority to all other charges, encumbrances, sales and conveyances. The priority of such amounts does not apply in relation to a bona fide purchaser for value or mortgagee who, at the time of the purchase or mortgage, made due enquiry but had no notice of the unpaid rates and charges.

Clause 48— Sale of land for non-payment of levy, provides that where rates and charges remain unpaid for more than 5 years, the Minister may apply to the Supreme Court for an order to sell the rateable land to which the unpaid amounts relates. The Minister must follow procedures regarding the giving of notice regarding an intention make an application under the section.

Clause 49— Conveyance of land by Minister, empowers the Minister to convey land in accordance with an order of the Supreme Court under clause 48.

Clause 50— Application of purchase money, specifies how the proceeds of a court ordered sale must be applied.

PART 11 — LAND RECORD

Part 11 relates to the establishment and maintenance by the Administration of a land record to identify who is responsible for paying rates and charges.

Clause 51— Land record to be kept, requires the Administration to keep a land record to identify who is responsible for paying rates or charges for land.

Clause 52— Public may inspect land record, allows the public, on payment of the reasonable fee decided by the Chief Executive Officer, to inspect the land record kept by the Administration.

Clause 53— Amending land record, requires the Chief Executive Officer to ensure particulars in the land record are correct and up to date.

Clause 54— Evidence of land record, specifies evidentiary provisions regarding certified extracts of the land being tendered in court proceedings.

Clause 55— Reviewable decision, specifies that a decision to amend the land records other than a removal of land that has been acquired by the Administration is a reviewable decision for the purposes of the *Administrative Review Tribunal Act 1996*.

Clause 56— Definitions for Division 3, defines *change of owner notice* in relation to land, *new owner*, of land and *previous owner*, of land.

Clause 57— Notice of change of owner of land for sale or other ownership changes for land, requires a new owner to notify a change of ownership of land. Failure to do so is an offence punishable by a fine of up to 5 penalty units.

Clause 58— Chief Executive Officer to record change of owner, requires that on notification details of a new owner must be recorded in the land record unless the Chief Executive Officer has reason to believe that the notice is false.

Clause 59— Previous owner can continue to be liable to pay rates or charges, specifies if a change of owner notice is not provided to the Chief Executive Officer then the previous owner continues to be liable to pay all rates and charges on the land.

PART 12 — MISCELLANEOUS

Part 12 deals with a range of matters including evidence provisions, Ministerial delegations, approval of forms and regulations.

Clause 60— Evidence, provides that a rates notice or copy signed by the Chief Executive Officer shall be evidence as to the due making of the rates and charges and, where applicable, the correctness of the particulars of the assessment.

Clause 61— Delegation, empowers the Minister to delegate their powers and functions to another member of the Legislative Assembly or a public servant.

is below the Australian average and that it could raise more than it is currently raising, particularly from land – land taxes and municipal rates – insurance taxation and motor taxes, if it applied comparable community revenue raising efforts to its own tax bases. The Grants Commission report also indicated that the All States Average was \$526 per capita and they estimated that based on the Tasmanian Grants Commission assessment of King Island they believe that Norfolk Island could raise \$1.4million. This figure was discussed in the Norfolk Island Discussion Paper of November 2011, Revenue Measure Options for the Norfolk Island Government, and whilst it was believed that the estimate provided in the Commonwealth Grants Commission report was distorted, made by the assumptions with respect to land valuation, it would examine the introduction of a type of Municipal rating system. This paper discussed the issue of raising \$1.4million, and a levy of \$789 per capita which is higher than the all-state average of \$526 and came to the conclusion that this was too high, considering that the Commonwealth Grants Commission in their report noted the highest rate collection per capita was South Australia with \$624 with the lowest being the Northern Territory at \$360. Mr Speaker it is interesting to note that the Commonwealth Grants Commission Report noted that the ACT does not raise any Municipal Rates. This issue was also discussed in the March 2012 ACIL Tasman report where it reported that “Land taxation would provide the Norfolk Island economy with a stable and potentially growing source of revenue, particularly if rates were adjusted regularly based on some uplift factor. Because land is immobile it would be difficult for land tax to be avoided. Also, it has been shown from experience in mainland Australia that land taxation does have long term ability to raise revenue. The tax has had the least impact on the level of economic output”. The report also states that in terms of their distortionary impacts the most damaging taxes through to the least damaging taxes are: Company tax, Income tax, Consumption tax and Recurrent taxes on immovable property. At section 6.4.4. of the report ACIL Tasman it concludes that for tax reform that “The core tax reform required is the introduction of a recurrent land tax. The responsibility for implementation of a land tax lies with the Norfolk Island Government and the key partner organisation is the Queensland office of the Valuer-General”. Finally the update report by the Joint Standing Committee on the National Territory and External Territories concluded at section 1.52, 1.53 and 1.54, that “it was noted that in order for Norfolk Island to enter the Australian taxation and benefits system, effort would be required to ensure that Norfolk Island was raising sources of revenue reasonably available to it.” And “the committee notes the relevance of the Horizontal Fiscal Equalisation Principles that apply to other State and Territories jurisdictions. That is that: ...governments should receive funding from the pool of goods and services tax revenue such that, after allowing for material factors affecting revenues and expenditures, each would have the fiscal capacity to provide services and the associated infrastructure at the same standard, if each made the same effort to raise revenue from its own sources and operated at the same level of efficiency”. The Committee also “believes that given these principles it is indeed reasonable that Norfolk Island take its own steps to collect revenue similar to those collected by State and Local Governments including, not only GST but also municipal rates applied to the funding of local services such as rubbish collection and local infrastructure maintenance”. Mr Speaker, it has taken the Service a couple of years to be in a position so that the levying of municipal rates could be introduced to supplement the revenue of the Norfolk Island Government. This financial year it was budgeted that \$250,000 would be raised increasing to \$1million over a 4 year period. This \$1million would equate to approximately \$555 per capita based on a population of 1800 persons. If the All-State Average of \$526 was used the figure raised would be \$946,800. For this financial year based upon 1800 persons the average per capita is \$139. I understand that the population may be a little under this figure but back when these reports commenced to be written the population figure was 1795 persons. One important part of the Bill is that a Rates and Charges Determination must accompany the Budget for that financial year and it must be determined by the Legislative Assembly by resolution. This means that for each and every year by resolution the Legislative Assembly has the ability to determine the rates and categories applicable under the Bill and also must include an outline and explanation of the measures adopted for raising rates and charges revenue. Mr Speaker, the Bill also references recovery of overdue rates and charges in respect of rateable land is a debt due to the Administration and may be recovered in a Court of competent jurisdiction. The Bill also

