SECOND NORFOLK ISLAND LEGISLATIVE ASSEMBLY

HANSARD

Fifth Sitting

26 May 1982
Executive Member for Administration, Education & Health
(The Honourable David Ernest Buffett)

Surface Transport
Roads, Footpaths & Bridges
Street Lighting
Water Supply
Electricity Supply
Drainage & Sewerage
Garbage & Trade Wastes
Primary Production
Slaughtering
Domestic Animals
Pounds
Pests & Noxious Weeds
Recreation Areas
Cemeteries
Forestry & Timber
Fire Prevention & Control
Quarrying
Prevention of Nuisances
Noxious Trades
Gases & Fuels

Firearms
Explosives
Places of Public Entertainment
Museums, Memorials & Libraries
Boarding Houses & Hotels (food & beverages)
Foodstuff & Beverages
Trading Hours
Markets & Street Stalls
Hawkers
Radio & Television
Telephone Services
Coastlines, Foreshores, Wharves
Lighterage
Registries & Rolls
Social Services
Education
Health
The Environment
Culture & Traditions

Executive Member for Planning, Tourism & Commerce
(John Terence Brown)

Building Control
Advertising Boardings
Tourism (including Tourist Accommodation)
Fishing
Immigration
Land Use Planning & Subdivisions
Air & Sea Transport (other than Lighterage)
Legislation Planning
Future Planning
Commerce

Executive Member for Finance
(Edward Davenport Howard)

Revenue Raising
Public Monies
Postal Services
Customs
Liaison with the Public Service Board
Retail Price Index
Bond Store & Future Commercial Undertakings of the Administration
MEMBERS OF THE LEGISLATIVE ASSEMBLY

President — The Honourable David Ernest Buffett
Deputy President — Mr. William Winton Sanders
Acting Deputy President — Mr. Bernard Edwin Christian-Bailey

Brown, John Terence
Buffett, Alice Inez
Buffett, The Honourable David Ernest
Christian-Bailey, Bernard Edwin
Gray, Chloe Barbara
Howard, Edward Davenport
Jackson, Gilbert Wallace
Quintal, Gregory Gilbert Francis
Sanders, William Winton
COMMITTEES

STANDING

Business Committee

Mr. President
Mr. J.T. Brown
Mr. E.D. Howard

Standing Orders Committee

Mr. President
Mr. J.T. Brown
Mr. B.E. Christian-Bailey
Mr. G.W. Jackson

House Committee

Mr. President
Miss A.L. Buffett
Mr. B.E. Christian-Bailey
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The Assembly met at 2 p.m. The President (Hon. D.E. Buffett) took the Chair and read the Prayer.
CONDOLENCES

MR. SANDERS: Mr. President I have one condolence.

Enid Florence Maude Chapman was born in Rotorua, New Zealand, she came to Norfolk Island in 1952 and in 1955 married John Robert (Robbie) Chapman. She died on Sunday 9 May 1982 aged 61 years. Enid Chapman was a very community minded person and a driving force in making housie the popular attraction that it is here today. She was a very good gardener, an active supporter of the Bowling Club and a very keen bowler. Sincere sympathies are extended to those Enid has left behind, husband Robbie, daughter Leanne, mother Mrs. Harker, and brother Ian.

MR. PRESIDENT: Thank you Mr. Sanders. As a mark of respect to the memory of the deceased Honourable Members I ask that you stand in silence please.

QUESTIONS WITHOUT NOTICE

AIRLINE CARRIER FOR SYDNEY/NORFOLK ROUTE

MR. PRESIDENT: Questions without notice. Mr. Jackson.

MR. JACKSON: Mr. President I direct this question to Mr. Brown who holds responsibility in this area.

When the Minister for Aviation, the Hon. Wal Fife, met with Members of the Assembly on Thursday 13 May 1982, one of the many matters discussed at that meeting was who would be the airline to be given the contract to service Norfolk Island when the upgrading of the airport is completed. My interpretation was that the Minister made it quite clear that East-West Airlines would continue the service and that an agreement with the Federal Government and East-West Airlines has been confirmed. The question is would you as Minister responsible be making a statement confirming this.
MR. BROWN: Yes Mr. Jackson I can confirm that discussions took place with Mr. Fife when he was in Norfolk Island and Mr. Fife was advised that the Legislative Assembly of Norfolk Island certainly does not at this stage endorse East-West Airlines as the carrier on the Sydney/Norfolk Island route once the upgrading of the airport has been completed. It was pointed out to Mr. Fife that we considered that we had an undertaking from the Federal Government to consult with us before any decision was made as to the Sydney carrier and Mr. Fife undertook upon his return to Canberra to research the question and to provide us with a detailed advising. That advising is not yet at hand but as soon as it is at hand the matter will be discussed further and a statement will certainly be made when those discussions have been completed.

