MR. PRESIDENT: I am interpreting so.

MR. HOWARD: Right.

MR. BROWN: I will use the word table Mr. President.

MR. PRESIDENT: Mr. Quintal.

MR. QUINTAL: Mr. President I just want to say that I have not received a copy. I was told that there was a copy in the post for me, I went to the Post and as yet I have not seen it.

MR. PRESIDENT: Mr. Jackson.

MR. JACKSON: Mr. President. There have been two opinions given. One opinion has been given by the Legal Adviser, and as I interpreted the discussion on this matter at the Executive Committee meeting that I attended, it was the wish of the majority of the Members of the Executive Committee to seek a further opinion, and as indicated by Mr. Brown a few minutes ago, he commissioned Mr. Duncan McIntyre to give this opinion.

I have the opinion and summary of Mr. Paul Rosser, the Legal Adviser engaged by Norfolk Island, and in his summary he states that Members of the Legislative Assembly other than an Executive Member carries with it no right to inspect files or to be informed of the contents of official records whether such inspection is sought from the Public Service or from an Executive Member.

Now may I call on Mr. Brown...

MR. HOWARD: A question Mr. President, I am not certain what Mr. Jackson is quoting from.

MR. JACKSON: I am talking to the motion, to the legalities of the motion.
MR. PRESIDENT: Mr. Jackson, I am interpreting, is addressing the motion, which is Notice No. 5 on the Notice Paper.

MR. HOWARD: He is reading from a document and I am not certain whether he is reading from the Legal Adviser's opinion or from the Chief Administrative Officer's summary of that opinion.

MR. JACKSON: It is the Legal Officer's opinion. The summary is in the front.

So the Legal Adviser has given his opinion, now I call on Mr. Brown to direct me to the related part of Mr. Duncan McIntyre's opinion where it may conflict with Mr. Paul Rosser's opinion.

MR. PRESIDENT: Mr. Jackson may I remind you that this is not question time but you may certainly participate in the debate and so may Mr. Brown, I would not wish any Member to interpret that this is question time, and there needs to be according responses.

Mr. Howard.

MR. HOWARD: A question Mr. President. We all know it is not question time but surely asking questions back and forth across the table is a reasonable part of debate - we may ask questions of one another, may we not.

MR. PRESIDENT: I find no difficulty in asking questions within the context of your debate, I really wanted to make it clear that it is not question time and it should not develop just to a question time situation.

Mr. Jackson I interpret that you have finished at this time.

MR. JACKSON: I would like Mr. Brown to show me where in Mr. McIntyre's opinion is there conflicting evidence opposing Mr. Paul Rosser's opinion.

MR. PRESIDENT: Do you wish to have the call Mr. Brown.
MR. BROWN: Really Mr. President it would be necessary to read the whole of Mr. McIntyre's opinion. I do not know whether all of the Members have yet taken the opportunity to carefully read the opinion but Mr. McIntyre comments that pages 10 and 11 of the opinion on the Chief Administrative Officer's minute of 26 March wherein he says "I am asked to comment on pages 1 and 2 of the Chief Administrative Officer's minute to the Executive Committee dated 26 March 1982. These matters are relevant: (a) it is a matter for the Executive Members discretion not the Chief Administrative Officer's discretion as to whether access to records is an appropriate way of informing the Executive Member in his duties; (b) the Chief Administrative Officer attributes this view to the Legal Adviser - "neither access to Public Service files nor information as to their contents may lawfully be given to non-Executive Members by Executive Members".". Mr. McIntyre goes on to say "I can find no support for such a view, either in the Legal Adviser's written opinion or at law. Executive Members acting in their duties have a complete discretion what use and disclosure they will make of records; (c) if by "considerable legal restraints upon myself" the Chief Administrative Officer is referring to either section 34(h) of the Public Service Ordinance or to section 70 of the Crimes Act, then in my opinion his statement has no foundation; (d) the Chief Administrative Officer says "I must be satisfied that a file is sought for a proper purpose". The observations of the Legal Adviser support this on the basis of section 70 of the Crimes Act but in my opinion that provision cannot apply to the Chief Administrative Officer, and the sentence should read "I must have reasonable grounds for thinking that a file is sought for an improper purpose". There is no presumption of impropriety which an Executive Member is obliged to remove when asking the Chief Administrative Officer for a record".

MR. JACKSON: Mr. President in view of the conflict between the Legal Adviser's opinion and the opinion that has been sought by a Member of the Executive Committee, I move that this motion be adjourned until we clear the air of the legalities of the situation.
MR. PRESIDENT: The question is that the motion be adjourned.

Question - put

The House voted:

AYES, 5
Mr. Buffett
Mrs. Gray
Mr. Quintal
Miss Buffett
Mr. Jackson

NOES, 4
Mr. Howard
Mr. Brown
Mr. Christian-Bailey
Mr. Sanders

MR. PRESIDENT: The result is the ayes 5, the noes 4, the ayes have it. The matter is adjourned and made an order of the day for the next sitting of the House.

Next is Notice No. 6, Executive Committee Policy concerning the Chief Administrative Officer. Mr. Howard.

MR. HOWARD: May I raise a general question Mr. President. We have a long way to go still on our agenda, it is now ten minutes to six, I wonder if it would be the wish of the Members to adjourn the meeting until 2 o'clock tomorrow afternoon.

MR. PRESIDENT: May I hear views from Members.

MR. QUINTAL: I support the idea of adjourning the meeting until tomorrow afternoon at 2 o'clock.

MR. PRESIDENT: The question is that the House be adjourned until tomorrow afternoon, which is Thursday 8 April, commencing at 2 p.m. Debate Honourable Members.

MISS BUFFETT: Can I draw attention to the matter that there is already one meeting to do with water and sewerage which we will have to put off.
MR. PRESIDENT: Further debate for the suspension.
Mr. Howard.

MR. HOWARD: It is simply clear to me that we will be here until 11 o'clock tonight if we try to carry through the full agenda, we are going to need to break at some point.

MR. PRESIDENT: Any further debate Honourable Members. The question is that the House now suspend sittings until 2 p.m. tomorrow.

House suspended at 6.55 p.m. until Thursday 8 April 1982 at 2 p.m.

RESUMPTION OF SITTING (2 p.m. 8 April 1982)

MR. PRESIDENT: Honourable Members we resume the suspended sitting from yesterday and I call upon Notice No.6. Mr. Howard.

MR. HOWARD: Mr. President I have become aware just this morning of facts concerning the Island's financial affairs which are of great seriousness and urgency and I ask leave before we proceed with other business to present a report on these facts.

MR. PRESIDENT: Is leave granted. Leave is granted Mr. Howard.

REPORT ON ISLAND FINANCES

MR. HOWARD: Yesterday Mr. Jackson asked a question about what the financial position of the Island was when this new Government took over. I tried to give a general summary in replying to him based on what I have been able to learn since I was given responsibility for finance. I have now found that my answer was deficient and I would like to provide essential additional information.
At the beginning of February I set out to try to find the answer myself to the same question that Mr. Jackson asked yesterday - what is the financial position of the Island. I went about trying to do that in two different means. Firstly I asked the former Chief Minister who had been in charge of Finance, if he would let me know when he could sit down with me and hand over the details of the Finance portfolio and let me know what matters I needed to carry forward. There has been no such meeting. Secondly I began asking for certain files to familiarise myself with what the financial situation was. In some of those files that I received I found matters that urgently needed correction, for example in one file I found repeated notations by the Accountant that procedures that were being followed were illegal and that he felt that the procedures ought to be changed. Secondly I found that in the work being done to develop what was originally called a consumer price index, what is more properly called a retail price index, that there was in the Accountant's view no proper financial control of the project. Thirdly I found that the Provident Account moneys were mixed in with the public moneys of the Island. That is a serious concern because the Provident Account is the amount of moneys that have been paid by members of the Public Service or contributed by the Administration toward their retirement funds and in the Provident Account every single cent is allocated to one particular person or another toward that person's eventual retirement and once payments have been made to the Provident Fund they are no longer public moneys, they belong to the Provident Fund, they are to be accounted for by the Administrator who is in charge of the Provident Fund, not by the Executive Member for Finance.

I began giving directions to correct some of these problems that I began discovering as quickly as they could be corrected. I ran into an obstacle before very long which was that the Chief Administrative Officer said that no more files or information from files were going to be made available to any Members of the Legislative Assembly.

The Public Moneys Ordinance places very serious responsibility on me as the Executive Member for Finance. Under the authority vested in me by the Public Moneys Ordinance, on 22 March I gave a series of directions in writing to the Chief Administrative Officer requiring
that he provide me with a range of information that I needed. The
heading of that memorandum was 'Files Required by the Executive
Member'. Yesterday I received a quite thick envelope of material
which included most of the material I had asked the Chief Administrative
Officer to provide to me. Included were copies of reports that I had
asked for among many other things. In my directions to him I had said
I give you a direction to provide me at once with a complete copy of
any reports, comments, audits or other correspondence or hand delivered
material provided by the Auditor-General in connection with
Administration accounts during the past 18 months. Included in the
material that was delivered to my office yesterday during the morning
were two reports from the Auditor-General's office, one dated 16 January
1981 and one dated 24 December 1981, and I table copies of those two
reports Mr. President.

I will refer to some of the statements made in those two
reports. The first of the two reports was dated 16 January last year

MR. JACKSON: Could we have a copy of the report that has been
tabled, are we entitled to a copy of the report so that we can follow
procedures with the Minister for Finance.

MR. PRESIDENT: Yes Members are most certainly entitled to
the reports Mr. Jackson but there is only one copy at this time and it
will be a little time before they will be available.

MR. HOWARD: Mr. President I tabled them so that they could
be available for Members to see.

MR. PRESIDENT: Thank you.

MR. HOWARD: In the report of 16 January 1981 covering the
audit that the Auditor-General's office had made of the Norfolk Island
accounts for the year 1980, the opening words in their general review
are these - "It is considered that there is a pressing need for a review
of all accounting procedures, particularly in those areas where current
practices are inconsistent with relevant legislation". The report refers to certain receipts which were not banked until after June 30 but had been included as if they had been banked on or before that date, and to other receipts which had been banked on or before that date that had been excluded. Their review says that bank accounts maintained by the Curator of Deceased Persons Estates and by the Registrar are not being handled according to the Public Moneys Ordinance. The report says the Loan Fund is not being accounted for in accordance with the Public Moneys Ordinance. The report says that expenditure from the Division 501, Advance to the Chief Minister, again proper accounting procedures are not being followed. Their report says that in the accounts for trading undertakings such as Lighterage, Electricity and so on, that the accounting includes transactions in a way that, and I quote "is not only anomalous in an accounting sense but also legislatively inappropriate". In connection with Trust Fund investments the report says section 10(3) of the Public Moneys Ordinance is not being observed in that certain interest from Trust Fund investments is not being credited to that Fund as prescribed. In connection with banking and security of cash the Auditor-General says in some sections of the Administration banking of revenue collections is performed infrequently, as well as affecting the Administration's cash flow this situation also presents security problems. They say the facilities for handling cash in some sections during business hours leaves a lot to be desired. They say throughout the audit inspection what appeared to be a general lack of appreciation for basic security procedures was noted. On the matter of assets, the things that the Administration owns, they say there is no proper control over Administration assets. In connection with philatelic they say an examination of accounts section records relating to the operation of the philatelic section disclosed discrepancies in various balances. They say the full amount of remittances received with stamp orders is not being credited to the appropriate holding account provided within the Trust Fund and that revenue arising from stamp sales is not being brought to account promptly. In connection with the accounting for stamps in the Post Office they say the fictional accounting involved not only defeats the purpose of the stamp holdings limit but also conceals from
view the possible need for that limit to be raised or for the Postmaster to be required to replenish his holdings more frequently. In connection with the handling of import entries for Customs they say there is "laxity on the revenue collection process and specifically on the preparation of realistic annual estimates receipts". In connection with the examination of import entries they say "the examining officers appear to be working independently in processing entries and calculating duty payable, no evidence was sighted of any checking of each others work." Consideration should be given to introducing some such basic control. In connection with liquor trading they say following the previous inspection the widely fluctuating profit percentages revealed in the monthly reports of the liquor trading operation attracted audit comment. The Administration's response was to the effect that these fluctuations are not of great significance in assessing the annual result. It would thus seem that the point of the audit observation has been missed as the use of this type of analysis is a valuable and indeed elementary means of monitoring trading results. The 1980 inspection revealed inadequate control over liquor trading operations. "We strongly recommend", the report says later, "that action be taken to develop some system where this important revenue area can be closely monitored".