determines many things such as payment by instalments, discounts and the granting of concessions which include things such as if the land is owned or occupied by a pensioner, or the payments of the rates and charges will cause hardship to the land owner, the concession is provided so that it will encourage land that is of cultural, environmental, historic, heritage or scientific significance in Norfolk Island to be preserved, restored or maintained and the concession will encourage the economic development of all or part of Norfolk Island. Mr Speaker, I am confident that with these safeguards in the Bill and Regulations that it will enable these persons who have been guardians of family land for many generations to be able to maintain that guardianship for future generations. It is not the intent to dislocate these persons from these lands. I am also comfortable that the intent for this financial year is to make these Municipal Rates based on the category of which the land is used for and that in future years a system based on unimproved value would take over. I am also comfortable in saying that until the Commonwealth safety net and taxation is commenced into Norfolk Island that the yearly figure raised for the budget each year not exceed \$250,000. These are all issues that each Legislative Assembly's will have to consider as part of the budget process and the Rates and Charges Determination of which must accompany the budget every financial year. The Legislative Assembly will have the capacity to lower or raise these rates as deemed appropriate considering the economic circumstances of the day. I would expect that as taxation is implemented into Norfolk Island and the details and extent of transfer payments are known to the Norfolk Island Government, then it would be appropriate to consider these rates based on the information known at the time and to levy accordingly. Mr Speaker, nobody likes change, we all resist it and we rally against it, but everybody must realise that change is essential to keep an economy alive. Change is the key to innovation and invention which brings about evolution of an economy, evolution of which the future of Norfolk Island depends. Quite apart from which, remaining the same is stagnant and boring to many plus the future of Norfolk Island depends on changes to be made, because, in this life, nothing stays the same and survives but usually withers and dies. But, all the same, we all resent change. We all must realise that to keep up with the modern world and offer to the residents of Norfolk Island what the current generation of residents of Norfolk Island require and demand, we must change and this includes how we raise our revenue to fund our own responsibilities or remove services that they are intended to provide for. Nobody else will do this for us; it is up to us to make these changes ourselves voluntarily or risk having them imposed upon us by bureaucrats when the realisation is clear that the Norfolk Island Government is not willing to impose revenue raising initiatives upon its community for its own needs but still insist on providing the services and then expect others to pay for these services. Mr Speaker, I encourage Members to support this Bill as a progressive measure to ensure that future revenue raising will be possible to ensure service delivery with the consequences being of that of playing into the Commonwealth's hands and the very real possibility that services will be reduced or removed totally. Thank you Mr Speaker.

MR BUFFETT
Members, Mrs Ward.

Thank you Minister Sheridan, debate Honourable

MRS WARD
Thank you Mr Speaker, I would just like to put on the public record, why I didn't support the Minister previously to have the bill progressed through all stages. It's three points mainly. One is that to me, now that the Regulations are within the Bill, the Regulations and the original Bill have been in the hand of Members, but it has not been in the hands of the community. So I would like it to be on the table for the members of the community to have a look at this bill. There hasn't been a public meeting on this, as was promised in media release by the Minister, so I would hope that he would, sitting on the table, if it is brought forward, if it has support to be forward, that there be a public meeting and some public education around this. Because in the final part of Minister Sheridan's contribution to debate, he really explained what the land rates/municipal rates bill is about. It's something that I think is seen by, something that is being forced upon us by the Commonwealth, yes the Commonwealth Grants Commission said Norfolk can raise more revenue, it was highlighted in the ACIL Tasman that Norfolk needs to raise more revenue if it's to fund its services. But the method, the rating system, was actually chosen by us, it was

chosen by the previous members of the Legislative Assembly, there were discussion papers, there were options, and we threw all these sorts of things around the table as to what we should actually do, should we increase GST, there were other examples, and it was us who finally came back to supporting the development of a rating model based on valuation. And a community meeting may assist the public to understand that, the use of rates was to be a revenue stream which then lead to the Valuation Act, colleagues will remember that, so it was a response to reports, but in addition, rates were pursued in an attempt to maintain that modified level of self-government. That was what was really behind it at the beginning and as Minister Sheridan has said very clearly at the end of his debate, it is about maintaining services, and I think if Members aren't prepared to sort of step up now and say well this is the revenue stream that we are going to use, then yes the Commonwealth is right to ask the question, well how on earth are you going to fund anything, because we are not going to keep sending in cheques for you to maintain the status quo, it is just not going to happen. I know some of my colleagues think that there should be no more tax, and I would go so far as to say that I would support Minister Sheridan in his stance about yes putting this legislation in place which provides a framework, it is enabling legislation and putting a rates system in place and coming to the special rates is another debate for another day. But yes, when you have the Household and Business Survey in front of you and you realise that we don't have the safety net, I don't know how much further the Commonwealth intends to push us, we are a community that is already over the edge, we know that. So I make that clear at this stage. The Bill itself will show people that there are different rating systems, so there's general rates, special rates, there are concessions, and I would hope that a public meeting would be able to describe to people who are seriously concerned about the ramifications of this Bill that we sit down and take the time to describe those concessions to people in the community. Particularly the big landowners and the pensioners, the most vulnerable. That's our job, and our community deserves to have that time taken with them to explain the Municipal Rates system to them. There is an appeal process of course and other administrative functions as the Minister has mentioned. At this stage Mr Speaker I intend to support the Bill. Thank you.

MR SNELL

Thank you Mr Speaker. Mr Speaker it goes without saying that the Norfolk Island Government understands the Australian Governments push for us to raise local revenues, however in doing so at the Commonwealth's initiative such as relaxing some immigration controls and not delivered any appreciable results as we again touch on the much uncertainty around matters such as tax reforms that deter external investment in the island. Mr Speaker in the absence of wealth and income data it is very difficult to quantify what the community's capacity to pay is. What is very clear, is at this time, many residents are being pushed beyond their capacity by very high costs of living and current Government charges. Whilst the Norfolk Island Government has developed a non-regressive form of municipal rates, the capacity of residents to pay these rates is unknown, but likely to be very limited. Norfolk Island has achieved incredibly well on extremely limited income derived largely from one small fickle industry – tourism. Whilst rising health, education and policing costs are placing a huge strain on us, resourceful management that has prevailed here will probably only be recognised if the Commonwealth were take over control and start pricing out their methods of operation. Mr Speaker I declare a conflict of interest in the matter of municipal rates bill. I own land on Norfolk Island. The adjourned debate on the municipal rates bill has allowed for further discussion and consideration not only by the Norfolk Island Government but by members of this community and I thank the Administration of Norfolk Island for providing a Regulatory Impact Statement, however there are a number issues identified within the Regulatory Impact Statement that causes me some concern. For example, the first five years cost of administering the Bill is estimated at \$1,250,000 for external costs and \$601,000 for internal costs, for a total cost of \$1,851,000. This is against a projected \$250,000 rates raised in the first year, and then up to five years to exceed \$1million. There has been some correspondence that this charge could be absorbed form the Department of Infrastructure's Regional Development \$2million slush fund. But there has been no confirmation that I know of to date to verify this. There is no valuation in the Regulatory Impact Statement as to the community's capacity to pay this increase cost. We must take into account the result of the Household and Business Income