MR. JACKSON: Following up on that question Mr. Chairman. Would you then state what the Minister said concerning this situation on who will be servicing the run to Norfolk Island, regardless of what the Norfolk Island Government situation is with the Australian Government.

MR. BROWN: It must be understood that the Minister was new to his portfolio and in fairness to him I should repeat that at this stage. However he was certainly of the opinion when he came to Norfolk Island that approval had been given for East-West Airlines to operate the service. He was quite taken aback when he found very strong opposition to such a statement, but as I said, he is preparing information for us and we expect to receive it shortly.

SALE OF EXPIRED SHELF-LIFE FOOD

MR. ACTING DEPUTY PRESIDENT: Mr. Jackson.

MR. JACKSON: Mr. Chairman I read with horror in the weekend paper...

MR. HOWARD: Could we know to whom the question is addressed.
MR. ACTING DEPUTY PRESIDENT: Mr. Jackson could you direct the question to the appropriate Member.

MR. JACKSON: To the Minister who has responsibility for health. An article appeared in the Sunday Telegraph last Sunday on a particular question that has been raised in this House on a number of occasions. Mr. Kevin Williams was the first to take up this matter in the early part of the First Legislative Assembly. I have also raised this issue on a number of occasions. It concerns what was described in the Sunday Telegraph as - "a potential fatal accident happened last week which ought to be a warning to all young parents. One mother bought a well known brand of canned baby food from one of the biggest suburban food stores. When the baby showed considerable reluctance to accept the food from the first can opened, the mother tasted it and found it was really off. Shortly afterwards the baby was violently ill. The family doctor diagnosed that the food was so contaminated that it could have proved fatal. A check on the serial number indicated that the product had been canned since September 1979. As the shelf-life of the product is a maximum of two years, that can was at least 8 months over the expiry date".

Now the question directed to the Minister responsible for health is would you consider introducing legislation to prosecute those who display canned food for sale when the date of use has expired.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: Mr. Chairman I do confirm that there is no legislation in Norfolk Island at this time that concerns controls on the shelf-life of foods or other items in retail places in Norfolk Island. The matter of examination of this has been raised before as Mr. Jackson rightly points out. As to whether or not legislation is desirable or is wished by the Government, is not a matter that I am able to comment upon at this time, it would be a matter that I would have to confer with the other Members of this Assembly upon to gain their views as to whether they consider it is necessary or desirable to introduce such legislation. What I can undertake to do however is
to so speak with Members of the Legislative Assembly to gain their views and of course if it is the view then I would be happy to promote the appropriate pieces of legislation in this House.

WAGES TO NORFOLK ISLAND WORKERS AT THE AIRPORT

MR. JACKSON: I direct this question to the Member who has responsibility for works at the airport. Mr. Brown.

Mr. Brown I am concerned and many residents are absolutely disgusted with the wages being offered by the New Zealand Company who won the tender to upgrade the airport. Labourers are being offered $3.40 an hour, plant operators are being offered $3.80 an hour. Are you aware of these conditions the question reads, and if not will you investigate this and inform this Company that the Norfolk Island Government will not tolerate the exploitation of Norfolk Island workers.

MR. ACTING DEPUTY PRESIDENT: Mr. Brown.

MR. BROWN: Thank you Mr. Chairman. I am aware that advertisements were placed in last weekend's newspaper for labourers, plant operators and other staff. I am not aware of the wages which are being offered but having been requested to do so Mr. Jackson I shall certainly enquire and in the event that it seems appropriate I will then discuss the matter with the other Members. If the Members of the Assembly feel that some form of submission should be put forward to the contractors well then on behalf of the Assembly I will certainly do so.