That was the report of the Auditor-General's office, those are comments from it, from the report that I have tabled, early in January a year ago. The covering letter which addresses the report to the Chief Administrative Officer asked for his comments on the observations that the Auditor-General's office had made. Those comments were provided about 8½ months later on 22 September 1981 by which time a new audit was already in process. 8½ months before the Auditor-General's office having reviewed the accounting as required by law on Norfolk, had recommended in one area of the Administration after another that procedures were improper or in some cases illegal and in some cases both and they recommended that changes be made. During their audit not quite a year later the Auditor-General's office reports "In relation to the upgrading of the audit and related provisions in the legislation, the decision of the Chief Minister communicated to the visiting audit officers at the meeting on 1 October 1981 was not to initiate any changes at present". The report of the Auditor-General's
office goes on "at that meeting, also attended by yourself" - that is the Chief Administrative Officer - "and the Accountant, the audit officers outlined the legislative provisions thought desirable by this office". The report says "there is no reason why some improvement cannot be achieved forthwith even without the benefit of upgraded legislation. Specific examples of deficiencies in the accounts were discussed at the meeting and further examples are detailed in the attachment hereto". The report says "concerning the preparation of the accounting manual, the audit officers who carried out the 1980 inspection were given the impression by the Projects Officer that the task of finalising that manual was in hand", and a bit later the report says "these tasks were expected to be finalised and the manual issued in the last half of 1979, your latest advice that the Accountant will continue the work if and when time permits is therefore disappointing". Their report continues for the 1981 audit inspection with comments such as these. They refer to the reconciliation of certain Administration receipts as at 30 June 1980 and also to the reconciliation at 30 June 1981 and they say the two reconciliations were in fact non-reconciliations. They say "the foregoing anomalies in the reconciliations have implications for the Administration's annual financial statements". The report says "the central issues raised by audit involved questions of good accounting and compliance with relevant legislation, these issues as such do not appear to have been addressed in your response" - that is the response from the Chief Administrative Officer that had been received in September - "which tends to concentrate on superficial aspects". The report says the legislatures evident intention that the Administration's loans raisings be separately disclosed can scarcely be ignored. They say the success of any efforts to improve the standard of presentation of the financial statements will be largely contingent on the correction of existing deficiencies in the Administration's accounting and recording. On banking and security of cash which they had cautioned about in their previous year's report they say, and I am quoting, "although you advise that the weaknesses previously brought to notice by audit have been corrected, it was noted during the 1981 inspection that revenue collected through the
Customs office is still not being banked daily. So far as a register of assets is concerned they say, and I am quoting "it is disappointing that so little progress has been made in compiling a register of assets, such a record is fundamental to any viable system of control over the Administration's assets". On the Philatelic section they say "the situation observed in respect of the operations of the Philatelic section showed no improvement over that commented upon after our 1980 inspection". On Post Office accounting they say "the 1981 inspection disclosed that little action has been taken to correct the unsound accounting practice previously reported". They say "the logic of the response that the situation will not be resolved until a new Post Office is constructed within the next few years regretably escapes us, certainly it is anything but reassuring". They go on to say "it is again recommended that urgent steps be taken to obviate this unreal and undesirable situation". On Customs they say "the examining officers still appear to be working independently in processing entries and calculating duty payable, no evidence of any re-check was sighted during the inspection and the matter is again referred for your attention".

I want to make six points as clearly as I can make them. First there is not the slightest suggestion in anything I have said that any member or any officer of the Norfolk Island Public Service has done or is doing anything whatsoever that is improper or dishonest. The Auditor-General makes repeated comments about procedures that are improper or illegal or both, but if there is blame for those or blame for not correcting them, it has to be laid at the doors of those who were responsible for determining the procedures. The public servants have simply been required to work with deficient procedures.

The second point that I want to make as clearly as I can is that there is in particular no blame to be laid at the door of either the Accountant or the Internal Auditor. In the few files that I have seen I have found repeated evidence that the Accountant has tried consistently to have improper procedures corrected without success. The Internal Auditor, with whom I have had no dealings but with whom I hope to work with in the days ahead, was praised by the Auditor-General. From my experience with him I praise the Accountant.
The third clear point that I want to make is that it should be understood that the Auditor-General apparently does not certify the correctness of our accounts the way an auditor normally does when an auditor examines and certifies a commercial company's books. Apparently the Auditor-General's office reviews how the accounting is being carried out and apparently it either then says it is being done well or it draws attention to certain deficiencies.

The fourth point that I want to make is that the answer to the question that Mr. Jackson pointed to me yesterday - what is the Island's financial position - the answer to the question that I set out to try to discover two months ago, is that no-one knows for sure, there is no way of being certain.

The fifth point that I want to make is that this totally unsatisfactory state of affairs is an inheritance from the pre-1979 administration of Norfolk Island by various Commonwealth Departments over many years. In my view there has been a failure on the part of those responsible for finance from 1979 onward to make certain corrections. I find that troubling but in fairness to them it needs to be recognised that they did not cause the problems they inherited them.

Lastly, and this is my main point, the problems that are being referred to have to be addressed and they have to be corrected. On 12 March I wrote to the Administrator asking if Commonwealth financing or help might be available to help solve a number of finance problems on the Island, including the development of a new, clean, modern, efficient accounting system for the Island. I said in that letter that the matter was urgent. At that point I had not seen the Auditor-General's reports that I have tabled here today. In the light of those reports the urgency is greater than ever.

The opening words in the main body of the Public Moneys Ordinance are these - "The Executive Member shall cause to be kept an account of the moneys forming part of the public account". You have elected me Executive Member for Finance and that is my responsibility. I simply want to say that I accept that responsibility and that I will keep you informed as best I can as to how that responsibility is being carried out.
MR. PRESIDENT: Thank you Mr. Howard. Honourable Members those tabled documents will be duplicated by the Clerk and made available to Members as soon as possible.

Notice No.6, Mr. Howard.

EXECUTIVE COMMITTEE POLICY CONCERNING THE POSITION OF CHIEF ADMINISTRATIVE OFFICER

MR. HOWARD: I move that Executive Committee policy concerning the position of Chief Administrative Officer be adopted as Legislative Assembly policy, and with leave of the House I will describe briefly what this policy is before I read it out, it is a long read.

MR. PRESIDENT: Mr. Howard.

MR. HOWARD: I said yesterday in speaking to the proposed policy statement on Executive Authority, which the House subsequently adopted with some amendments, that it is a primary objective of the Executive Committee to begin getting into writing policies on basic issues. This policy which has been adopted by the Executive Committee has been accepted by the Chief Administrative Officer, has been approved by the Legal Adviser and has, while not having been approved, has been smiled at by the Administrator. It sets down for the first time in clear written words what the Chief Administrative Officer is expected to do, and here is the policy which the Executive Committee on behalf of which I have moved this motion, here is the policy that the Executive Committee recommends that the Assembly adopt as Assembly policy:

First, the need for a Head of the Public Service - It is generally recognised that there is a need to have a Chief Officer in charge of general administration and able to advise the Government on policy as a whole. The position of Chief Administrative Officer is created as a statutory appointment by the Public Service Ordinance 1975 and his main power under that Ordinance arises from the provision in section 22 that: "The duties of officers and of employees are as the Chief Administrative Officer determines". I want to stress the strengt
of those words, that makes him the boss of the Public Service.

With this control over staff the Chief Administrative Officer should be the co-ordinator of the Administration's total operations and responsible for seeing that the branches of the Public Service operate within the Government's determinations of policy and expenditure.

The following job specification illustrates more fully the role of Chief Administrative Officer. And here follows the job specification for Chief Administrative Officer:

(a) The Legislative Assembly resolves the terms on which the Chief Administrative Officer is to be employed and in nominating the person to occupy the position, recommend to the Administrator his appointment on the terms so resolved. The Chief Administrative Officer's appointment is made by the Administrator upon that recommendation.

(b) On all matters in which the Assembly or its Executive Members have authority or responsibility, the Chief Administrative Officer reports to the Executive Committee as a body, and is - there is a word missing there Mr. President - and is to carry out, if that could be inserted, all lawful directions given to him by the Executive Committee or by an Executive Member acting within the area of the portfolio of executive authority assigned to him. The policy then says in brackets 'policies concerning the Executive Committee are set out in a separate statement "Executive Authority and the Executive Committee".' That is the policy that the Assembly adopted yesterday.

(c) On all matters in which the Commonwealth has authority or responsibility, the Chief Administrative Officer reports to the Administrator.

(d) The Chief Administrative Officer is the Head of the Public Service and shall have authority over all other staff so far as this is necessary for the efficient management and execution of the functions of the Administration.

(e) On all matters for which he has authority or responsibility, the Chief Administrative Officer is the principal policy adviser to the Executive Committee and is expected to provide well informed and properly supported advice, whether or not that advice is consistent with existing policies - in other words the
Executive Committee believe that the Chief Administrative Officer should be free and entitled to give us advice if he thinks we should hear it, whether we like to hear it or not.

On matters outside his authority and responsibility he is to provide advice when requested by the Executive Committee to do so and is at liberty to offer advice at his own initiative when he feels the advice should be heard. It is his responsibility to secure co-ordination of advice on the forward planning of objectives and services and to lead the Branch Heads and staff of the Public Service in securing a corporate approach to the affairs of the Administration generally.

(f) Through his leadership of the Branch Heads, he is responsible for the efficient and effective implementation of the Government's programmes and policies and for securing that the resources of the Administration are most effectively deployed toward those ends.

(g) While the Public Service Board establishes or abolishes Public Service positions and determines the pay and conditions of those positions (within the limits of finance made available by the Assembly) the Chief Administrative Officer is responsible for keeping the organisation and administration of the Public Service under review and shall make recommendations to the Public Service Board and the Executive Committee if he considers that major changes would lead to more effective management.

(h) As Head of the paid Service it is his responsibility to ensure that effective and equitable manpower policies are developed and implemented throughout all branches of the Public Service in the interests both of the Administration and the staff.

(i) He is responsible for the maintenance of good internal and external relations.

(j) The Chief Administrative Officer is responsible for keeping the Executive Committee informed whenever his duties under (c) - that is his duties to the Administrator - are likely to have a material effect on matters for which the Assembly or the Executive Committee have authority or responsibility.
(k) Whenever it appears to the Chief Administrative Officer that there is a conflict or potential conflict between his duties under (b) and (c) above—that is potential conflict between his duties to the Assembly, to the Executive Committee on the one hand, and to the Administrator on the other hand—whenever it appears to him that there is a conflict or potential conflict of that kind, he is to consult with the Executive Committee on how the Committee believes the conflict should be resolved or avoided.

(1) The Chief Administrative Officer is a member of the Public Service Board. In matters deliberated by the Board which are related to matters in which the Assembly or its Executive Members have authority or responsibility, the Chief Administrative Officer is to make the Board aware of Assembly or Executive Committee policies. One of these policies is that the Public Service Board should keep the Committee informed of Board plans, actions and decisions that have or are likely to have a material effect on matters for which the Assembly or its Executive Members have authority or responsibility.