Survey which indicated that the community has no capacity to pay any further imposts. Mr Speaker, amongst other considerations, it would seem too that there is no economic rationale to support introducing the Bill based on the start up and recurrent costs identified in the Regulatory Impact Statement as against projected income. There needs to be a full evaluation and appreciation of the start up and ongoing costs against projected income and the community's ability to pay. This process should not be simply based on a policy direction from the Commonwealth that we must introduce this system because Australia has a rating system, there must be a clear understanding that there will be a net financial and community benefit. For Mr Speaker, not to apply sound economic logic and community interest in our decision making would force us to support a policy which is possibly based on questionable economic principles. I am well aware Mr Speaker that I agreed to the introduction of Municipal Rates in my letter to the Hon. Jamie Briggs in relation to the revised requirement of the Cascade Pier Project and the June 2013 Funding Agreement. However Mr Speaker there have been a number of new issues to consider, community concerns, ability to pay, and always the important relation to local traditions and culture, and we must always take into account the Norfolk Islanders affinity and attachment to land. Importantly the recommendations of the Joint Standing Committee, which recommended that the Commonwealth now take over the Cascade Project, puts the need, or the perspective of the Municipal Rates Bill into question. I should at this time acknowledge the work undertaken over the past 15 months again Mr Speaker by the CEO Jon Gibbons and his staff and Minister Sheridan, and Bruce Taylor and the Legal Services Unit, particularly Crown Counsel, for their effort in attempting to introduce a system which would satisfy the requirements of the Funding Agreement and indeed Mr Speaker the need of the Norfolk Island Government to raise much needed revenue to continue to meet the requirements of the this community. The introduction of municipal rates must be argued that it will significantly improve local finances and will strengthen the local economy. This proposal does nothing to reduce inequality, and does not prove that it will financially benefit the community as a whole, while some municipalities have the institutional and financial strength to access market based financing directly, Norfolk Island is still endeavouring to establish special purpose funds or facilities to attract financing or infrastructure and other local services. Any new tax will place a barrier on this. Municipal rates will not affect all who live here, for example Mr Speaker, the Administrator won't pay any, most teachers on the island won't pay any, AFP seconded officers, seconded financial officers and like won't pay any, and they are all on high wages. TEP workers won't pay any. It's only the locals with land here on Norfolk Island will cop for this. Yet they all use the facilities and services which this will assist in providing. Mr Speaker there are many reasons why any tax should be carefully considered on impacts to the community and municipal rates is certainly one of them. Such increases have a negative impact especially when there are no regimes in place which would offset the tax, and Mrs Ward touched on that briefly before, there is no safety net as yet. The community of Norfolk Island has the political and economic intelligence and the hindsight to be rightfully weary of the current state of play, however I reiterate we still remain to committing to pay our own way. I am concerned that the Commonwealth Grants Commission Report, page 100, gave extremely inflated land values, which may have influenced the Departments decision, and Minister Briggs' decision to press on with municipal rates for Norfolk Island. Even though the report, Mr Speaker, is clearly incorrect in this regard. It would not be right to ignore implications for Norfolk Island on what could happen if this proposed Bill, like all other Norfolk Island legislation, is thrown out and all Australian regional council acts apply to Norfolk Island. For example, the Local Government Act 2009, which explains quite succinctly how municipal land rates issues will be addressed. Mr Speaker it is disturbing, particularly for those with large inherited land holdings and no money. Let me just relate to one local council policy and I refer Mr Speaker to the Brightwater Estate and their collection policy. The overall operational costs associated with the provision of the additional BrightWater Estate landscaping servicing for the 2014-15 financial year has been determined to be approximately \$178,711, once Council is fully responsible for the maintenance of the estate, a special charge of \$168 for the financial year ending 30 June 2015 for the Bright Water Estate landscaping charge applies to all rateable properties which will, in Councils opinion, specifically benefit from this service. The charges so made shall be applied to all rateable properties as described in section two prorated and

commencing two years after each lot was registered. Mr Speaker that rings another warning bell, the people of this island could be subject to a new land rate which they have no say in whatsoever, and as a resident here, how would you feel as a rate payer given this notice regardless of whether land owners will benefit or not, and whether the rateable land owner has the ability to pay. A true sign of arrogance and lack of consideration in an attempt to make money. Mr Speaker let me turn to the Tablelands Regional Council debt recovery policy. Which is also covered, and I appreciate the Crown Counsel used the same act or similar in the preparation of the municipal rates act for Norfolk Island. For example, should the rate payer not make full payment or come to an acceptable alternative, the account will be referred to Council's collection agency, so we can appreciate, that if we go under a regional council debt recovery policy, it is not the council that will be collecting the money, it will be some outside company that will collect with no consideration possibly other than upholding the law, the exception to this is the rate payer defaults for the first time, the rate payers account will not be referred to Council's collection agency, until the second levy is issued, and all or part of the rates and charges for both levies are outstanding. For those accounts where the rate payer only has the current levy outstanding with no arrears and does not have an approved arrangement to pay with Council, the rate payer will be issued a reminder 14 days after the first reminder was issued, it goes on to say, should Council and the debt collection agency be unable to locate the rate payer and the rate payers file has been sent to the debt collection agency twice within a 12 month period, then Council should hold action until the property falls into the three year period required to sell under the Local Government Act 2009. In our legislation, it has been extended to five years. A collection agent acting on behalf of Council will be empowered to attempt to recover the outstanding rates, initially letters of demands will be sent to outstanding rate payers advising that Council has instructed their agency to collect the rates arrears and if payment is not made within the specified period they will continue legal action.

MR SHERIDAN Point of order.

SPEAKER Chief Minister, just pause, point of order?

MR SHERIDAN Mr Speaker we are talking about the municipal rates and the standards that is contained within our legislation, not what's contained in legislation, or other local government legislation overseas. The Chief Minister is just reading verbatim out of some other Council's collection procedures, which are not in accord with the Administration collection procedures, which is what would be intended to be imposed under this legislation. It is totally irrelevant to this discussion.

MR BUFFETT Minister Sheridan I don't accept that as a point of order, however I will give you the next call, so that you might make the points which you are pointing out now in terms of those factors that the Chief Minister is putting on the table. Chief Minister.