INSTALLATION OF PUBLIC TELEPHONE & ELECTRICITY SUPPLY
AT EMILY BAY

MR. JACKSON: I direct this question to Mr. Buffett who has responsibility in this area.

At the last Executive Committee meeting the matter of a public telephone and electricity supply at Emily Bay were listed for discussion. What was resolved out of Executive Committee discussions
and are you able to inform the House of that decision.

MR. BUFFETT: Mr. Chairman this is a matter in which I had planned to make a statement to this House later on but I am very happy to respond to Mr. Jackson's question now with it.

Arrangements are in fact in hand to install a public telephone at the Emily Bay bathing shed, and this telephone will have a primary purpose of being available for use in an emergency. There have been some instances of recent times which have demonstrated the need to be able to summon emergency services, especially medical services Mr. Chairman. The previous Government Medical Officer having experienced those sorts of difficulties made strong recommendations that this service should be installed. Of course in it being installed Mr. Chairman I would like to say that the community will of course need to accept the responsibility to ensure that the service is not mistreated so that it is available and is in working order should an emergency arise. At the same time that that telephone service is being done, electricity wires for a power supply will also be installed to service the beach area. An approach is being made to Service Clubs to seek their interest in assisting this project which as you will understand will have some considerable community benefit.

MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Buffett. Mr. Jackson.

TOURIST BUREAU FINANCES

MR. JACKSON: This question is directed to Mr. Brown. On the same notice paper for the same Executive Committee meeting the finances of the Tourist Board was discussed. Could you please inform the House what was resolved out of those discussions.

MR. BROWN: The Tourist Bureau when it completed the 1980-81 year, completed that year with debts which had been accrued but for which accounts perhaps had not been received of a little over $3,000. In addition the Bureau's income from its own activities during the current year, the 1981-82 year, have been considerably lower than the Bureau expected. Partly this has occurred as a result of other tour
operating offices being opened in the Burnt Pine area. As a result of that I drew to the attention of the Members of the Executive Committee the fact that it appeared possible that the Tourist Bureau would on an accruals accounting basis rather than a cash basis, and I should point out that in the past the Board has done its accounting on a cash basis rather than accruals, on an accruals basis the Board may end the year overspent by an amount of $8,000 to $10,000, however I pointed out to the Members of the Executive Committee that the figures had only been in my hand for a short time and it was decided that I should look closely at those figures and that I should report the actual situation to the next meeting of the Executive Committee, and that is what will happen.

MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Brown. Mr. Sanders.

IMMIGRATION - SCHOOL ENROLMENTS

MR. SANDERS: Thank you Mr. Chairman. I direct a question to the Executive Member for immigration.

Are the Ruston children enrolled at school.

MR. BROWN: Firstly Mr. Sanders I do not know that it is appropriate for us to be speaking of particular individuals within the community here today, but in any event I do not know whether those particular children are enrolled at school at this stage.

MR. SANDERS: How long do you intend to discriminate between these children and children of the Public Service. Surely they can go to school pending any arrangements concerning immigration.

MR. BROWN: Mr. Sanders I have on notice a series of questions from you from our last meeting for which answers are presently being prepared, I feel that the answers to those questions will provide the answer that you are seeking at the moment, and it is presently anticipated that those answers will be provided at the next normal meeting of the Assembly.
PUBLIC SERVICE SPENDING

MR. SANDERS: Mr. Chairman I direct a couple of questions to the Executive Member for finance, I would hate him to feel that he was neglected.

Are you aware that the Public Service is spending on an average of $241 per day for every day in the year, more than we earn.

MR. HOWARD: I am not only not aware of it but I think it is quite incorrect.

FINANCES

MR. SANDERS: Mr. Howard are you aware on your balance sheet for the nine months ending 31 March 1982 you show revenue at $2,632,000; you show expenditure at $2,698,000, according to my maths that is a discrepancy of $66,000, it is also an average of $7,333 minus per calendar month which for the other three months from the end of March to the end of June is going to make another deficiency of $22,000, making all in all the $88,000 that I mentioned at the last meeting which you told me was not minus but was plus.

MR. HOWARD: Mr. Chairman I started fishing out my statement that Mr. Sanders was referring to and I was not quick enough to have it while he was reading those numbers, I wonder if I could ask him to give them to me again.

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. HOWARD: He referred to the financial statement for nine months.