Lastly, the positive role of Chief Administrative Officer outlined above requires him to produce forward plans and to co-ordinate the affairs of the Norfolk Island Administration. Similarly the job description of Branch Heads should make reference to the role of the Chief Administrative Officer as Head of the Public Service and they should be required to consult him on all appropriate occasions before taking action.

The Executive Committee commends that policy which it has adopted to the Assembly for adoption by the Assembly as Assembly policy.

MR. PRESIDENT: Debate Honourable Members. Mr. Howard.

MR. HOWARD: It may be worth adjourning but a man in a job as complicated as the Chief Administrative Officer's really cannot be expected to do his job properly unless somebody spells out in writing what his job is. I think it is a creditable achievement of this new Government that it has been able to bring forward a policy of this kind in the first two months of its existence. I want to point out
that the policy as adopted by the Executive Committee and as recommended to you today draws quite heavily on proposals made by Malcolm Bains some time ago, proposals which until now have not been acted on but which were a great help in preparing this policy.

MR. PRESIDENT: Thank you Mr. Howard. Is there any further debate Honourable Members. Mr. Christian-Bailey.

MR. CHRISTIAN-BAILEY: Thank you Mr. President. I support the motion, I think it is clear and concise and a step in the right direction.

MR. DEPUTY PRESIDENT: Any further debate. Mrs. Gray.

MRS. GRAY: Just a question if I may Mr. Deputy President, on the use in paragraph (f) of the word securing. Securing that the resources of the Administration are most effectively deployed toward those ends.

MR. HOWARD: From memory those are Malcolm Bains' words and I think they are the same as assuring or making certain that, I do not think there is any other overtone intended, I do not read anything else into it.

MRS. GRAY: Thank you.

MR. DEPUTY PRESIDENT: Mr. Jackson.

MR. JACKSON: Mr. Howard is this in actual fact a new contract to be added on to the one that the Chief Administrative Officer accepted when taking up this position.

MR. HOWARD: If this policy is adopted by the Legislative Assembly as an Assembly policy I then intend to move as the next order of business that it be recommended to the Administrator that
this be made part of the terms and conditions of the Chief
Administrative Officer's employment.

MR. JACKSON: Was this contract discussed with the Chief
Administrative Officer when the interview took place in Canberra.

MR. HOWARD: No, it did not exist then.

MR. JACKSON: Could you inform the House who was on the
panel to select the present Chief Administrative Officer.

MR. HOWARD: Sure, the then Chief Minister, myself and the
then acting Administrator, Mr. Paterson.

MR. JACKSON: When it was finally worked down to the six
who came before the Policy Committee and before the selection panel
which went to Canberra to make the final selection, was the voting
unanimous on the Chief Administrative Officer.

MR. HOWARD: I will answer that question not exactly as it
has been asked. In any intelligent selection procedure there is
sometimes very lively discussion among the members of a panel. The
decision of the panel was that Mr. Gilchrist was the best candidate
offering and no member of the panel objected to that decision of the
panel.

MR. JACKSON: So therefore all members voted unanimously.

MR. HOWARD: I have given a very precise answer Mr. Jackson.
If you have reasons for wanting to pry further, pry away, you will
get no more out of me.

MR. DEPUTY PRESIDENT: I believe this is relevant to the
debate.

MR. JACKSON: It concerns me Mr. Deputy President because
the Chief Administrative Officer was offered a position on Norfolk
Island under terms of contract and he accepted the position, as I understand it, under those terms of contract to take up the position, now this is to be added on to the terms of contract. I feel that the Chief Administrative Officer...

**MR. DEPUTY PRESIDENT:** Mr. Jackson this is anticipation of Notice No.7 on the paper, which is the next one.

**MR. JACKSON:** Alright I will wait for Notice No.7 then.

**MR. DEPUTY PRESIDENT:** Mr. Buffett.

**MR. BUFFETT:** Mr. Deputy President I consider the context of this motion to be a policy which really establishes guidelines for the operation of the position of Chief Administrative Officer and I think this will be helpful and useful to the occupant of the position and those who do have association and a relationship with that position. I think guidelines are valuable, I nevertheless sound a cautionary note that they should not be thought of as formal rules in the strict sense of that situation. I would really like to draw some relationship between the Chief Administrative Officer who is the Head of the Public Service here in Norfolk Island, and between permanent Heads of Government Departments in Australia and elsewhere, because there are some likenesses amongst those positions, and I would like to also quote some words from people who I consider to be eminent authorities in these sorts of matters.

Let me firstly contrast the job description suggested for the Chief Administrative Officer, contrasting it with that of a permanent Head of a Department within the Commonwealth for example. Mr. Howard has read the job description that relates to the Chief Administrative Officer, a couple of pages, and I just read that which relates to the Commonwealth as a contrast, and I quote, and this is provided in Commonwealth legislation: "The permanent Head of a Department shall be responsible for its general working and all the business thereof and shall advise the Minister in all matters relating to the Department". That is a short phrase which endeavours to cover
that area of job description.

I would like to quote Sir John Crawford who is Chancellor of the University of Papua New Guinea, former Secretary to the Department of Trade, and Vice Chancellor of the Australian National University, and he has said a couple of things concerning the role of permanent Heads and relationships between civil servants and Ministers in policy making. Can I firstly make one quotation from him which is basically under the heading of the role of the permanent Head, just a short phrase "There is no need to pretend that any Minister's relations with his permanent Head can be stated in terms of formal rules". I continue a quotation also by Sir John Crawford where he says this, and he is addressing relations between civil servants and Ministers in policy making - "The senior civil servant as adviser is not merely a practitioner of means nor is he a Minister in disguise, yet he is not very useful to his Minister if he is a yes man. The permanent Head has the obligation of the security he enjoys to maintain his intellectual integrity and to make sure that his Minister's policy views are subjected to critical but friendly and constructive analysis".

I think those two quotations from Sir John Crawford are relevant in the context of the proposal that is before us.

Can I now quote from Dr. R. Wettenfall who is head of the school of administrative studies at the Canberra College of Advanced Education.

MR. BROWN: Point of order Mr. Deputy President. Mr. Buffett is quoting from various sources none of which relate to the situation in Norfolk Island and that in any event those matters which he is quoting to us do not relate to the motion that is before the House today.

MR. DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: Mr. Deputy President I endeavoured to point out, I say respectfully, at the beginning of my address that I was drawing relationships between what is before the House and similar situations that are experienced elsewhere, and I consider them relevant
and important to the consideration of this matter.

MR. DEPUTY PRESIDENT: No point of order Mr. Brown.

MR. BUFFETT: Thank you Mr. Deputy President. If I could continue in addressing the relationships of permanent Heads of Departments. Dr. Wettenfall said this - "It would be unrealistic today to propagate the old doctrine that public servants in orthodox Departments are just ministerial shadows, that is no more than servants and advisers in the strict sense of those words. It seems to be more realistic to regard Government today as a partnership between senior politicians and senior administrators, each party complementing the other and each with an important role to play in its own right. Government should be at its best when strong and dedicated ministers and strong and dedicated administrators succeed in establishing constructive and co-operative working relationships for the benefit of the whole community".

I would also like to quote in this context a statement by a former Prime Minister of Australia, the Hon. R.G. Menzies - he in turn was quoting Mr. Hasluck a Minister that we in Norfolk Island will know with some close association, and I quote "If any attempt is made to exercise close control over a Department in such a way as to make a Department the acquiescent echo of a ministers will, then the Service will be debased".

I go back to an earlier quotation which is by Bagget, and this is a couple of centuries old but it was brought into modern light by Professor Span, Professor of Government and Public Administration at the University of Sydney, and he quoted Bagget by saying "Important business can only be sufficiently discussed by persons who can say very much as they like to each other. The thought of the speaker should come out as it was in his mind and not hidden in respectful expressions or enfeebled by affected doubt", and then Professor Span observed in respect of that quotation "Modern permanent Heads and Ministers take note".
I have given those quotations Mr. Deputy President because I consider that they are relevant to the consideration of the position of Chief Administrative Officer because there are likenesses between the area that I have described and the Head of the Norfolk Island Public Service, and I think there are important relationships to draw. So you will see Mr. Deputy President that I consider such guidelines to be useful, in some areas essential, and eminent authority which I have quoted has convinced me that dependence on formal rules and the old doctrine of master and servant is not totally realistic today but there should be more of an emphasis on a working relationship.

MR. DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: Almost everything that Mr. Buffett has said of course supports the policy that has been recommended and indeed is fully echoed in the words of the policy which make it clear that the Chief Administrative Officer is expected to provide advice whether or not that advice is consistent with existing policies, we want the man to speak his mind, we want him to say what he thinks, we want to put it in writing that we expect him to say what he thinks. Secondly in one of the quotations Mr. Buffett mentioned concerning Ministers in Australia, he said it was the role of the Head of a Department in Australia to advise the Minister on all matters in relationship to the Department. We are going beyond that in this policy statement, we are saying that he is to be the Executive Committee's principal adviser on all the matters concerned with the Public Service, we are saying that on all other matters, any other matters, he is to provide advice when he is requested to do so by the Executive Committee, and he is at liberty to offer advice at his own initiative when he feels the advice should be heard. So as far as wanting the Chief Administrative Officer to feel free to say what is on his mind, to advise as widely as he cares to advise, it is all in the policy, and what Mr. Buffett has said supports the wording of the policy.

On one short thing Mr. Buffett said earlier on I take very
deep disagreement. He said in his mind these are not meant to be firm rules. I think the essence of getting policies written on important matters is that people know what the policy is – put it in writing. If the Assembly adopts this as Assembly policy I want everyone in the Public Service to be able to have a copy, and if the Chief Administrative Officer gets out of line with something that Assembly policy says he should be doing, to be able to say sir, with respect, what you are doing is not in line with Assembly policy. I want the Executive Committee to be able, if the Chief Administrative Officer goes against some policy that we have agreed on here, to be able to draw the man up and say sir, with respect, you are not doing what policy says you should do. I do not see these as a casual bunch of off-hand suggestions, I see them as what Mr. Buffett says they should not be, I see them as being firm rules and I think this Island needs firm rules, I think it is time we started agreeing in writing, on what the policies ought to be. If we find they do not work we can change them later but while they stand let them stand firmly.

MR. DEPUTY PRESIDENT: Mr. Brown.

MR. BROWN: Thank you Mr. Deputy President. I am amazed that no policy such as this was brought before the last Assembly Mr. Deputy President. The job of the previous Chief Administrative Officer must have been almost impossible without having a policy such as this to observe. In but a short time the Executive Committee, appointed by this Legislative Assembly under the new system of Government, has completed this policy and brought it to the Legislative Assembly for debate. No man can properly do his job until he is told what he is expected to do. Upon adoption of this policy by the Legislative Assembly, the Chief Administrative Officer will know what his job is and more importantly he will be able to measure his performance against it.

Mr. Deputy President this is a great step forward and I support the motion.
MR. DEPUTY PRESIDENT: Thank you Mr. Brown. Miss Buffett.

MISS BUFFETT: Mr. Deputy President, Mr. Brown forgot to mention the inclusions of Mr. Bains' in many clauses, but I do commend it, it is pretty good. Could I just ask one thing — perhaps a little elaboration on one sentence. On page 6, clause (e), the first complete sentence below the top of the page, — it says "On matters outside his authority and responsibility he is to provide advice when requested" — is to provide advice — I wonder if you could elaborate on the reason for using such an instruction — could I ask one of the Executive please.

MR. HOWARD: I am happy to answer it. The policy has been recommended by the Executive Committee, it has been adopted unanimously by all three members of the Executive Committee...

MISS BUFFETT: I would like elaboration as to why the word 'is' is used — On matters outside his authority and responsibility he is to provide advice when requested.

MR. HOWARD: Yes. I think that if for example the Executive Committee were to say to him can you advise us on whether you think Fiji is going to be a serious competitor for Norfolk Island tourism ten years from now — I do not see that as being part of his immediate responsibility but if we asked him for advice on that I would expect the Chief Administrative Officer either to try to give us some advice if he could.