MR SNELL Thank you Mr Speaker. Mr Speaker in relation to the point of order, I appreciate that these regulations are imposed by Council, but they use the Local Government Act 2009, the format of our municipal rates was also taken into account, they quote the Local Government Act 2009 in our Bill. But I will finish up shortly. Where Council is of the opinion where debt recovery is through the Courts will not result in full payment of the amount outstanding or Council has been notified that a receiver or manager has been appointed to manage the financial affairs of the rate payer, Council may elect to wait for a rate to become overdue, Council may elect to wait for a rate to become overdue for three years and begin sale of land procedures in accordance with the Local Government Act 2009. No doubt this Act would have to extend to Norfolk Island, if we come under the local council as proposed Mr Speaker. Mr Speaker I am well aware of the objectives of the land valuation and municipal rates land system, as is known in all Australian states and territories, responsibility for provision of community services infrastructure is generally shared between three tiers of Government – local, state and federal Governments. In many respects the Norfolk Island Administration performs functions that are generally spread

across three tiers of Government and is responsible for funding the provisions of these community services and infrastructure. Current revenue raising and cost recovery measures implicated by Norfolk Island Administration are summarised as follows, and Minister Sheridan is quite right, and he says that we don't provide enough revenue to cover the expectations and the services of the community that we represent today, but just for the listening public, some of the areas that we do receive revenue from are: duties, for example Customs, Stamp Duty on cheques, fees, immigration, land title, court fees, development applications, companies, water assurance, pasturage and dogs, crown lease, vehicle registration, licenses, airport operations; taxes, the goods and services tax; levies, health care, waste management, absentee landowners and fuel; sales, excluding GBEs and private sector business activities, philatelic, forestry, museum retail and café, Norfolk Island Administration property rentals and Norfolk Island Administration plant hire, commissions from Tattersall's, royalties from timber, private sector business activities for example post office, Norfolk Island electricity service, Norfolk Telecom, lighterage service, Cascade sale of rock, gaming, tanalith plant, liquor bond and Norfolk Energy. I do appreciate the concerns of Minister Sheridan in being able to raise enough money to balance his budget. Mr Speaker this method of raising revenue from municipal rates does not fit well with me and I'm sure it won't fit well with the community, I will not support the bill. Thank you Mr Speaker.

SPEAKER

Minister Sheridan I give you the call to make...

MR SHERIDAN

Thank you Mr Speaker, thank you. Mr Speaker just in response to the first two speakers. That is exactly, with the Chief Minister's assertion in regards to the Local Government Act 2009 legislation, that's exactly what I'm trying to avoid, is having those types of backs imposed upon us. We can not, and if we won't, enable our own legislation to enable our own Government to raise our own funds it will be imposed upon us. And they won't make Norfolk Island legislation, they will extend somebody else's legislation such as what you are talking about. Mr Speaker, just a couple of quick comments, the information that's contained in the bill, as I said it's been provided to Members previously and Mrs Ward said that's one reason why she wouldn't support it going through all stages today is that the community hasn't had the opportunity to view the regulations and the detail stage amendments. Mr Speaker the Members have had this information for some time and it is up to them to go out to the community and talk to their members talk to the people that they deal with to get feedback, the only person I have had feedback from, written, is from Mrs Ward, I have had concerns raised from the Minister's because we have talked about this for the last two to three years, the last two years this Government. So I know their views. Nobody has put anything in paper, I think Minister Ward may have given me a paper in the early days, voicing his concerns in regards to it. Nobody else has voiced any concerns to me about the introduction of this, the Government has encouraged the service to progress this legislation, now if they were of the mind two years ago when they came in in March 2013 or whenever it was, that they did not agree with the progression of this method of raising revenue, they should have told us then. It would have saved the CEO and the service a hell of a lot of time, and Legal, all his Departments, and it would have saved myself a lot of time and it would have saved everybody a lot of heartache. I know Mr Speaker that I have said in a press release that I intended to hold a public meeting to discuss how the rates would be introduced. In discussions with the CEO it was decided that we would let this process go through first, because the public meeting is not intended to be about whether or not there will be rates, because two years ago the Government agreed that there would be. That they would support these measures, so it wasn't about a public meeting to say whether or not there would be a rates system, we would rather have a public meeting as to how the rating implementation of the scheme would be put out across the community, so then we could have some discussion about the processes for concessions, pensioners, etc. That is the intent, and that public meeting will still go ahead, with the valuers when they are on island, so that all these discussions within the community are very well aware of how the process works, it's not about whether or not we will have a system, because it was agreed some time ago that we would progress down this path, and all I can say Mr Speaker is that if the three Ministers have just been leading me up the garden path for the last two years, then they can do it themselves. I would just

MR SHERIDAN

275 Ron.

MR NOBBS

Yes, well that's fine. So the argument is that there would be more probably that haven't seen it, didn't know about it, and what you have Tim. So what I'm saying to you, if you are going to sell it, you've got to sell it, and that's it. And trying to push it through is just exacerbating the problem. So that's my view. To establish the system, that is going to be quite significant, over a \$1million so they say. Another rating system. The Administrator had this idea, and he's had a lot of ideas since he's been here with all due respects, but the thing is, you pay \$20 for a portion, you should have grabbed that and put it in and made it a levy and it was just \$20 a portion and that's it. What worries me is that as soon as you get a rating system in like this, and you say that future Assembly's will do it, it will be increased, no worries at all, very very quickly. What I believe, there must be some guidelines, there has to be guidelines established for actually increasing the rates. Some of you sat in here and we are going backwards at a big time on the island, the economy is going down the hill, you raised the GST from 9 to 12 per cent, it was never supposed to be 9 per cent in the first place and you raised it from 9 to 12 per cent, it was absolute economic suicide and that's what will happen, I can see that. Seeing something like that happen, unless there are very stringent guidelines put in place for it and you can put these guidelines in here because you haven't got a lot of people in the place, you're not dealing with millions. The whole situation, we are in a bad way, you listen to Joe Hockey, last night, and he says, how much was it, I forget how much it was, it works out to be \$36 billion they will be paying this year in interest, it's \$100 million a day being paid on interest. We don't pay that right. They claim we are bankrupt, my god, I just wondering what sort of condition Australia's in, you know, it is unbelievable the criticism this island gets from people. And did you say, can I just ask a question of the Minister Mr Speaker?

SPEAKER

This is part of your debate, whether the Minister chooses to join in and make any responses, is up to the Minister Mr Nobbs.

MR NOBBS

Thank you. Did I hear you say that the ACT doesn't pay rates? I'm pretty sure you said it. He shook his head, that's good enough for me, thank you very much.

MR SHERIDAN

I nodded my head!