MR. ACTING DEPUTY PRESIDENT: Would you repeat the figures please Mr. Sanders.
MR. SANDERS: The total revenue for the nine months from June of last year until the end of March this year was $2,632,000; the total expenditure was $2,698,000, which shows a discrepancy of the balance sheet of $66,000, that is without taking into consideration the other three months from the end of March until the end of June of this year, which on the same average of $7,333 per month, it means another $22,000 is going to be added to that for the deficiency at this calendar year.

MR. HOWARD: I think I see what is concerning Mr. Sanders. If he will interrupt if I am off on the wrong track please. The expenditure for those nine months on the financial indications sheet that I distributed to Members, was not the figure that Mr. Sanders just mentioned, it was $2,544,000, leaving a credit to the Revenue Fund for those nine months of $88,000.

MR. SANDERS: I would like to take the advice of Mr. Howard and interrupt. The $423,000 that has been deducted from the $2,967,000 was for education payments but it was paid in this calendar year so it would have to show in this calendar year. I do not think that we can write off large amounts of money like that against the balance sheet that has already been completed.

MR. HOWARD: I see your line of thinking. There are many different kinds of financial statements and each kind of financial statement has its own uses, sort of like tools in a workshop, you can try to drive a nail into a piece of timber with a screwdriver if you want to but it is not very good for the screwdriver and a hammer works a lot better, you need to use tools properly. Once every six months at least, usually once every three months, the Administration Accountant draws up a full and proper set of accounts in accordance with the cash accounting book-keeping system that the Administration follows. Those come out well after the period is over. The annual financial statements usually come out two, three months after that year is over. If you are thinking of trying to find your way on foot walking from one place to another place, it helps once in a while to have milestones that are stuck in the ground that show you where that particular point is, and those financial statements that the Administration prepare are
a little like those milestones.

MR. SANDERS: Wouldn't they be a little bit like a tram that is going to come around the corner and hit you because you are not looking.

MR. HOWARD: Between milestones, you cannot carry a milestone with you, you better leave it where it was, between milestones you need a compass. These monthly financial indications sheets that I started circulating four months ago, are a little bit like the compass that you use to get between the milestones, they are not consistent with the milestones, it is a different kind of financial report used for a different purpose, now if these financial indications sheets were compiled the way you are suggesting, if they were compiled using the kind of figures you were citing a minute ago, you would find month after month that the cost for education salaries was zero, zero, zero, month after month, well you know that is not so, you know that the school teachers are getting paid and you know we are going to get a bill...

MR. SANDERS: I understand the system Mr. Howard.

MR. HOWARD: If I can just complete. You would then find for the month of March 1982 that suddenly education salaries cost us over $400,000.

MR. SANDERS: It is still the same calendar year.

MR. HOWARD: The purpose of these financial indications sheets is not to give you an audited financial statement or balance sheet as you refer to it for a year, it is designed to show how we are going from month to month as the year progresses, and if those education salaries were included only when we get a massive bill from New South Wales, the statements would be misleading, most months they would show us doing a little better than really we were because they would not include any teachers salaries. These statements have been devised to show how we are going from month to month, they are designed to allow
the Assembly good grounds either for thinking that we are on the track pretty well at the moment or we are slipping behind, we had better tighten up, or things are going very well, we can ease up and be a little bit more generous in allocating money, that is what these sheets are designed to allow you to do from month to month. They are not the same kind of financial statement as the year end, mid year statements that the Accountant prepares but if they were prepared on that basis they would not be as useful as the way they are now.

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. SANDERS: Mr. Chairman taking into consideration what Mr. Howard has just said, nobody seems to be talking about the $180,000 that we are still going to owe for education from the end of December until the end of June.

The question is Mr. Howard are you aware that at this rate if the economy gets no worse Norfolk will be completely bankrupt in approximately two years.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: I do not think the salaries of the school teachers are going to bankrupt Norfolk Island at all, I think that is an expense that we have got to pay, I think we get good value from New South Wales.

MR. SANDERS: I was not referring to the salaries of the school teachers, I was referring to the balance sheet. I would assume that if you have an income that nominates a certain amount of money and an expenditure that nominates a certain amount of money and there is a huge discrepancy in the middle, that for a better word call it a loss, I think to hide it behind things that say it was last years debts or next years debts are not really relevant.