MISS BUFFETT: I might respectfully ask you on this that I would have thought the wording would not be he is to, you are more or less directing him, he would obviously with-hold his advice would he not if he does not feel that he should give it.

MR. HOWARD: I would answer by saying that if he does not
know about the subject and thinks he really should not spend the
time looking into it, I would expect his advice to be 'find better
advice than mine', and that might be pretty good advice.

MR. DEPUTY PRESIDENT: Mrs. Gray.

MRS. GRAY: Mr. Deputy President with respect the wording
is 'is expected to provide' not 'is to provide'.

MR. HOWARD: That is the wrong phrase. Try down lower.

MRS. GRAY: I beg your pardon

MR. DEPUTY PRESIDENT: Is there any further debate. Mr.
Jackson.

MR. JACKSON: Mr. Deputy President I also agree that there
has to be some guidelines as far as policy is concerned, however
surely for the sake of good government on Norfolk Island we do not have
to place before the House a long list of compulsory duties such as
these to be ratified in the supreme House of Norfolk Island. For
good government and unity of all concerned, flexibility seems to be
the word that is being used, and I support the word because I do not
think you should have a rigid set of rules, as Miss Alice Buffett has
just pointed out, like he is to provide advice, he is to do this.
What concerns me most is that the Chief Administrative Officer was
grounded to come to Norfolk Island to carry out certain functions and
to have this entered into in a legislative form such as this I
consider is not to the best interest of all parties, especially the
Assembly's role of good government for Norfolk Island, to have
stringent rules such as this laid down for an adviser to the Norfolk
Island Government and to the Executive Committee, and I do believe
that a more common sense approach between all parties would be of
benefit to all concerned.

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MR. DEPUTY PRESIDENT: Any further debate. The question is that the motion be agreed to.

Question - put
Motion agreed to unanimously.

LEGISLATIVE ASSEMBLY POLICY CONCERNING THE POSITION OF CHIEF ADMINISTRATIVE OFFICER

MR. DEPUTY PRESIDENT: Notice No. 7, Mr. Howard.

MR. HOWARD: Thank you. Now that the Assembly has adopted that as Legislative Assembly policy, I move that the Assembly recommends to the Administrator that the Legislative Assembly policy concerning the position of Chief Administrative Officer be made part of the terms and conditions of appointment of the Chief Administrative Officer.

MR. DEPUTY PRESIDENT: The question is that the motion be agreed. Is there any debate. Mr. Howard.

MR. HOWARD: Mr. Jackson has raised the point in debating the previous question that the present Chief Administrative Officer was offered a job and engaged on certain terms and conditions that had been agreed to by the last Assembly, and it seemed to concern him that here were a new set of rules being proposed to be laid on the Chief Administrative Officer after that agreement had been made, that of course is an entirely fair point and all of the Executive Members were as concerned as Mr. Jackson is about that same point, and once we as a Committee had tentatively agreed on the wording of a policy for the Chief Administrative Officer's job description, we handed it to him and we said would you have a look at this and think about it, and he did and then he came back and met with us again and there were several aspects of the policy that we at that point had handed him that he thought might be improved or that were not quite clear or that he requested we consider changing. We as a Committee then made all of
the changes that he asked for and then asked him if with those changes the policy as it then stood was acceptable to him and he said yes it is, so I do not think there is any question about whether we are trying to do anything that is unsatisfactory to this particular Chief Administrative Officer. He has told us that this job description is acceptable to him.

The terms and conditions of employment of the Chief Administrative Officer are in law determined by the Administrator but he does so on the recommendation of this Assembly, so the motion is worded that we recommend to the Administrator that this policy be made part of his terms and conditions. I think I should tell the Members that I had a telephone call yesterday morning from John Nicholson the Official Secretary who works with the Administrator, the Administrator of course is in Canberra at the moment, and he said to me look I am just ringing up because I thought you might possibly ought to be aware that Canberra may have some concerns about two or three paragraphs in this proposed policy for the Chief Administrative Officer's job description. They particularly were items (j), (k) and (l). Now whether as a matter of fact Canberra will have objections or if they do have objections what the objections will be, I do not know yet, nobody knows yet. I said to Mr. Nicholson that if it should turn out that after considering more carefully those particular points Canberra did have some legal problems with them that the Assembly if it chose today in this motion that is before us now, chose to recommend this policy to the Administrator, the Administrator is not bound to accept that policy, he is not required to, he cannot do something different to what we recommended but he is entirely free to come back to us and say look there appear to be some problems with this or that, would you reconsider those particular aspects of it, if that happens we will reconsider I am sure. I am simply reporting that to make sure that you are aware of that telephone call, but I think the recommending to the Administrator now that we have adopted this policy that it be made part of the terms and conditions of the Chief Administrative Officer, is first of all entirely acceptable to the Chief Administrative Officer, he has told us so; secondly if it causes
any problems on the Canberra end and I am sure they will let us know in time to do something about it.

MR. DEPUTY PRESIDENT: Thank you Mr. Howard. Any further debate. Mr. Buffett.

MR. BUFFETT: Mr. Deputy President in the motion that has just been agreed to there has been established the policy in respect of the position of Chief Administrative Officer, I have mentioned my thoughts about them being guidelines and as such I think they are a help not only to the Chief Administrative Officer, to the Executive and members of the Public Service, but of interest to people in certainly a wider sphere as well. I can predict that as we go along there will be need for amendments to them so it needs to be flexible and adjustable as needs arise. What is now proposed, that is by this motion in front of us, is that these guidelines be made part of the terms and conditions of the appointment of the Chief Administrative Officer, part of his contract of employment, and I disagree with such a proposal for sound and practical reasons and I think also for reasons of fair dealing.

Firstly the terms and conditions of appointment relates to the time scale when he is first appointed, not a month or so after he has been in the job, and terms and conditions in that sense relate to the term or length of his contract, his pay and leave entitlements and matters that relate more to his personal situation. What the earlier motion refers to is more a job description and guidelines for operations and relationships and as such he has a greater degree of flexibility. As I have already explained, to go to the next step and to turn such guidelines into formal rules I think is ill-conceived. The most important pointer on which I base my disagreement to the motion is this, and it has been mentioned earlier in debate, that when the Chief Administrative Officer was offered his present position, and that was probably about two months ago now Mr. Deputy President, terms and conditions were offered to him and they were accepted by him and thus a contract was made. I do not think it is proper, in fact I do
not see how it can legally be done, some months later for one party to jump up and say we are changing the contract. I think really that our reputation is going to be mud if we attempt to treat senior officers, the senior officer really in the Public Service, in such a manner.

Now it has been mentioned that the Chief Administrative Officer has had the opportunity to examine the paper that we have earlier looked at and he made some comments about it. To my knowledge, and it certainly was not understood by me, it was not given or examined to be a change of his contract, it certainly was to be guidelines for the operation within his position - a job description - but certainly it was not my understanding that it was given to him on that basis to be a change of his contract, and I would be rather surprised that the Chief Administrative Officer earlier considered it on that basis.

As I have said I am happy to have the earlier detail as guidelines but not to swing them in to change a man's existing contract.

MR. DEPUTY PRESIDENT: Miss Buffett.

MISS BUFFETT: Mr. Deputy President it is not ethical to interfere with an agreed contract and I personally would regret if this Assembly would be a party in an unethical move and I consider this an unethical move because a contract has already been signed.

MR. DEPUTY PRESIDENT: Thank you Miss Buffett. Is there any further debate. Mr. Howard.

MR. HOWARD: I am sorry that Miss Buffett thinks that what is being proposed is unethical. I quite agree it would be unethical to change a contract as Mr. Buffett said with one side only wanting to make the change. Mr. Gilchrist has agreed that this job description is acceptable to him. If he were to object to its being made part of his contract I would want to say fine, what part of it do you now want to change before being willing to have it become part of your contract are there parts of this that you said you found agreeable but that you
do not want to live up to. Let us have the facts Mr. Gilchrist, if you do not accept this what do you accept, let's discuss that one. That would be an interesting discussion. I think Mr. Gilchrist is going to benefit from having this spelt out for him, I think he has told us that he is in agreement with what is said here, I do not see any unethicalness at all, not the slightest.

MR. DEPUTY PRESIDENT: Mr. Brown.

MR. BROWN: Mr. Deputy President I am sure that when the present Chief Administrative Officer agreed to come to Norfolk Island he expected to come to perform a job, I am sure that he did not come here to simply sit behind a desk that had a sign saying 'I am the Chief Administrative Officer' with no-one knowing what, if anything, he was supposed to do. The fact of the matter is that the Chief Administrative Officer was extremely pleased to see that this Assembly and its Executive Committee cared enough about the performance of his job to go to the trouble of spelling it out. There can be no question of lack of ethics. The only question here is whether we care enough to enable the man to do his job properly.

I fully support the motion.

MR. DEPUTY PRESIDENT: Thank you Mr. Brown, Is there any further debate. Mr. Buffett.

MR. BUFFETT: I would like to ask the question rhetorical or otherwise Mr. Deputy President whether the Chief Administrative Officer has been consulted about a change of his contract. I think Mr. Howard has earlier addressed the matter of him being asked to comment upon some guidelines for the operation of his position. I think that is quite a separate matter from the change of his contract and I wonder whether the Chief Administrative Officer has in fact been consulted about the change of his contract.
MR. DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: My response to that would be no I am certain he has not been consulted as to whether this should become part of his contract. I can only say that a gentleman would not worry whether it was in the contract or not if he had agreed to it.

MR. DEPUTY PRESIDENT: Thank you Mr. Howard. Mr. Buffett.

MR. BUFFETT: Mr. Deputy President in my earlier address I endeavoured to point out what I considered to be meaningful relationships between Heads of Governmental Departments and people who held executive office and ministerial positions and I endeavoured to point out also that whilst it is very essential to have guidelines, one finds difficulties if one wants to turn them into contractual arrangements or very very formal rules. I have mentioned that I accept wholeheartedly the matter of guidelines and firm guidelines too, but this has taken the next step further onwards which is tying a man down to a formal contract, an absolutely formal arrangement; and what is probably even more difficult as I understand it, the other party to the contract has not even been consulted, and I find that of great difficulty and I cannot support a motion to change a persons contract when I have been advised now that on the other side the other parties have not even been consulted at this time about such a change of contract.

MR. DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: There are clearly differing views on this, I call for the question, lets put it to the vote.

MR. DEPUTY PRESIDENT: The question is that the motion be agreed to.

Question - put

The House voted:
AYES, 4
Mr. Howard
Mr. Brown
Mr. Christian-Bailey
Mr. Sanders

NOES, 5
Mr. Buffett
Mrs. Gray
Mr. Quintal
Miss Buffett
Mr. Jackson

MR. DEPUTY PRESIDENT: The ayes 4, the noes 5. The motion is negatived.

PUBLIC SERVICE (AMENDMENT) BILL 1982

MR. PRESIDENT: I call upon Notice No. 8, Mr. Sanders to present a Bill for an Act to amend the Public Service Ordinance 1979.

Mr. Sanders.

MR. SANDERS: I present the Public Service (Amendment) Bill 1982. I move that the Bill be agreed to in principle.

Mr. President I wish to speak on my proposed amendment to the Public Service Ordinance.