MR NOBBS

Nodded the head, sorry, you moved it anyhow! That's another thing, they bring up these things and thrown them at you, and I wonder really, I don't know. So we have got a high cost establishing, we have a low rate for a little while, and then it will be increased, and it will be increased massively I believe. Now we are already paying, now I don't know whether it was all factored in, is that we are already paying municipal rating waste disposal levy, we are already paying a fuel levy, and I don't know whether you are going to keep that going or not, but we are already paying those ones there, were they factored into the figures that these guys were quoting from, that's the thing. Because you're going to, in those two, I don't know what the figures are now, but I would suggest in my little stupid head, that it's about twice, that you will be getting about three times as much out of those two, or twice as much out of those two as you are out of rates, in the first few years anyhow. So I would really like to see you sell it to the community, have a go at selling it to the community, I don't know how difficult, but if it's too hard for them, explain to the community what it's really all about, what the advantages are, what the disadvantages are and go from there. And don't take your ball and bat and go home, that's the thing because you won't lose it eight one Tim, that's the go, and I've lost quite a few eight one, so you won't lose it eight one, if you lose it at all, but the thing is, you have to take the community with you at this particular time and it's really difficult now because if we were battling to get the economy going and that sort of thing and we have these plans and what have you, but we haven't. The Commonwealth doesn't seem that interested in improving the economy here, I don't know why, but that's it. We need to concentrate on improving the economy, getting it

going and then rates and these sorts of things, or funding will be less difficult for the community at large. Thank you Mr Speaker.

SPEAKER Thank you Mr Nobbs, further debate Honourable Members, Mr Porter.

MR PORTER Thank you Mr Speaker. I will probably preface my comments by saying that the attitude must be don't turn your back, in view of the fact that the ability to dispossess people of their land exists in the Absentee Landowners legislation, but we don't want for those who live here full time, I'm finding a bit of trouble with that one. But Mr Speaker, the matter of raising revenue by means of a levy or charge against property is not a new development, it is quite possibly the most commonly used methods to fund public service in the developed world, notwithstanding the ACT. I don't believe this popularity is a result of playing follow the leader, but because it has proved to be the most equitable method to raise these funds. Mr Speaker I am also of the firm belief, that not only is it a more equitable method to raise these funds it is also very effective in empowering the electors to be more informed in their decision making process at the ballot box in terms of value for money in the administration and service provision to the island. Unfortunately forward administration and operation of public facilities and service provision under the current system is funded from fees and charges levied from many services, these taxes and levies are regressive and or hidden from public scrutiny and unfortunately impact most heavily on the most disadvantaged in our community who have little opportunity to avoid them. Mr Speaker if Governments can be judged more easily on their performance by the direct charges levied through the rating system, those voters will hopefully select candidates who identify sound governance principles and aspire to best practice business principles in their election platforms. Also their performance can be further assessed each year through their term, when the budget process requires the setting of the rates to be levied for the coming year. This process also highlights the direct link between community expectation in terms of service provision and the result in fundraising effort required. Thank you Mr Speaker.

MR BUFFETT Thank you Mr Porter. Mr Evans.

MR EVANS Thank you Mr Speaker, I hear everything that everyone is saying and there are some very interesting comments, and I suppose what I'm going to talk about. The petition that I just sort of gave today, that I tabled today, it's about this community being really scared, and Mr Nobbs pointed out, it hasn't been sold to the community. The only thing that islanders have really got is our family and our land and when one of those is threatened, they are not just going to lay down and just sort of take this on the chin anymore. If we go back 100 years, and I can remember my Grandfather talking to me about when our islanders were kicked out of Quality Row, and the only way that the Government got to do that was to use local boys to go and pay them astronomical money in those days, and those boys went and kicked their own people out, to a lot of people in this community, what we are doing here today is doing exactly that same thing. Kicking them off their land. And I appreciate all the work that the service has done, and in some way I've tried to get my head around municipal rates, I know this community, our island, we need to sort of pay for the services that we cherish, as far as you look at Norfolk Island, as far as you compare it to other Pacific Islands in the world, we do have a very good standard of living, we have cars, we have very nice houses, and all those sort of things on Norfolk Island. So I really sort of would like to say to Tim, that I can't support it at this moment, but if we can sell it to the community, if we can go out there and show the community, and how I have been trying to say to people, look, this could come in, but we won't be paying other things, but I do realise that tax will have to come in, income tax. But we have really got to sell it to the community, because at the moment if we read a great book about Governments kicking people off their land and it was called Bury my heart at wounded knee, well this is just to the people at the community, it's bury your knee in my wounded heart at the moment, because that's what they're feeling like, and unless we can sell it to the community and show them

that there is going to be some relief. As their land is the most precious thing that they have, talk to any Pacific Islander that lives on an island like this, so I think we need to sell it to the community, and hopefully if we can show them the reasons, the good governance and what we have to do, and show them the costs that it does actually cost to run this island. Some people do know that, but a lot of people don't, and I think we need to sell it to the people if we are going to go ahead with this. At the moment I can't support it until we sell it to the community, I tabled a petition here today by 275 people, that petition is still ongoing at this stage, so there may be a lot more, so unless we can sell it to them, so at this stage I can't support it, but I can see me supporting it at a later date when we can give the community more feedback and sell to them what we are trying to sell and what they don't want to lose and that is their land. Thank you Mr Speaker.

MRS WARD Thank you Mr Speaker if I may, I just want to go back to when a rating model was decided on, because it was seen as the most equitable and stable form of taxation, it was also intended to dovetail with the extension of the Federal taxation and social services legislation, which would have in turn provided the safety net. What the original rating system was to be based on was valuation, and that is allowed for under general rates. What has been put up as an interim model is a levy which will be applied under the special rates and charges. That system has been created because there is a need to comply with the Funding Agreement, and it is what Jamie Briggs and his Department agreed would be ok as an interim measure before valuation. It is what the Chief Minister has picked upon, when he is talking about Bright Water Estate, he's picking up on a special rate provision, and what is within this legislation, to apply a special rate in lieu of valuation, the Legislative Assembly will need to adopt an overall plan, an overall plan anywhere is created in consultation with the community and the community understands why that revenue is being raised. Now in this instance that it would appear to me that it is to balance the budget. So people will need to decide, first they will need to take the opportunity that's been provided to them in the community budget update, and have a look at the table on page 11, and understand how this is going to affect them, passage of this bill doesn't allow that to happen. That is the next step. Minister Sheridan is very aware of that. That's the next step, I have problems with what I have referred to in this House before as the dodgy interim model, the effect that it has for landowners from Middlegate to the Methodist Church is absurd, because we sit on portions of land that are 303m² and my house and tank for example spread across five portions, if you add the other one, that means my levy rate would be \$630, that is ridiculous, and surely that was not the intent. But that is not the debate for today, that is the debate for when Minister Sheridan creates the overall plan that explains to the community what the special charges and rates are about. So whilst we want all the answers today, Minister Sheridan's quite right, that is a separate process, that overall plan needs to be created and brought back into this House and we would have to adopt it or not. But what this Bill is doing is demonstrating our willingness to raise revenue to fund services on island and Minister Sheridan has my full support and I am annoyed as he is, that after 22 months, this is the first we are hearing of it in the public forum, the Chief Minister signed a Funding Agreement which said yes we would implement the municipal rates, Minister Briggs tied it to the Cascade Pier Project, which of course he didn't need to, because we'd already agreed to do this. That's why we introduced the Valuation Bill, which is now the Act. It's about sustaining a modified level of self-government and what you are demonstrating by not supporting this Bill, is that you are not prepared to do this.