MR. HOWARD: I really think Mr. Sanders is trying to pick up a milestone and carry it along with him and I do not think it is going to show him where to go half between...
MR. SANDERS: The point I was trying to make Mr. Chairman is that I think our Executive Member for finance is misleading the public with the balance. No way in the world can I see that what he is saying is correct.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: I can provide the information in a form that I hope is useful. The impression I have talking with most other Members and with a number of people in the community is that as a matter of fact these sheets are proving to be quite helpful and illuminating about where we are going. If Mr. Sanders finds himself mislead by them maybe he ought to start looking at it the way the rest of the community is looking at it, and I think he will not find them misleading, I think he will find them helpful.

MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Howard. Mr. Jackson.

MR. JACKSON: Mr. Chairman one question following on from that question of Mr. Sanders to Mr. Howard. Mr. Howard you made a statement in the House at either the last sitting or the previous one that if the trend continues we will have a balanced budget at the end of the year, did you say that.

MR. HOWARD: Yes.

MR. JACKSON: That is very encouraging, thank you.

ANSWERS TO QUESTIONS ON NOTICE

DISCRIMINATORY LAWS

MR. ACTING DEPUTY PRESIDENT: Question 1 I understand is directed to Mr. Brown.

MR. BROWN: I do not have the material with me at this stage to
provide the answer to Mrs. Gray's question, this is the question is
he aware of any laws in force on Norfolk Island which discriminate
between persons (a) born on Norfolk Island; or (b) who are descendants
from Pitcairn residents and other persons, and if so could he please
(c) give the names of the laws; and (d) specify the nature of the
discrimination.

The reply to that question has now been prepared but
unfortunately I have not brought it with me. It will be available at
the next meeting.

PAPERS

DIRECTIONS UNDER SECTION 32B(1) OF THE PUBLIC MONEYS ORDINANCE

MR. HOWARD: I am required by the Public Moneys Ordinance to
table copies of directions that I may have given for the transfer of
funds from one item in the money supplied to another item, and I
hereby table such directions that I have recently given.

STATEMENTS

VISIT BY MINISTER FOR HOME AFFAIRS & ENVIRONMENT

MR. BUFFETT: There are two statements that I would like to
make.

I would firstly Mr. Chairman like to confirm in some instances
and advise in others the latest details concerning the visit by the
Minister for Home Affairs & Environment the Hon. D.T. McVeigh.

The Minister will arrive this afternoon in Norfolk Island on
an East-West aircraft, and it is scheduled to arrive here at 3.05 p.m.
The Minister will be accompanied on his visit by Mrs. McVeigh. Also
with the Minister will be Mr. T.F. Paterson First Assistant Secretary
of the Department of Home Affairs & Environment, and Members will recall
that Mr. Paterson served a period of time quite recently as the Acting
Administrator in Norfolk Island. Also in the Minister's staff will be
Mr. Maxwell-Wright who is his private secretary, and Mrs. Cassidy who is his assistant private secretary.

Tomorrow morning at 9.30 there will be a meeting of Members of the Legislative Assembly and the Minister in this Chamber and the meeting will be broadcast on VL2NI and the public gallery will be open.

The Minister is newly appointed to his portfolio and has not previously visited Norfolk Island. Arrangements have been made for him and Mrs. McVeigh to visit the hospital, the school, a horse breeding establishment and also a visit to Philip Island, that is weather permitting of course. You will also realise that the environment is a part of the Minister's portfolio. Should time permit he may be able to be shown some further agricultural pursuits such as the piggery and hydroponic farm. The Minister is also being encouraged to be available to speak with members of the public at some suitable time during his visit. The Minister and his party are scheduled to leave Norfolk Island on the early morning East-West flight, that is about 7.45 a.m., on Saturday morning the 29th.

Mr. Chairman that is the latest detail that has been passed to me by the Administrator concerning the Minister's visit.

MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Buffett. Do you have other statements.

ANNIVERSARY DAY

MR. BUFFETT: I do have one other if I may Mr. Chairman. It concerns Anniversary Day.