I seek this amendment in an effort to create harmony between the Public Service and the private sector. In the past there has always been loudly voiced opinions from the private sector over increased salaries etc for the Public Service, which when they occur, makes the gap between the Public Service salaries and the salaries of the private sector even greater. I believe that there are only two public servants out of approximately 148 full time employees who earn less than $10,000 per year as a take home salary. $10,000 take home salary for the hours actually worked amounts to $5.86 per hour. In the private sector wages for a qualified tradesman - and I must harp on the word qualified - varies between 54 and $5 per hour. He is not entitled to holiday pay, sick pay, and as it is raining it brings me to say that he does not get paid if it is raining, nor does he receive a plane fare as the public servants do, nor any superannuation. Incidentally he probably owns his own home, owns a car and his living standard is reasonable, even though like everybody else he would like more pay.
In appointing two independent persons to the Public Service Board, say for instance a resident who is in the food business who employs labour, could explain to the Public Service Board what would be the effect on prices of groceries for instance if he increased wages by 50 cents or $1 per hour. The same set of circumstances would also apply if for instance the second person appointed was a carpenter or plumber or some tradesman who employs labour, who could also inform the Public Service Board of what effect an increase in salary if accepted in total on Norfolk Island, would have on maintenance of buildings or costings of buildings on the Island. The addition of two members to the Board would give a good healthy cross section of views and a total number of five members would not allow a situation of stale-mate on decisions.

In conclusion I would like to say that in my short period of time on this Assembly I have agitated continually over the discrepancies between the Public Service and the private sector. This has been in an effort to bring the matter to the attention of authority. I would think the Public Service is as brassed off as myself with this arrangement. I sincerely believe that if this amendment is approved by this Assembly and finally by the Australian Government, unity and harmony will emerge for all working persons on this Island.

MR. PRESIDENT: Thank you Mr. Sanders. Is there further debate at this time. Mr. Howard.

MR. HOWARD: Yes I would like to support very strongly the Bill that Mr. Sanders has brought forward. I support it for I think different reasons than I think I hear him saying. I do not see the job of the Public Service Board as one of trying to hold down wages in the Public Service. I see the job of the Public Service Board as one of being fair and impartial and trying to arrive at intelligent, informed judgements about what is fair.

The composition of the Public Service Board as it stands now is not to my mind satisfactory. When the Public Service Board was first proposed by Mr. Ellicott in a discussion with the Members of the First Legislative Assembly, he made it absolutely clear that
in his view the Administrator should not be a member of the Public Service Board. He said the Administrator is a political figure and he should not be on the Board, he said neither should there be anyone from the Assembly on the Public Service Board. When he got back home in Canberra he for some reason had a change of heart and so the Public Service Board consists of the Administrator, the Chief Administrative Officer and a member elected by the members of the Public Service. The fact is that that makes a Board of three people who are earning their money from the public purse, and I think that is a lopsided Board. My impression is that Public Service Boards in Australia almost always include a number of members from the public, people who have good business judgement, good business experience, and I would see the addition of two experienced people with business knowledge as helping the Board to arrive at fair judgements and certainly would make it apparent to the community that the Board was as balanced and fair in its general outlook as could be. I am very strongly in favour of the amendment, I think it is ingenious of Mr. Sanders to have brought it forward and when it comes to a vote at our next meeting I intend to support it.

MR. PRESIDENT: The motion before the House is that the Bill be agreed to in principle. Mr. Quintal.

MR. QUINTAL: I wish to support the motion. In actual fact at present the Island is suffering from a depression and some of the local persons in the public sector are finding it a problem to find employment, I know of quite a few. Just recently a person wanted about ten persons to work for him and he had no difficulty in getting them, and with the decrease in tourist population it seems to me that things could get very bad in the public sector and I would strongly support the appointment of two experienced persons from the public sector to be on the Public Service Board as well as the other three, and I support the motion.

MR. PRESIDENT: Thank you Mr. Quintal. Mr. Sanders.
MR. SANDERS: I would like to clarify one point Mr. President. I think Mr. Howard has misunderstood me. It is not my intention to pull down the wages of the public servants, it was my intention to try and create a situation that made equality for those who work. I feel that salaries should be equal for a job of equal status and I believe that even though it may take a little time for this to happen, I believe that unity would emerge after a period of time.

MR. PRESIDENT: Thank you Mr. Sanders. Miss Buffett.

MISS BUFFETT: Could I make a comment as far as Mr. Quintal's comments are concerned. If there is a problem of unemployment, which concerns me lately, things are not so good in that respect, I would think that the best control at the moment would be immigration wise, from what I can see. We cannot do anything about employing another eight people by putting another two people on the Public Service Board.

Speaking to the amendment I think it is not quite reasonable to expect to have two outside members on the Board when the members only have one anyway, but I will make my comments after it has lay on the table for a while.

MR. PRESIDENT: Mr. Jackson.

MR. JACKSON: Mr. President I do not support the proposed amendment as presented by Mr. Sanders where he advocates he will move that two extra members be appointed to the Public Service Board. As Miss Buffett has clearly pointed out, I would not be a party to the employees of the Public Service having one representative - and he is an elected representative - and the areas outside the Public Service having two persons appointed. If it comes to a reduction in the numbers I may consider that one person be appointed from the private sector. What concerns me at this stage in the presentation of this Bill, and may I add I do not support the views presented by Mr. Sanders, I suppose the public servants themselves are fed up by being character assassinated by certain Members of this Assembly, and I think the best time for unity of all...
MR. HOWARD: Point of order.

MR. PRESIDENT: Point of order. Mr. Howard.

MR. HOWARD: This intemperate language by Mr. Jackson. Can't we behave decently, can't we speak intelligently. Who is assassinating whose character please.

MR. JACKSON: Why don't you take a point of order with all Members.

MR. PRESIDENT: Order. The words...

MR. HOWARD: Character assassination, by some Members of this Assembly.

MR. PRESIDENT: If those two words could be withdrawn please Mr. Jackson.

MR. JACKSON: I withdraw them.
The Bill will lay on the table for one month and no doubt there will be further deliberations and advice from the private sector and also from the Public Service on this particular motion.

MR. PRESIDENT: Mr. Brown.

MR. BROWN: Thank you Mr. President. I commend Mr. Sanders for bringing this motion before the House. This motion if successful could do a lot to heal the rapidly widening breach between the public and private sectors on this Island. It is a breach which is not desirable and if it can be healed by strengthening the Public Service Board and allowing the Public Service Board to be representative of those that in fact supply the money to pay the wages within the Public Service, then it can only be beneficial. Mr. Jackson has for a long time supported the underdog and the worker. I intend also to support the workers in this House, not just the Public Service workers
but all workers, and if all workers are going to be assisted by Mr. Sanders' proposed Bill, I certainly intend to support it.

MR. PRESIDENT: Thank you Mr. Brown. Miss Buffett.

MISS BUFFETT: Mr. President could I ask Mr. Brown a question on the statement he made - that the Public Service Board supplies the money to pay the Public Service, don't you think they allocate it rather than supply it.

MR. BROWN: Question time was yesterday with respect Mr. President.

MISS BUFFETT: Thank you, alright I won't ask.

MR. BROWN: But I did not say that the Public Service Board provided the money, I said the private sector provided the money.

MR. PRESIDENT: Thank you Mr. Brown. Further participation. I seek a motion of adjournment, Mr. Howard.

MR. HOWARD: I move that debate be adjourned until the next meeting.

MR. PRESIDENT: The question is that the debate be now adjourned and made an order of the day for the next day of sitting.

Debate (on motion by Mr. Howard) adjourned.

Resumption of debate made an order of the day for the next sitting.

ORDERS OF THE DAY

APPOINTMENT TO THE SOCIAL SERVICES BOARD

MR. PRESIDENT: Mr. Sanders would you be kind enough to take the Chair.
MR. DEPUTY PRESIDENT: Order of the day No. 1.

The question is that this House acting in accordance with section 5(1) of the Social Services Act 1980 resolves that Alice Inez Buffett, a Member of this House, be appointed a member of the Norfolk Island Social Services Board.

Mr. Buffett.

MR. BUFFETT: Thank you Mr. Deputy President. I moved this motion at the last meeting at the same time that I proposed a motion that Mr. Gregory Gilbert Francis Quintal be promoted a member of the Social Services Board. I at that time made mention of the sterling work that Mr. Quintal had done in the community in various ways and that I considered that he would be a very able member of the Board. I would like to say at this time in pursuing the motion for the promotion of Miss Alice Buffett as a member of the Social Services Board that she too has done sterling work, community work, social services type of work, in the Island for a long time and particularly has she been Chairman of the Social Services Board over the past few months, especially since August of last year, at which time the Social Services legislation was introduced into Norfolk Island. It was a difficult period of time because it was getting accustomed to a new system and of course people will know that there were a number of elderly respected Island citizens who came into the categories that needed to be assisted in the various documentations, and this I know was well done by Miss Alice Buffett and of course by other members of the Board at that time, and those other members continue on the Board. I am sure Miss Buffett will have a continuing knowledge and a continuing desire, and I know her services will continue to be appreciated as a member of the Social Services Board, and I commend the motion to the House Mr. Deputy President.

MR. DEPUTY PRESIDENT: Thank you Mr. Buffett. Mr. Howard.

MR. HOWARD: I am happy to support Miss Buffett being made a member of the Board. I would like if I may to make sure that my understanding that Mr. Quintal, who is at present the Chairman of the Board, is quite happy to have Miss Buffett on it, he has told me that
he is but I would like to have him confirm that.

MR. QUINTAL: Through you Mr. Deputy President, I do approve of Miss Buffett being on the Board. I have worked with Miss Buffett in years gone by, we were on the Hospital Board together. I was Chairman of the Hospital Board for many years and Miss Buffett was the Secretary, and in my opinion we got along really fine - I do not know if that is the opinion of Miss Buffett. It is my belief that we can continue to work together and I am sure that I in particular went to work in harmony with the rest of the members as necessary and I think we probably will get along together fine, the lot of us.

MR. DEPUTY PRESIDENT: Thank you Mr. Quintal. Is there any further debate.

The question is that the motion be agreed to.

Question - put

Motion agreed to unanimously.

NOTICES (Cont'd)

APPOINTMENT OF CHAIRMAN OF THE SOCIAL SERVICES BOARD

MR. DEPUTY PRESIDENT: Notice No. 12. Mr. Buffett.

MR. BUFFETT: Thank you Mr. Deputy President.

Mr. Deputy President the original motion that I have moved in respect of this is as follows - and I have an amendment to that, and I would like to read them concurrently if I could be permitted to do so, and that of course is providing I am able to have your leave to present the amendment.

MR. DEPUTY PRESIDENT: Leave is granted Mr. Buffett.
MR. BUFFETT: Thank you Mr. Deputy President.

The earlier motion was this Mr. Deputy President - In accordance with section 4(5) of the Social Services Act 1980, Alice Inez Buffett be appointed Chairman of the Norfolk Island Social Services Board.

The amendment Mr. Deputy President is this - That the words Alice Inez Buffett be taken out and the words Gergory Gilbert Francis Quintal be substituted.

And if I might address those please Mr. Deputy President.

I have moved this amendment because since moving the original motion I have had discussion with Miss Buffett on the matter. Miss Buffett was off the Island ill in hospital when I moved a motion promoting her to be a member of the Social Services Board and this was not progressed until Miss Buffett returned, and that has now been done. Mr. Quintal was also promoted as a member of the Board and I have referred to that in an earlier address just a few minutes ago, he was promoted to the Board at the last sitting, and that motion was finalised as Mr. Quintal was present and by the Social Services legislation he was automatically Chairman of the Board from that time onwards. Miss Buffett has expressed an earnest desire to serve on the Board, a desire I have strongly supported but she does not wish to exercise any move to contest Mr. Quintal's present chairmanship and I respect her wishes in that and of course I have made the motions accordingly so that that is tidied and there is really a status quo situation because Mr. Quintal is already Chairman of the Social Service Board and I have no wish to disrupt that Mr. Deputy President.

MR. DEPUTY PRESIDENT: Is there any further debate.

MISS BUFFETT: Could I just make one comment Mr. Deputy President, that I would be delighted to work on the Board with Mr. Quintal as Chairman.

MR. DEPUTY PRESIDENT: Thank you Miss Buffett. No further debate. The question is that the amendment be agreed.

Question - put

Motion agreed to unanimously.
MR. PRESIDENT: Honourable Members we come to orders of the day...