MS ADAMS Oh rubbish.

MRS WARD The other option of course is to go and cut expenditure. Just as Minister Sheridan has said, so there is choice. I will leave it at that thank you Mr Speaker.

SPEAKER Further debate? Minister Adams.

MS ADAMS Thank you Mr Speaker. Mr Speaker, in the lead up election campaign for the 14th Assembly I made it clear that I do not support the introduction

of land rates/land taxes on the basis that they fail to take into account the unique land tenure and inheritance systems of Norfolk Island; that many in the community could not afford to pay land rates or taxes because they are asset rich and/or income poor; that the best way to improve local revenues in order to underwrite the services provided by Government to the community is for the Norfolk Island Government and the Administration to work cooperatively with the Commonwealth and the private sector to achieve economic recovery through genuine innovate and productive change, not through imposing higher costs on businesses and individuals. When this government appeared before the JSC in 2013 we committed to municipal rates. We did not commit to how those rates would be imposed and today Municipal rates is now a requirement of the Commonwealth through funding agreements and this is yet another incursion into the independence and sovereignty of this Parliament by Commonwealth bureaucrats, a fact that has been continually brought to the attention of the Commonwealth, and in particular in the lead up to the signing of the Funding Agreement, and ignored as being irrelevant. As stated in this House when the first Bill was introduced, the Land Rates Bill was introduced, I said that I agree that we as a community should pay for the services that government provides to the community. Make no mistake about that, I agree that we as a community should pay for the services Government provides to the community. However that is not through imposing rates that are a charge on the land and I have continually said, that I would not support legislation that provides for rates and taxes to be a charge upon the land. The Bill before us today provides at section 47 that unpaid rates and charges are a first charge upon the rateable land to which they relate in priority to all other charges, encumbrances, sales and conveyances. Section 48, 49 and 50 prescribe how unpaid rates and charges can be recovered including a Supreme Court order directing the sale of rateable land by the Minister on such terms and conditions it thinks fit. Accordingly the Bill in its current form cannot have my support. Mr Speaker I provided to my Ministerial colleagues on 27 January a suggestion for consideration, and as yet, I haven't brought it before Cabinet for full consideration, is that the rating system should be removed from the land and instead a system be evolved that mirrored the Medicare system; that it be a municipal services levy and that people contribute for services provided to them based on their income.

MEMBER(S)

Hear hear.

MS ADAMS

The services contemplated under the Municipal Rates Bill do not attach to land for which the services are being provided. They are to provide services and facilities, and quoting from page 17 of the April 2014 policy options paper, is to provide for Burnt Pine Beautification and upgrade program; parks and gardens; public amenities, library, cemetery maintenance; tourism related marketing and promotion; environment and planning weed control, reserve improvements, environmental protection and sustainability programs. And this chart spells out the percentage of the rates raised to be allocated to each of these three categories, public places and cemetery, tourism related, environment and planning. I totally support that we as a community should be contributing towards these services, it is the methodology that we use in order to do so, and for me personally I can not, I can not, I can not accept that we eventually value land and we will charge rates on the unimproved capital value of the land when the services aren't even pertaining to the land against which we are charging the rates. It doesn't go together, it might elsewhere. I might away from here. It might in the suburbs of Sydney, you are paying for the services that are attached to your blocks for land, your sewage, your water, all of those things, I understand that, I accept that, it doesn't apply here and you are not trying to apply it here, I've just said what we are trying to cover, and rightly so, but it is the methodology that we are using to get there. Now, when and if, we come into the Australian taxation system, and when and if, we're in the Medicare system, the Medicare system is based on the percentage of income dependent on what you earn and there is an upper threshold below which/above which, whichever one it is, that you don't pay, it takes into account the people who are disadvantaged in this community, but the Bill doesn't, the Bill doesn't take into account the disadvantaged people, in a fair and equitable way across the community. Of course it would require co-operation if we are moving into the Australian

taxation system and the social welfare system. And the Australian taxation office has all the facts and figures around income earned by people in this community, then equally they should be able to tell us the percentage of income, when that is determined, that people would pay for the services they are provided for in this community, I've taken advice on this from offshore, from somebody whom I absolutely respect, and they said yes, it doesn't exist anywhere else, but it certainly is thinking outside the square and it just might work. And that's what I put up to Cabinet. I will leave it there Mr Speaker.

SPEAKER

Further debate, Minister Ward.

MR WARD

Thank you Mr Speaker. Mr Speaker, the concept of charging municipal rates can appear to people outside of Norfolk Island to be a very simple matter – a matter of adopting a tax collection system that has been used in other jurisdictions for some decades. For us to take this simplistic approach on a small geographically isolated place in the middle of the Pacific Ocean would be a dereliction of duty to the people of this island. In other jurisdictions municipal rates do not merely serve as a mechanism to raise funds, but as a mechanism to control how people use that land. The high rates charged for inner city lands ensure that all owners must capitulate to economic pressures to ensure that land is harnessed to achieve an economic return, for example if you owned a few acres on Pitt Street in Sydney you could not afford to use it as a grazing paddock, nor could most people afford to leave such land idle until their upcoming generations were ready to use that land. In the city context these pressures are appropriate, here on this island they are not. High city valuations emphasise these flow on effects of the rate burden but the reality would be the same here. The difference between Norfolk Island and a mainland location is that when high values served to push the land owner off his Pitt St land - that person could sell up and buy in a lower valued area as a compromise, yet remain in the general city, town or region of their choice. Norfolkers forced off their lands by unaffordable rate costs would have no fall-back position or at best become tenants rather than owners. To continue my Sydney analogy - a person may choose to buy in Vaucluse or Penrith according to their level of wealth, they would then be liable for rates on a property of their choice and level of financial capacity. In Norfolk Island significant landholdings are passed through the generations – hereditary acquisition. This effectively breaks the link between ownership of valuable lands and the capacity to pay rates. Can we justify Norfolkers being disenfranchised? Absolutely no way. In Norfolk Island property ownership does not equate to monetary wealth and most land does not have the capacity to earn or attract income for its owners. The prolonged economic downturn has severely depleted the financial resources of residents across most demographics, leaving minimal capacity to pay rates or compete with external buyers to retain family lands. In referring to hereditary acquisition I am not implying that all lands or all owners are in this category, obviously there are many circumstances that drive sales of real estate. But it is inescapable that many long term residents of both Pitcairn and non Pitcairn lineage tend to pass their lands on to their families. Although such properties may have a moderate book value, many owners would be considered asset rich, but cash poor. Also many lands may be a large acreage as residential portions, yet only contain a limited area of a useable gradient, this ratio of total area as to useable area is also likely to impact pensioner eligibility entitlements under Commonwealth social welfare guidelines. Let us not forget that the immigration system was changed and many settlers are now likely to attain the right to vote and influence what government services are wanted and what taxes would be needed to raise to pay for those services, with a rates system in place, such immigrants would effectively get to decide whether Norfolkers can stay or are priced out. Norfolk's small population is very vulnerable to becoming a minority in their own homeland, an issue no one seems willing to recognise. In referring to Norfolkers, I speak here of both those of Pitcairn lineage, and those who have settled and invested their lives and efforts into life on this island over many years. In other jurisdictions there are usually a range of services provided by the municipal authority that are paid for by the rates collected. There are no plans to start providing these services and