Anniversary Day this year Mr. Chairman falls on Tuesday week, that is the 8th of June, and the traditional preparations are being made for the re-enactment of the landing at Kingston pier, the parade along Quality Row of those in costume with ceremonies at the Cenotaph, the cemetery and at Government House, the traditional picnic of course, a cricket match, and a tree planting will be incorporated this year Mr. Chairman, and of course the Bounty Ball in the evening. And I think if we all get through that that will show some measure of strength
and endurance on our part. Visitors to the Island will no doubt find this celebration of some real colour and interest and they too are welcome to bring their picnic lunch and join in the picnic that I have mentioned. As is usual the picnic site will be announced over the local radio station at 8 o'clock in the morning of Anniversary Day.

I mention also Mr. Chairman that the Administrator is traditionally the guest of the community on this day and there will also be Doctor and Mrs. McMichael. Dr. McMichael you will know is permanent head of the Department of Home Affairs & Environment. I will say also that we have been fortunate with the weather for some years and I hope our luck holds in this year Mr. Chairman.

That completes the statements that I do have.

FORMATION OF A PHILATELIC COMMITTEE

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: Thank you. I would like to make a statement on the formation of a Philatelic Committee. Revenue from philatelic operations has come to be Norfolk's largest single source of financial self support, it has grown rapidly in recent years. Some other postal issuing authorities in the world have apparently made a mistake in thinking that they could earn ever increasing amounts of money by printing and selling more and more stamps, their reputations in the philatelic world have suffered just the way a country's monetary reputation suffers if it prints too much money. In order to maintain a high level of philatelic income and at the same time build a steadily improving reputation in the philatelic world, a stamp issuing authority needs to have very sound advice and information, it needs to have a very wise and responsible set of philatelic policies. I believe Norfolk Island's philatelic operations have been extremely well directed and managed in the past and every resident has reason to appreciate the outstanding work that has been carried forward by a succession of Revenue Managers, Postmasters and Post Office and Philatelic officers over the years since the first Norfolk Island stamp was issued. The responsibility on the men and women who hold these positions today is
greater than it has ever been, they are doing an outstanding job for Norfolk Island. To give them a hand in carrying out this vital work I have been able to get agreement from a number of highly qualified people that they will be willing on a voluntary basis to sit regularly as a Philatelic Committee. The Committee will be an advisory non-voting body. It will not remove any of the direct responsibility that the Revenue Manager, the Chief Administrative Officer and the Executive Member for finance have for ensuring that we have sound philatelic policies, in fact the Committee will probably add to our responsibilities because it will subject us to continuous close scrutiny and review. As Executive Member for finance I will chair the meetings of the Committee. Mr. Kevin Williams, the Revenue Manager, will be Deputy Chairman. The other members will be Mr. Ken Cochrane, Mr. Tom Grimshaw, Mr. Gil Hitch and Mr. Baker McCoy. I am sure all of the members, myself included, will welcome and be receptive to any suggestions, comments and information that any resident thinks might help the philatelic programme. On behalf of the Committee I invite such help and on behalf of all residents I would like to thank each of the members of the new Committee for being willing to sacrifice some of their personal time and effort in the interests of the Island.

I have a copy of that statement if it is helpful to the Clerk.

FINANCIAL REPORT

MR. ACTING DEPUTY PRESIDENT: Are there any other statements please. Mr. Howard.

MR. HOWARD: Thank you. I would like to table the usual monthly financial indications statement which has come to my hand in the last couple of days. I have distributed copies to Members. I left Mr. Buffett's on the chair up there.
FINANCIAL INDICATIONS FOR EXECUTIVE MEMBFR FOR FINANCE FOR 3 MONTHS ENDED 30/4/82

FIGURES ARE IN THOUSANDS OF DOLLARS.

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<td>25%</td>
<td>398</td>
<td>20%</td>
</tr>
<tr>
<td>其他支出（除资本支出外）</td>
<td>44</td>
<td>62</td>
<td>45%</td>
<td>256</td>
<td>268</td>
<td>25%</td>
<td>268</td>
<td>25%</td>
</tr>
<tr>
<td>资本支出</td>
<td>9</td>
<td>39</td>
<td>-77%</td>
<td>233</td>
<td>303</td>
<td>-25%</td>
<td>263</td>
<td>-11%</td>
</tr>
<tr>
<td>总</td>
<td>236</td>
<td>320</td>
<td>-4%</td>
<td>750</td>
<td>742</td>
<td>-3%</td>
<td>728</td>
<td>-2%</td>
</tr>
<tr>
<td>收入/支出（或扣除）从收入基金</td>
<td>+67</td>
<td>+9</td>
<td>+155</td>
<td>-172</td>
<td>+155</td>
<td>-172</td>
<td>+155</td>
<td>-172</td>
</tr>
</tbody>
</table>

NOTE: *Revenue/Supply Proportion* is an arbitrary calculation 1/12 of estimated Revenue or Supplied Funds multiplied by number of months to date.