MR. HOWARD: Can I raise a point of order Mr. President. I think we voted that the last motion be amended but I do not think we have voted that Mr. Quintal be Chairman of the Social Services Board. I think we should do that.

MR. PRESIDENT: May I just continue with that Honourable Members.

Honourable Members the question before the House is that the motion as amended be agreed to - we earlier voted on the amendment - the motion as amended be agreed to.

Question put

Motion agreed to unanimously.

ORDERS OF THE DAY (Cont'd)

CUSTOMS (AMENDMENT) BILL 1982

MR. PRESIDENT: Orders of the day continued - Order of the day No. 2 - Customs (Amendment) Bill 1982. This is a Bill that is progressing to be agreed to in principle and resumption of the debate is to continue now.

Mr. Sanders.

MR. SANDERS: Mr. President I seek leave of the President to move an amendment No.1, a copy of which has been provided to Members before resumption of this sitting.

MR. PRESIDENT: Is leave of the House granted for this amendment Honourable Members. Leave is granted Mr. Sanders.

MR. SANDERS: Thank you Mr. President.
Amendment No.1 - Page 1 omit clause 3, substitute - "3. Amendment to the First Schedule. The First Schedule to the Principal Ordinance is amended by omitting item 17 and substituting 'any goods not elsewhere more specifically described, being goods which in the Collector's opinion are intended to be used and will be available to be used for agricultural or horticultural purposes - Free'."

MR. PRESIDENT: Thank you Mr. Sanders. We are addressing the first amendment in the original motion. Mr. Sanders.

MR. SANDERS: Mr. President it has been recommended to me by the Legal Adviser and the Collector of Customs that 'horticultural' should be included in the proposed new item 17 and I am happy to do so in co-operation with these people.

MR. PRESIDENT: Thank you Mr. Sanders. Further participation in respect of the amendment in the original motion. There being no further participation, the question is that the amendment be agreed to.

Question - put
Motion agreed to unanimously.

MR. PRESIDENT: If we can then look at the second amendment.

MR. SANDERS: Mr. President I seek leave of the President to move amendment No.2, a copy of which has been provided to Members before resumption of this sitting.

MR. PRESIDENT: Leave was earlier granted Mr. Sanders, please continue.

MR. SANDERS: The First Schedule to the Principal Ordinance is amended by omitting item 15 and substituting 'chronometers, clocks, watches, including pedometers and pocket counters and the like - 5%'.
Firstly before I begin Mr. President, I have copies of three
letters that have been given to me by concerned people, all Members have a copy of each letter. May I table these letters please.

MR. PRESIDENT: Thank you Mr. Sanders.

MR. SANDERS: I wish to speak on my motion to amend the Customs Schedule on duty for watches. It is obvious that the 17% duty charged on watches and clocks is excessive and the importers of these items cannot compete with the duty free shops elsewhere. Duty in Australia is 2%. The income to Norfolk Island from duty on watches for the period 1 July 1980 to the end of March 1981 was approximately $45,000. The income from duty for the same period in this year - from 1 July 1981 to the end of March 1982 was approximately $28,000. This shows a decline of 37% for the same period this financial year to the previous financial year. The tourist figures from July 1980 to the end of March 1981 was 17,460 persons; the tourist figures from July 1981 to the end of March 1982 was 13,748 persons; which shows a decline of 21% of persons visiting Norfolk Island. With a decline of 37% in revenue and a 21% decline in visitors, it is obvious that if this rate is to continue that in a very short time there will be very little or no sales on watches at all and of course no duty, 17% of nothing is obviously nothing.

There is no advantage in waiting for the total Customs Ordinance to be upgraded as it would probably take at least a year, probably longer. During the waiting period those that are in the business could possibly be broke, and I see no advantage in closing the gate after the horse has gone. It would appear to me that nobody has taken into consideration the massive capital invested by these people, the value of same because they have to be their own wharehouse. In Australia or New Zealand a shop would only have to carry a few samples of each model in stock. When the goods are sold all that is required to replace the stock is a phone call and replacement would arrive within hours. Dealing direct with overseas manufacturers as is mostly the case here, firstly there is the irrevocable letter of credit that must be set up on order, orders which incidentally could take up to six months; then there is the letter of credit which has to be met
when the previous shipment is on the way, plus the value of the stock which is already on hand for sale purposes. Then of course as has happened recently, a massive drop in tourists occurs which means that the stock that has been imported is not sold, which in turn results in a massive stock figure. At this stage the importer decides he does not want the goods that he ordered six months ago but you cannot cancel because of the irrevocable letter of credit.

At this stage Customs figures are still good because of the situation which I have just stated. One does not have to be a genius to see how easy it would be to have well in excess of $100,000 in cash tied up and you are all probably aware that the prime rate at the banks for borrowed capital is 18%. It is for this reason I ask this Assembly to support my amendment. I believe to remove duty completely would only be a loss of a little over $30,000. This would be offset by the persons concerned being able to advertise for the first time that Norfolk Island has indeed got something to offer duty free.

You will all recall that at our last meeting $20,000 was given as a shot in the arm for advertising to promote Norfolk Island for tourism. Surely you must all see that the advertising that this duty free arrangement would give is of benefit to all even though it cannot be measured in money. Secondly I believe that most of the lost revenue would be regained by the increased sale of transistors - at the moment if they are clock radios the duty is 17%, if the duty on clocks were deleted, the radios would then only be dutiable by 8%. Finally, and I believe one of the most important reasons, is as you are all aware the Public Service and this Assembly is at about its lowest ebb with popularity from the private sector. I feel that the private sector needs an injection of faith from both the Public Service and from the Assembly, and in this manner we will have all showed the residents of Norfolk Island that we do care.

I ask the Assembly to support this motion as a sign of good faith and reduce the duty on clocks and watches to 5%.

MR. PRESIDENT: Thank you Mr. Sanders. Debate. Mr. Jackson.
MR. JACKSON: Mr. President, I considered the first
amendment which Mr. Sanders moved unreasonable, but the second
amendment seems to me may meet with a better response. I have always
considered that 12% duty on watches was a little too high, however we
must remember that in Australia there is a 30% sales tax on watches,
and that some 30% sales tax applies in New Zealand also. Now sales
tax does not extend to Norfolk Island. Goods are purchased here on
the Island exempt from sales tax.

I would support a reduction to 5% duty but the question must
be asked what amount of duty will be lost annually if duty on watches
and clocks is reduced to 5%. That question has not been answered.
It would appear that such a reduction is a one sided affair. The
Island misses out but the importer obtains an advantage, selling watche
and clocks without having to reduce their mark-up because of having
duty reduced. Now I have considered the letters that have been sent to
all Members, and from discussions within the shopping centre it seems
there will be a chain reaction flowing from the reduction in duty on
this one commodity. It has been said — why should one retailer have a
distinct advantage over others at the other end of town who consider
that duty on their commodities is too high also. I do not believe that
after a particularly good period of trading and just because a lean
period arrives that we need to help out those businesses that are
experiencing difficulties. Certainly an examination of the situation
needs to take place but it should be a two sided affair, not a one
sided affair. If large drops in revenue on future import duties occur
surely the man in the street is not going to be singled out by forcing
more indirect taxes on him, rises in public works, rises in motor
vehicle registration, rises in pasturage fees, rises in licences etc,
and even the possibility of enforcing a duty on all food commodities.
I do believe that this particular question should be laid on the table.
There is so much missing in this report. We have not been given all
the details. When I have spoken with importers of watches they have
claimed that if duty is reduced they will be able to sell more, they
will be able to import more and therefore balancing out where one
would pay the other. That has to be tested and until that is tested
and examined I believe a closer examination should be looked at on this particular question. However as I have indicated, I am prepared to support a 5% duty on watches.

MR. PRESIDENT: Mr. Christian-Bailey.

MR. CHRISTIAN-BAILEY: Thank you Mr. President. I support the motion Mr. President, it is my view that anything that we can do to bring Norfolk's duty free shopping more in line with what is available in airport duty free stores is desirable. Mr. Jackson made some mention of a 27% sales tax on watches in Australia - it is my understanding that no sales tax is charged on goods sold in an airport duty free store.

I support the motion.

MR. PRESIDENT: Thank you Mr. Christian-Bailey. Mr. Sanders you sought the call earlier.

MR. SANDERS: Yes Mr. President I just have one thing to say to Mr. Jackson. I thank him for his basic support I promise not to assassinate him. The amount of revenue lost if watches were completely duty free was only going to be $30,000. I believe we should work within the finances we have, I do not believe that it is necessary to tack it onto anything else to make up for it. I also do not believe that it should be left on the table. I was able to discontinue operations in my small but successful business at the age of 47 because one of my policies was if it needed doing today, do it. If the Assembly policy is if it needs doing today do it later or next year, I can fully understand why the public has no faith in us.

MR. PRESIDENT: Further participation. Mr. Brown.

MR. BROWN: Thank you Mr. President. Mr. President I commend Mr. Sanders for bringing these matters before the House today. Mr. Sanders is demonstrating that he has his ear tuned to the needs of the whole of the Island, including the business community, and that is something which I hope will impress other people as much as it impresses myself. I have also been impressed by what Mr. Jackson has said in
relation to this matter. Mr. Jackson has suggested that perhaps the matter should not be looked at quickly and that all of the related aspects should be considered. I wonder whether Mr. Jackson has in fact just gone into business, perhaps we will soon see him up on the golden mile, because he is saying exactly the same thing to us as has been said in a letter which I have received from the Chamber of Commerce which with leave of the House Mr. President, I would seek to table.

MR. PRESIDENT: Thank you Mr. Brown.

MR. BROWN: The Chamber of Commerce Mr. President has said, and perhaps I might read the letter:

"At a meeting of the Chamber held on Monday 5th April, members present unanimously endorsed the preliminary recommendations of the Chamber's sub-committee on customs review. The recommendations of the Chamber are - (1) that the Chamber welcomes any interest that the Assembly may show in reducing duties; (2) the Chamber believes the result of reduced duties would be the winning back of Norfolk's reputation as a duty free port, therefore increasing tourist numbers and turnover; (3) however the Chamber feels it would be imprudent to reduce duty on random items on an adhoc basis, it proposes that the question is one of vital importance to the economy of Norfolk Island and should be reviewed in total before any adjustments are made; (4) the Chamber proposes that due consideration be given to an across-the-board tariff, this would spread duty evenly and no one item would be disadvantaged, it would minimise dissension, it would save on customs time and it would be straightforward and simple for both the importers and the Government to work to. We bring these preliminary views to your attention to foreshadow a detailed submission by the Chamber and will continue to keep you advised".

Of course any such submission from the Chamber will need to be considered in the light of the impact on all people on the Island Mr. President. Mr. Jackson brought to light one element which would need very serious consideration and that is the question of whether or not duty would be imposed on food in the event that there was
consideration given to an across-the-board tariff. In any event
Mr. President I table the letter from the Chamber of Commerce dated

I intend to support Mr. Sanders’ first matter in relation to
the agricultural and horticultural goods, but I foreshadow that I
intend to move that the second matter in relation to watches and
clocks be adjourned for consideration until our next meeting.

MR. PRESIDENT: Are you moving that at this time.

MR. BROWN: I will move it at such time as all Members have
said what they have to say Mr. President.

MR. PRESIDENT: Further debate Honourable Members, on the
amendment. Mr. Sanders.

MR. SANDERS: Mr. President, with due respect to the
Chamber of Commerce, and I think it is wonderful that they have
suddenly become interested, I am a little bit disappointed that they
would hold this meeting the evening before the Assembly, make it a
point to furnish a letter and get strong feeling against this matter.
It appears that none of those gentlemen who were at the meeting were
prepared to get off their own backsides and do anything otherwise they
too would have had some support. I do believe that the gentlemen and
ladies in the watch business were not in attendance at that meeting.
I also believe, or have been informed, that there was not a formal
vote on it, and it seems to me that it has been typical of Norfolk in
the past that a lot of people want to delay things without
participating themselves.