there is no justification for our limited amenities to be levied against land. These community amenities or services that are provided tend to be population or people focused, provision of library, radio station and upkeep of public lands, these should be funded by equitable taxing raised from across the populace. Let us then turn to what impacts and flow on effects of rates would be. Firstly, there would be an ongoing economic incentive to landholders to divest off any lands surplus to their immediate needs. A cost burden attached to the ownership of land would drive subdivision of large tracts of land into smaller holdings. This would increase environmental pressure and degradation of the island, removal of greater levels of vegetation and a move to desertification as per places such as Easter Island. The consequential subdivision and sale of land would serve to undermine any hope of using the Norfolk Island Plan as a population control measure. Such subdivision would cause an adverse impact on the rural quality of the island, and undermine the island's attractive environment and tourism industry. Valuation based taxing makes land holdings on a small isolated island vulnerable to rapid valuation increases driven by increased immigration and other pressures. In the context of this small island landmass, inflationary pressures and competition from external buyers would rapidly drive up property prices, which in turn place upward pressure on municipal rates. A land owner's inability to pay their rates ultimately leads to resumption of properties to extinguish the debt. It is not good enough to say that the Assembly or Council of the day could adjust the percentage charged to contain the effects of inflation. Introduction of rates would drive inflation with all businesses across the island having to pass on this new impost in the prices of the products and services they provide. While business owners may ultimately offset this cost against their tax, it would still be a cost built in to every product and every service traded. Though many jurisdictions, particularly rural ones allow for a collection of adjacent portions to be treated as one aggregated property, Assistant Minister Briggs has precluded this recognition of aggregations for Norfolk Island. The Commonwealth has specified a minimum \$1million revenue take from rates, \$1million extra dollars the people of this island are expected to produce out of thin air. This imposed requirement that we set a minimum \$1million revenue take by the fourth year has also served to confirm that this rates concept is inherently wrong. Despite many attempts at changing the tax base by successive Assemblies, the economic activity and income into the island has steadily decreased in real terms. To introduce valuation based taxing of land shifts the burden from the Government to a population that is bound by the inherent limits of a fickle, one industry economy. Valuation based land rates are an attempt at shifting the Governments funding difficulties directly onto a population that cannot afford to pay it, as has been clearly demonstrated by the 2014 Household and Business Income and Expenditure Surveys. Add to this mix, typically a 15 per cent reduction in income to cover payment of income tax and the problem is compounded. Taxing of property in a remote isolated place reliant on one ailing industry renders the population vulnerable to systemic dispossession of their lands, and is not acceptable to a community that largely passes property from one generation to the next. Recognition and respect for this fact is critical to the success of a reformed Norfolk Island governance and economy. As a small island, environmental sustainability comes from maintaining adequate vegetation and canopy cover that serves to provide protection from impact of weather exposure, this directly affects the capacity to conduct supplementary agriculture to provide fresh produce and to live relatively sustainably. The impact on open space and lifestyle quality would also be adverse and wrong for this small island. An island of small properties with an excessive or inappropriate level of development would have little or no appeal to potential visitors and would decimate the island's primary industry of tourism. Some listening today may be questioning why we as a government have allowed Minister Sheridan to progress this far if support for a rates system may be doubtful. For me while I have always held, and made known serious reservations around the Commonwealth's push for a rating system, I have been willing to fully explore the concept and test every aspect of this issue. I have found nothing to convince me that introducing a rating system would be right for this island or its people. The Household and Business Income and Expenditure survey so clearly demonstrated a lack of capacity to

sustain this impost. If we examine the costs associated with implementing a rating system we see that even if people could afford this burden it would be some time before we even recover the costs of implementation. Paying external agencies for valuations, paying for dispute resolution processes, new computer technology and a huge administrative cost all add to the burden and folly of this initiative. When we were asked to consider a system based on improved or unimproved valuations it was quickly clear that neither system was appropriate in the Norfolk context, with unimproved valuations system delivering a result that the owner of a bare piece of land would be paying as much as a neighbouring portion owner with a mansion or thriving business, while using improved property valuations serves to discourage developments or even basic land maintenance. If land taxing had been in place during these downturn years a huge number of families would have been pushed into a fire-sale exit of their properties. It is inherently wrong to introduce a tax system that would clearly disenfranchise the Norfolk people from their land and way of life. This Norfolk Island Government has a very different agenda to that of the external reformists, that is, we have a responsibility to the people of this island while the reformists merely seek to have the territory functioning irrespective of what impacts they create or who they dispossess. All too often we have heard the words "some will benefit, some will lose out". This crude, blasé approach is not acceptable when the stakes and impacts on the people and traditions of this community are so high. The idea of an equitable tax system is one that ensures fairness to taxpayers. There are two measures of equity: Horizontal Equity — individuals in similar circumstances are taxed in similar ways; and Vertical Equity — tax burdens should depend upon ability to pay with individuals that are more able to pay bearing a larger relative proportion of the tax burden. The principle of equity could also be achieved through a measure such as retaining a low rate GST to replace our current GST as part of the reform process. It has been suggested that GST be abolished but this low rate GST would still motivate business activity and ensure that everyone contributes according to their capacity to pay, that those who can afford to spend are the ones carrying the load according to their financial capacity and will to spend. There must be adequate consideration to fairness of transitional and administrative arrangements when designing a new tax system. Mr Speaker I am hopeful that as the reform process develops, that a Norfolk Island constitution, designed to respect and protect Norfolk Island traditions and values will become a part of the mix and that a strong policy of encouraging hereditary generation to generation passage of land will be a part of that constitution. I repeat what I have previously stated in this House, that Norfolk people are not averse to paying their way, that most people would be open to paying a fair contribution for the services provided to this community when they have had time to adjust to the range of other reforms they will be faced with. Loading this community with a burden that systematically separates Norfolk people from their lands is an attack on our culture that is not acceptable today or at any time into the future. For all of the reasons cited above I cannot support this Municipal Rates Bill today. Thank you Mr Speaker.