REMARKS:  
实际支出为 30/4/82 为 12,904,000。这是由于实际支付的教育支出。收入目前为 331,000 美元，支出为 -150,000 美元，将很快拨款用于教育，使总支出为 2 年的支出支付，这个财政年度。

This is probably the last monthly financial indications sheet that we will see before we have to vote on the financial Supply Bill and consider the budget for the coming financial year, so in many ways this sheet that you have just got today is the most up to date, the clearest indication that you are likely to have of how this current financial year has gone, that you are going to get until you have to decide on how next years finances should be handled.
The month of April again was a satisfactory month so far as expenditure comparing with revenue. Revenue was ahead of expectations at $303,000. Expenditure was below the plan for the year at $236,000. We therefore in that month of April added $67,000 to the revenue fund. To clarify the point that Mr. Sanders was raising in question time about education salaries, those figures are based on the average cost of education at the moment taking an even cost of about $30,000 a month.

Philatelic revenue continued to hold up very well indeed. Customs revenue fell below the level we had hoped for early in the year. The Bond Store's results were nearly as good as we had hoped they would be at the beginning of the year. I want to say once again that the members of the Public Service appear to me on the basis of these statements to be holding down expenses in many ways and it is very importantly because of their doing that that so far we are in the black and I am happy to say once again the thing that Mr. Jackson asked me about in question time that if the trends that are reflected in these ten months continue for this month and next month we are going to be in the black for the year, we are not going to be behind, and that is something that I am sure we would all like to see.

I table a copy of that financial indications sheet for inclusion in hansard.

MESSAGE FROM THE ADMINISTRATOR

MR. ACTING DEPUTY PRESIDENT: I have to report that I have received a message from the Administrator advising that on 20 May 1982 he assented to the Public Account Expenditure Act (No.4) 1981-82.

LEAVE OF ABSENCE

MR. JACKSON: Mr. Chairman before we proceed, I have noticed that one of the Members, Mr. Greg Quintal, is absent and it has been drawn to my notice that he is sick. I would like to move that he be granted leave of absence from this meeting.
MR. ACTING DEPUTY PRESIDENT: Is leave of absence granted. (Leave granted).

MR. HOWARD: Mr. Chairman could I without notice move a quick vote of sympathy and get well quick to Greg on behalf of the House.

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

ORDERS OF THE DAY

SUBMISSION BY CHAMBER OF COMMERCE ON CUSTOMS DUTY

MR. ACTING DEPUTY PRESIDENT: Order of the day No. 1, Mr. Brown to resume - Submission by Chamber of Commerce on Customs Duty.

MR. BROWN: Thank you Mr. Chairman. At our last meeting a submission was tabled from the Norfolk Island Chamber of Commerce in relation to our proposed review of customs tariffs. Other documents were also tabled. Today Mr. Howard will be tabling a submission which has been prepared by the Norfolk Island Public Service in relation to the same matter.

Many members of the public were deeply disturbed at the method of presentation of the Chamber's submission by Miss Buffett at our last meeting. I spoke of this at our last meeting and I do not propose to repeat what I said then, in fact I am sure that Miss Buffett did not mean anything by the manner in which the submission was tabled and that certainly she did not intend to insult in any way the efforts which had been contributed by the numerous members of the Chamber of Commerce who put work into the preparation of that submission.