I again ask this Assembly to uphold my amendment.

MR. PRESIDENT: Mr. Howard.

MR. HOWARD: I would like simply to throw in another thought
that grows out of something Mr. Brown said. I have heard a fair amount
of comment around the Island over the last few weeks about the appeal of a single level of duty. Two of the obvious benefits of having one flat level of duty for everything would be that it would end all of the hassles and arguments about what duty is payable on what, and it would end all of the problems of defining what a thing really is, whether it is a clock or whether it is a radio or whether it is a ball point pen or what. It would simplify book-keeping and save time for the people in the business community, it would also save time in the Customs office. Those are definite advantages.

It has been suggested to me that there is a form of what you might call basically one level duty that I think ought to be thought about carefully. The idea is that you establish a flat level of duty for almost everything, say it is 7.5% or 5% or whatever it might be, you then in respect of any particular few items can vary that duty by law in only two ways - you can either eliminate it and make something duty free or you can double it and make it double the normal duty. Now it seems to me that that kind of system would be so simple that everybody would understand it and it would reduce an immense amount of confusion and disagreement. I think it has a great deal to commend it but I think we need to get some analysis made by the Chief Administrative Officer and his staff as to how such a thing might work and if such a thing were possible; what the basic level of duty ought to be, and I think we ought to ask for their recommendations on what items they think should be double the rate and what items they think should be free. It would certainly be in my mind that food for example should be free, medical supplies certainly should be free, if that kind of system were followed.

I think the Island long long long before this Assembly has from year to year dealt with Customs on a bit by bit by bit basis and I think it is time we tried to fix the Ordinance. I am totally against entering into a year long study, I think it may be possible to fix the Customs Ordinance reasonably promptly. I want to support Mr. Brown's motion, when he moves it, that this be adjourned for a month or until the next meeting, and I would hope that within that time it would be possible to come forward with some concrete general proposal for tidying up Customs as a whole. If such a proposal is in the offing, I
think it is a little bit ill-judged to vary the duty on one particular item for the next month or two if a new general system can be brought in that quickly, I would hope it could be.

MR. PRESIDENT: Mr. Sanders.

MR. SANDERS: Mr. President I think Mr. Howard and Mr. Brown are missing the point. All that has ever happened in this place as far as I can recall has always been by somebody who is going to do something. While I am aware that what they are talking about of an overall duty or some such thing is obviously desirable but I can see no point in delaying this one while we continue to play around. Surely while they are playing around if it takes time, why can’t we nibble at it one at a time, and I believe that now is a good time, we are all here, let’s stop this playing around with delays and all sorts of things, let’s get on with the damned business. Thank you Mr. President.

MR. PRESIDENT: Mr. Jackson - then Mrs. Gray.

MR. JACKSON: Just a question to the Minister for Finance, I thought perhaps he may have had prepared something for the meeting today after I asked what amount of duty would be lost annually if duty on watches and clocks is reduced to 5%, and I thought there would have been some examination if duty was to be completely eliminated.

Could the Executive Member for Finance inform this House what would be lost if duty was reduced to 5%.

MR. HOWARD: I can comment on some work that has been done along those lines by officers of the Public Service. There has been an examination made of how much duty would be lost if the duty were reduced to various different levels on watches, unfortunately the studies that have been made are the kind of thing you can do with a pocket calculator, you say if you cut the duty in half, we are going to get half as much as we got last year. All those studies assume that sales are going to remain the same and I think that it is time that
the Island began looking at Customs in a business strategy way. A merchant knows if he reduces his prices he is going to sell more of the goods, and those variables need to be forecast by people skilful at forecasting. I think that kind of economic view of the effects of various levels of Customs needs very much to be taken by the Government, I do not think it has been taken enough so far and while you can say if you cut the duty in half you cut the total revenue in half, I really do not have much faith in that particular kind of forecasting and I think we need better forecasting than we have had so far.

MR. JACKSON: The importers have indicated that they will be able to sell more to balance it out if this reduction takes place. Your views on that, it appears from your statement, is that it would not occur.

MR. HOWARD: No, I do not want to make any statement about it because I have not done the analysis. I think that kind of analysis should be done by the Collector of Customs, I think it should be done by the Revenue Manager, I think it should be done with the help of the Accountant, I think there ought to be some real brains put into making that kind of forecast and I do not think it can be done just on a rule of thumb if you cut the duty in half the revenue drops in half, it is more complicated than that, but I would await an analysis well done from the Public Service.

MR. JACKSON: Mr. Brown has foreshadowed a motion to put before the House, and it is your view that this examination will be done between now and the next meeting.

MR. HOWARD: I certainly hope so. I would also hope that the Chamber of Commerce which I understand really is working seriously on this thing...

MR. JACKSON: Mr. President I would support the motion when it comes forward, however while I am on my feet, has item 17 been finalised.
MR. PRESIDENT: Item 17.

MR. JACKSON: Agricultural and horticultural.

MR. PRESIDENT: Yes that one has been finalised, that amendment has been...

MISS BUFFETT: We voted on it.

MR. JACKSON: I see.

MR. PRESIDENT: That amendment, the first amendment has been agreed at this time Mr. Jackson.

MR. JACKSON: Alright then. I missed the vote.

MR. PRESIDENT: Mrs. Gray was seeking the call earlier.

MRS. GRAY: Yes thank you Mr. President. I wanted to make some comment on Mr. Sanders' comment about the Chamber of Commerce, suggesting that it was an eleventh hour submission, it was not, the Chamber...

MR. SANDERS: I think it was twelfth.

MRS. GRAY: The Chamber first discussed the matter of a reduction in duties at their meeting on 15 March, they have been working since then on a submission which in fact is a preliminary submission, is in the hands of the Executive Member responsible for Planning, Tourism & Commerce. I would like to suggest that that study, the preliminary study, is one in depth and not just a matter of asking for a reduction of duty on one item, which is a fairly simple procedure. This has been a much more complicated exercise which the Chamber has been carrying out. As I have said the proposals have reached the preliminary stage and I would anticipate that the Executive Member responsible for Planning, Tourism & Commerce will be bringing
it forward at a later time, hence his move for an adjournment.

MR. PRESIDENT: Thank you Mrs. Gray. Mr. Sanders.

MR. SANDERS: Mrs. Gray has just confirmed what I have been saying all along, that she anticipates something is going to happen, but the purpose of this – may I ask Mr. Howard a question.

MR. PRESIDENT: It is not question time but you may...

MR. SANDERS: I wanted to ask him if I could use the information in a letter that I received from the Revenue Manager. It has the percentages that Mr. Jackson was asking about in it on what would be the loss of revenue.

MR. HOWARD: Can I look at it. Sure, I see no reason why not.

MR. PRESIDENT: Mr. Sanders.

MR. SANDERS: Thank you Mr. President. The main thing I wish to use out of the letter are figures that come from the Administration. The loss of revenue, if duty was 5%, is estimated in these figures at $28,200, and that is based on the estimation of the duty of $39,950 of which it is anticipated that they were going to get. I can assure you Mr. President and the Assembly Members that that figure is not going to be reached by a mile but even if it was the loss would be $28,200.

I feel that perhaps I ought not wave this around too much more.

MR. PRESIDENT: Thank you Mr. Sanders. Any further participation in the debate upon this amendment, amendment number two. Mr. Howard.
MR. HOWARD: I would just like to make the comment that $28,200 is a lot of money; say there is 2,000 people on the Island, that is $14 a year per person on the Island, now that is a lot of money and as the Executive Member for Finance I am looking around to find sizes of money like that, very much. It is a serious amount.

MR. PRESIDENT: Mr. Brown.

MR. BROWN: Mr. President Mrs. Gray has been doing a lot of work and putting a lot of time into her work with the Chamber of Commerce, as could be gleaned from what she has said here today. I have received from the Chamber a preliminary submission in relation to a flat rate of duty. Once I have discussed this preliminary submission with Mr. Howard as the Executive Member for Finance, it is my present intention to circulate the preliminary submission to all Members so that all Members will have the opportunity to start thinking about the matters raised by it.

The Chamber of Commerce is now, especially since its recent annual general meeting, extremely active in this and a number of other fields and for this tribute should be paid to the active members of the Chamber of Commerce and to Mrs. Gray who has done a lot to encourage them. In anticipation of being able to bring a full submission before the Members at our next Assembly meeting, I move Mr. President that further consideration of Mr. Sanders' amendment number two be adjourned until our next meeting.

MR. PRESIDENT: Thank you. May I just make one point so that it is clear to all Members Mr. Brown, that will effectively adjourn the whole matter, the whole Bill.

MR. BROWN: It would seem with respect Mr. President that we would either adjourn the whole Bill or alternatively if were to deal with amendment number one it would be necessary to then bring amendment number two before the House on the next occasion as a Bill in its own right.
MR. PRESIDENT: That is right. I would like to be quite clear as to which is proposed so that Members are quite clear in their own minds.

MR. BROWN: My own proposal Mr. President would be that we should not delay the passage of amendment number one and that therefore amendment number two should be brought as a fresh Bill that could be dealt with by leave as an urgent matter before the House on the next occasion and amendment number one dealt totally today.

MR. PRESIDENT: Fine, I see the intention from yourself Mr. Brown but I am not sure whether that is the desire of the House but if I may make this point at this time, if that is the desire of the House it would be more appropriate to seek leave of the House to withdraw amendment number two and then finalise the matter in respect of the amendment that we have already tackled and then relate that to the principal Bill, then this amendment which is now being sought to be adjourned, can be brought forward as a Bill quite separately at our next sitting or when it is so desired by Members.

MR. BROWN: If appropriate Mr. President, I seek such leave.

MR. PRESIDENT: Leave is sought to withdraw amendment number two.

MR. HOWARD: Point of order. I should think only the man who moved it could withdraw it.

MR. PRESIDENT: You are quite right. Mr. Sanders.

MR. SANDERS: I do not withdraw it Mr. President.

MR. PRESIDENT: The proposal is that amendment number two be withdrawn.

MR. SANDERS: No.
MR. PRESIDENT: No you do not agree to that, I am sorry I mis-heard you Mr. Sanders. Then I cannot accept a proposal to withdraw. I now have a motion that amendment number two be adjourned.

Question - put

The House voted:

AYES, 5  NOES, 3  ABSTENTION, 1
Mr. Howard  Mr. Christian-Bailey  Mr. Buffett
Mr. Brown  Miss Buffett
Mrs. Gray  Mr. Sanders
Mr. Quintal
Mr. Jackson

MR. PRESIDENT: The result of the voting Honourable Members is the ayes 5 and the noes 3, so the matter is adjourned. Amendment number two is adjourned, which in turn adjourns the Bill.

NEXT SITTING DAY

MR. PRESIDENT: Honourable Members we now come to the fixing of the next sitting day. Mrs. Gray.

MRS. GRAY: I move that the House at its rising adjourn until Wednesday 12 May 1982 at 2 p.m.

MR. PRESIDENT: The question is that the House at its rising adjourn until Wednesday 12 May 1982. Any debate, Mr. Howard.

MR. HOWARD: Yes I would like to go back to the question that Miss Buffett raised when this meeting of the Legislative Assembly began – eight years ago was it – yesterday, as to the need for more frequent meetings. The proposal is that today is the 8th, we are now proposing that we adjourn for a month and almost one week, do we need to meet more frequently than that, I think if we do we ought to meet
more frequently. I am just wondering what other sentiment there is around the table. I do not know at the moment how much business there is that would be available if we met again in any two weeks or three weeks but I would be happy to meet in two or three weeks if anybody wants to, if we need to meet more often lets meet.

MR. PRESIDENT: Debate Honourable Members. Mr. Quintal.