SPEAKER Thank you Minister. Any further debate Honourable Members? Chief Minister.

MR SNELL Thank you Mr Speaker. Mr Speaker, in regards to two comments, one from Mr Porter regarding don't turn your back, I take a little umbrage to that, I think he was insinuating that maybe Mr Sheridan turned his back and I stabbed a knife in it, that's not true at all, I have no intention of doing that, and nor did I intend to do that. I appreciate very much what Minister Sheridan has done to bring this matter to the House today and I complement him for it, the problem is of course whether people have the ability to pay and whether it be fair and equitable. Mr Speaker, I also like to comment on that there may be a perception that I may have misled the House in regards to the costs that I referred to, and also regarding the Local Government Act 2009 and its application to the Bill, and as we know from the reading of the Explanatory Memorandum, particularly they state the Bill closely follows Chapter 4, Part 1 rates and charges of the Local Government Act 2009 (Qld) and Chapter 4 rates and charges of the Local Government Regulations 2002 (Qld). Mr

Speaker in the Regulatory Impact Statement, comments are made that justifies what I mention and also justifies what Minister Sheridan mentioned, but the statement reads, 'replace the FMIS', which is the Finance and Immigration Management system, 'replace the FMIS system to allow integration of land titles program', now I understand that if we weren't to go into the land/municipal rates that we would not have to do that, so it is a cost, as I see it, of \$490,000 in year one and \$360,000 in year two, the estimated cost. And then the other costs flow onto that. Mr Speaker, just in the estimated cost in year one, is \$780,000 plus Chairperson costs, and then it goes onto other costs relating to years one, two and three. I just wanted to make that point Mr Speaker.

SPEAKER Thank you, any further debate? Minister Ward.

MR WARD Mr Speaker, sorry to come in again after that very long spiel I gave before. I just made a few notes as debate was going around the table here and I would just like to add a few extra points here. In 2013 I made explicitly clear that I could only support a rates system and this was to the JSC hearing that was here in 2013, that I could only support a rates system if a system could be devised that would not disenfranchise the Norfolk Island people from their lands. So I believe that I have made that very clear, that was a public forum and certainly Members have been aware of my views ever since, that has not changed. I also pick up on the references to a regressive, and I question what could be more regressive than simply charging someone more tax because he happens to have more land or valuable land than someone else who has less. Land in its self does not contribute to the wealth. And I think I might leave it at that I think Mr Speaker, they were the main point.

SPEAKER Looking around Honourable Members, I think we have concluded debate at this stage.

MR SHERIDAN Thank you Mr Speaker, I only have one comment to make and that is debate be adjourned and the resumption of debate be made an order of the day for a subsequent day of sitting.

SPEAKER Thank you MI Sheridan, I will put that question Honourable Members.

QUESTION PUT
AGREED

That matter is so adjourned to resume on a subsequent day of Sitting.

FIXING OF THE NEXT SITTING DAY

SPEAKER Honourable Members, fixing of the next sitting day.
Mrs Ward.

MRS WARD Mr Speaker, I move that the House at its rising adjourn until Wednesday, 18 March 2015 at 10 am.

SPEAKER Thank you, that's our normal cycle Honourable Members, I put that question to you.

QUESTION PUT
QUESTION AGREED

The aye's have it, thank you.

ADJOURNMENT

SPEAKER Adjournment, Mr Nobbs.

MR NOBBS
House do now adjourn.

Thank you Mr Speaker, Mr Speaker, I move that the

SPEAKER
adjournment debate?

The question is that the House do now adjourn. Any

MR NOBBS
I do, thank you. Mr Speaker, very quickly if I may, I wish to support the visit by Minister Ward to Sydney next week, I know that a lot of the times that Ministers go from here, the questions are that money is spent. It is vital for the island to be represented in the activities Mr Ward is attending to. The sea is an integral part of Norfolk Island life and the EEZ is a huge area of great significance of the future island economy. Industries such as fishing are essential component of any proposal to expand. Expansion of the economy is critical to our future, irrespective of self, local or no Government at all, however, through all this, there is a need for appropriate environmental management. Why does the Minister need to go? I will give you a first example, there was, some years ago, an area was designated around the island that could be utilised for fishing. The management of the area was taken over by locals, I'm not going into historical definite facts on all that, what I'm telling you this is what happened, with no real authority and definitely no legislation. The areas managed by these people, and gradually even with use, it improved, subsequently, an MOU was developed with the Commonwealth and what became the box actually appeared on maps leading to the development of the initial plan of management for the reserves within the 200 mile zone. It is not cited on the maps attached to the current draft plan of management. It must be identified and it must be accepted as what it was set out to be – a managed area for an inshore fishing zone for the island. Another example is the possibility of establishing a commercial fishing industry, a new industry for the island, which I do understand is being contemplated by some locals, they need encouragement and they need support by such people who will attend this forum next week by Minister Ward. A further example is to ensure that whilst the EEZ is potentially of real economic value to this island, it must be managed responsibly, I believe that the box is a prime example of how it can be done. Legislation or no legislation. That's on fishing. I have one more point if I may Mr Speaker. I don't know Mr John Stanhope, I believe he has worked on the island here, but I was away at the time, so I don't know him. But I wish to express appreciation for the interest shown in Norfolk Island's current problems, and what appears as a one sided discussion with the Commonwealth at Ministerial level at least. Thank you Mr Speaker.

SPEAKER

Thank you Mr Nobbs, Mr Evans.

MR EVANS
Thank you Mr Speaker, on a very lighter note. Mr Speaker, I wish to offer congratulations to Mr and Mrs William Clow who I professionally know as Uncle Bill and Aunty Jean, who arrived on Sunday to celebrate their wedding anniversary on Norfolk Island. Jean and Bill were married at the Seventh Day Adventist Church in Cascade Road sixty years ago. Jean is the daughter of the late Andrew (Peke) and Rose Evans. They have received letters of congratulations from Her Majesty the Queen; His Excellency the Governor-General of New Zealand and The Honourable Prime Minister of New Zealand and I therefore think it appropriate to offer congratulations also. Thank you Mr Speaker.

MEMBERS

Hear, Hear.

SPEAKER
Honourable Members. No further, the question therefore before us is that the House do now adjourn.

QUESTION PUT
QUESTION

The ayes have it, Honourable Members this House stands adjourned until Wednesday the 18th of March 2015 at 10 o'clock in the morning.