MR. QUINTAL: Mr. President I do agree that we should meet whenever necessary but when not necessary if the matters are not urgent, but if matters are urgent and there is enough business to have a meeting then I would support having meetings whenever necessary.

MRS. GRAY: The adjournment to that date is suggested because of the absence of the Draftsman and that there may be Bills sought for presentation at the next sitting of the House.

MISS BUFFETT: Mr. President doesn't the Legal Adviser fill in when the Draftsman is not here, is that the case.

MR. PRESIDENT: Mr. Howard.

MR. HOWARD: Yes I understand the Chief Administrative Officer has offered the services of the Legal Adviser to act as Legislative Draftsman until the Legislative Draftsman gets back.

MR. PRESIDENT: Mr. Sanders.

MR. SANDERS: Mr. President do you think it would be possible that we could get some indication from Mrs. Gray if there is going to be heaps of questions, if there is we are going to need two days, perhaps we could split it.

MR. PRESIDENT: Thank you Mr. Sanders. Mr. Christian-Bailey.
MR. CHRISTIAN-BAILEY: Thank you Mr. President. I would support the concept that we perhaps meet more often if there is work to be done but I would also like to be sure that it does not place an undue burden on the Clerk of the House and his staff and other people involved.

MR. PRESIDENT: Mr. Howard.

MR. HOWARD: I thought Mr. Quintal's comment made a lot of sense. He is happy to meet when we need to meet but he does not think we ought to meet when we do not need to meet. I think that is pretty good sense. The Assembly has always so far followed a pattern of setting a next meeting date and then that is it and everybody relax until that date that has been set. I wonder if we should not take note in this debate of the fact that a meeting of the Assembly can be called at any time under the Norfolk Island Act by the request of any three Members of the House. Now there are three Members on the Executive Committee and it might make sense if we set 12 May as a next meeting date but if the Executives see enough substance to justify a meeting between now and then maybe we should go ahead and ask the Administrator to please call one.

MR. PRESIDENT: The question is that the House at its rising adjourn until Wednesday 12 May 1982 and Mr. Howard has made the observation that there is the machinery to meet at an earlier time if that becomes necessary.

Any further debate Honourable Members.

MISS BUFFETT: Any three Members could notify the Executive that we would like to present something.

MR. HOWARD: If you want to, any three Members can go to the Administrator and say would you call a meeting, you do not even have to ask the Executive.
MR. PRESIDENT: May I make it clear to Honourable Members that any three Members of the House have the facility to make such a request to the Administrator.

The question is that the motion be agreed to.

Question - put

Motion agreed to unanimously.

ADJOURNMENT

MR. PRESIDENT: Adjournment Honourable Members. Miss Buffett.

MISS BUFFETT: I move that the House do now adjourn.

MR. PRESIDENT: Thank you. The question is that the House do now adjourn. Adjournment debate Honourable Members.

ADJOURNMENT DEBATE

MR. GRAY: I would just like to say thank you to the Executive Member responsible for Administration, Education & Health for answering what appeared to be a vast number of my questions on notice earlier at this meeting, he was not obliged to answer them at this meeting or in such detail and I thank him both for his courtesy and for the detail contained in the answers.

MR. PRESIDENT: Thank you Mrs. Gray. Mr. Jackson.

MR. JACKSON: While Mrs. Gray is on her feet Mr. President, I had a lot of phone calls concerning Mrs. Gray's question number one yesterday. The questions asked if the intentions of asking that question could be defined more clearly. I am aware that it is not question time now but I raise that because of the many comments that
have been made, and if Mrs. Gray would care to give the reason she submitted such a question to be answered.

MR. PRESIDENT: May I just remind members that it is not question time but if they wish to make comment in terms of debate participation they are most certainly at liberty to do so.

MRS. GRAY: Is it in order that I reply.

MR. PRESIDENT: Yes you may enter the debate Mrs. Gray.

MRS. GRAY: Then I would say that there is no ominous ulterior motive Mr. Jackson, it is purely and simply one of seeking clarification of just how many of the laws on Norfolk Island do tend to discriminate, whether for or against anyone, any resident, a person born on the Island, one of Pitcairn descent, anything at all, I feel that it is a topic which comes under scrutiny and I seek clarification on it, nothing more.

MR. JACKSON: Thank you.

Mr. HOWARD: I would like to draw the attention of members and of the community, maybe in particular to accommodation proprietors, to what seems to me a very nice and worthwhile and creative idea that is being followed by one of the accommodation houses, they have asked to remain anonymous in the matter but I would like to read a few sentences from a letter that I have had from the place. The letter draws attention to the fact that this is the International Year of the Tree, and that not a great deal is being made of that. They say to celebrate this special year of the tree we have come up with a concept of having a tree planting ceremony for guests who have stayed at our establishment at least three times, so far there are six names on the list and we anticipate a few more before the year ends. To mark the occasion we are having special signs made with our guests
names, home State or country, month and year engraved thereon. These signs will be stuck beside their respective trees as a permanent memento, needless to say the tree we have chosen for this project is a most appropriate species - Araucaria heterophylla - the Norfolk Island pine. Our guests reactions to this idea has been one of immense delight and enthusiasm, not only have they something very special of their own here on Norfolk but more importantly their attention has been very effectively drawn to the important role that trees play in our lives.

I think that is a neat idea and I wanted to mention it.

MR. PRESIDENT: Thank you Mr. Howard. Mrs. Gray.

MRS. GRAY: May I just seek to add to that that I have had discussions with the Chief Administrative Officer and with the Forestry Officer about Arbor Day, which has been brought forward here, and I hope in the future to be able to suggest dates etc for that.

MR. PRESIDENT: Mr. Quintal.

MR. QUINTAL: Whilst we are on the subject of trees, I can make available thousands of young pine trees if anyone wants them to plant on Arbor Day. There are literally thousands and thousands of young plants but they need to be potted. They are growing under trees, and there are so many there is enough to keep persons planting for a long time on Norfolk Island, not only on Arbor Day.

MR. PRESIDENT: Mrs. Gray.

MRS. GRAY: The matter of duty, if I may address it in this adjournment debate. The revenue income is rising according to the Executive Member responsible for Finance, I quote him from yesterday's session, and tourism is seen to be the ultimate source of the Island's
wellbeing, and I think that the Government must create conditions attractive to the tourist industry from which it derives considerable income, and it was pretty close to one million dollars in the year 1930/31. The rash of duty free stores in mainland centres has created problems for us here on Norfolk, not that it was not anticipated by traders here, it was foreshadowed quite some time ago, but no steps were taken by the Government or perhaps by anyone else to counteract the anticipated effect on the industry here, consequently the so called duty free image of Norfolk shopping has fallen from sight in the eyes of the average Australian and perhaps to a lesser extent New Zealand visitor's eyes. The problem is compounded by the existence of many other nearby tourist destinations which do indeed offer duty free shopping. An ever increasing number of visitors to Norfolk arrive already laden with purchases made duty free - truly duty free - at their port of embarkation, either that or they do not get here at all, after having been told that the shopping is better elsewhere. I am not for a moment suggesting that all visitors come to shop and do nothing else but I do think it is reasonable to believe that for some time visitors have been attracted to a number of things which Norfolk has to offer and one of the things was duty free shopping. That attraction no longer exists in such definite terms. Of course there are still good buying in many areas, there is good buying for both Australians and New Zealanders for perfumes, jewellery, toys, shoes, imported label clothing and many many other things but it certainly is not attractive enough in watches, cigarettes, electronic gear and many others, to say nothing of the Government monopolised bottle shop which does not come up to expectations and that is putting it politely.

We are facing a decline in image of the Norfolk Island holiday. Norfolk has lost its tourist growth, if the Norfolk Island Government wishes to maintain some economic stability, let alone growth, it had best start looking after its sources of income. The situation is serious, it involves for more investigation and action than removing duty from something here and something there. I believe that a full investigation of Norfolk's customs duty situation is warranted, and I believe that Mr. Jackson made reference to just such an enquiry being made or carried out. It may be that a flat rate of duty can work, lets put the necessary wheels in motion to find out, and I know that the Chamber of Commerce is in favour of such an investigation
and is working on the submission which I have already mentioned. I do believe that this is a matter of urgency and I will be very pleased to see it come forward at the next day of sitting. Thank you.

MR. PRESIDENT: Thank you Mrs. Gray. Mr. Quintal.

MR. QUINTAL: Mr. President, somebody mentioned to me that you might have mentioned what I want to say over the air, but as I never listen to the radio I do not know whether it has been mentioned or not, but I would like to mention it just the same, and it is the very generous gift by Mr. & Mrs. Mawson of providing six self contained units to be built at the hospital, they are already under way; these units are for elderly citizens who do not need hospitalisation and not sick enough to be hospitalised. Mr. & Mrs. Mawson are supplying all the finance, which must be a considerable amount, and I would like to record our thanks for the very generous gift to the community.

MR. PRESIDENT: Thank you Mr. Quintal.

MR. QUINTAL: Perhaps a letter could be sent to them from the Assembly.

MR. PRESIDENT: Miss Buffett.

MISS BUFFETT: I support Mr. Quintal's thanks whole-heartedly and at this time I would like to draw attention and commend Mr. Jackson who as everyone knows has spent a lot of time and effort on the groundwork for such units, I know he has brought the matter up before in the previous Assembly and I do not feel that his efforts should go unmentioned at this stage.

MR. PRESIDENT: Thank you Miss Buffett. Mr. Brown.
MR. BROWN: Mr. President today's meeting has been constructive and polite but nevertheless it is regrettable that not all of the membership of this Assembly is backing the Executive Committee and the new system of Government, but despite this and despite the now all too regular attempts to thwart the success of the new system, the new system is working. Yesterday this House resolved upon a policy for Executive Authority and the Executive Committee and today a policy for the position of the Chief Administrative Officer. A series of further policy papers relating to important matters such as immigration, tourism and land subdivision will be coming before this House for debate and resolution in future meetings. This is real progress. For the first time there will be clear written policies in relation to such important areas, policies which will be available to all and which will apply equally to all. The fact that the last Assembly could not give attention to such matters is a further demonstration of the advantages and the benefits of the new system of Government over the former system. If all Members genuinely desire that this Assembly get on with the job then the bickering of yesterday must end, we must put an end to this waste of the time of the Executive Members and the non-Executive Members, we must allow the policy groups to properly get together and give them a proper chance to work, otherwise if this is not the view of the majority of the Members then toss out the present Executive, put in a new Executive and let them get on with the job, but let us not keep up the spectacle of a few Members vainly trying against the wishes of the overwhelming majority of Members to restore an old unsatisfactory system that did not work.

Thank you Mr. President.

MR. PRESIDENT: Thank you Mr. Brown. Mr. Jackson.

MR. JACKSON: Mr. President. It concerns me that some Members of this Assembly have openly stated that they will support a 6% customs duty across the board, and I take this to be on all imports,
including foodstuffs, and I take it also to include petrol and
domestic gas. I assure the Members who are advocating for these
that they cannot count on me to support it. To even think about an
extra cost on the cost of living is bad enough, let alone placing
the burden on low wage earners, pensioners and others. I do
honestly believe we have no mandate to place an extra burden on food
costs and I commend the Members who have stated here this afternoon
that they will also support that there be no duty placed on food, and
I would like any other Members who feel that way to openly speak out
because the public is entitled to know if any Member is advocating
to place duty on foodstuffs, they should speak out.

Thank you Mr. President.

MR. PRESIDENT: Mr. Quintal.

MR. QUINTAL: I will speak out. I am not in favour of a
5% duty on foodstuffs.

MR. PRESIDENT: Mr. Christian-Bailey.

MR. CHRISTIAN-BAILEY: I do not recall any percentage being
discussed this afternoon on food or anything else, that is my
understanding.

MR. PRESIDENT: Honourable Members the question is that
the House do now adjourn.

House adjourned at 4.25 p.m. until Wednesday 12 May
1982 at 2 p.m.