I have received a letter from the Chamber of Commerce dated 25 March 1982. It may be relevant for me to read this letter, although perhaps I have covered many of the problems raised in it in what I have just said -

"Through you the Chamber would like to express its concern at the absence from presentation during the tabling of the Chamber's
submission on review of customs tariffs of the basis, parameters and summation of the submission. In being presented in part an impression was given that the thrust of the Chamber's submission was purely to penalise the local residents. We would point out that the Chamber is a community minded body as evidenced by its continual support, along with other sections of the community, of the Island's many fund raising events, raffles etc, and its membership involvement in the Island's Service Clubs, Lions Rotary, Quota and others, all of whom greatly assist the community. It should also be remembered that in seeking to stabilise the commercial section of the economy the Chamber is also endeavouring to ensure continued employment for those members of the community employed in the commercial sector. The Island has greater expenditure to meet than in the past. It has its own Government to fund, broader social services to fund, more roads to maintain and so on. Larger expenditure has to be matched by larger contribution. As was pointed out at the last Assembly meeting Norfolk Island should primarily be regarded as the home of its residents and not primarily as a tourist resort, therefore is not unreasonable that a proportion of the additional funds needed should come from those who live here and not just from the tourists. The Chamber's submission was put forward for serious discussion and a two way exchange of views. It does not claim to be the best possible answer and it does not give the philosophies or reasons behind the recommendations made. It was a beginning and most benefit from it would be obtained by discussion of it and other submissions firstly between the various parties involved, for instance with the financial arm of government, the planning arm, the Collector of Customs from the point of view of practicalities, representatives of the social services arm and the Tourist Board, for input from those bodies on the effects on their areas of interest of this or any other submission. Discussions between these bodies and the commercial sector would have allowed well rounded representative views to be taken by the Executive Members to the full Assembly for all the various submissions to be discussed on behalf of the whole community. To avoid any misunderstandings we seek your assurance that all submissions will be aired fully to achieve presentation in their correct light".

Mr. Chairman I would table this letter and I am sure that all the
Members would like to assure the members of the Chamber of Commerce and all those others who have put work into the preparation of submissions in this area that the submissions will be aired as fully as possible today and that those matters which have been put to us will receive consideration and will be discussed.

I know that Mr. Howard would like to table the submission prepared by the Norfolk Island Administration as soon as possible and perhaps I should allow him to do so at this stage.

MR. PRESIDENT: Mr. Howard.

MR. HOWARD: Thank you. I table this submission. The Members have all received copies of it. It was a submission in the first instance marked confidential by the Chief Administrative Officer to the Executive Committee. The Executive Committee at its meeting on Monday considered the submission, decided that in the light of this meeting to be held here today of the full Assembly that the Executive Committee should take no stand one way or another on the submission. While it was given to us as confidential the fact that we have given copies to each Member of the Assembly I think puts it in the hands of all of them for use in any way that they think is proper.

I table that submission.

MR. PRESIDENT: Thank you.

MR. HOWARD: I might add one or two other sort of background aspects of the situation.

Last year and the year before the budget for the forthcoming financial year was introduced at a meeting in the first few days of June, was allowed to lie on the table for two weeks and then at a meeting in the middle of June was voted on. For various reasons there has been a delay in the preparation of the budget this year. It appears that the budget will be presented at a meeting in the middle of June, left to lie on the table for two weeks and then voted on at a meeting at the very end of June.

The discussion that we will have today will be in terms of the motion that Miss Buffett made that these various submissions be
considered and noted and no concrete action is planned to decide what submission if any, is the best, or what rate of duty is right or what should be free or so on. I hope that there will be very specific, very definite comment made by all Members around the table today. In the light of those I think I as the Member you have made responsible for finance will have to work with the Accountant, with the Chief Administrative Officer, with the Legal Adviser, with the Legislative Draftsman, the Collector of Customs, with other Members, with members of the community, and try to compile what appears to be a workable overall proposal for a new Customs Bill, a new customs proposed law. I think clearly the time has come for such a law, it should not be rushed into preparation in a way that risks careless legal drafting. I am hoping it can be drafted and put to the House as early as the meeting at the end of next month, the end of June. I hope it can become law at our next meeting after that.

That is some background I wanted to give Mr. Chairman. I am not going to take any very hard and firm position myself as Executive Member for finance on the discussions we will be having today, I am going to be mainly listening to see if I can get a sense of what it is the membership wants in its new customs law.

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

MR. BROWN: Thank you Mr. President. I have taken note of what Mr. Howard has said. It would seem that there are some questions which Mr. Howard would clearly like the Members to address themselves in addition to discussing in general the various submissions. Perhaps I should run through some of these questions so that the Members will if possible be able to address them.

Firstly should the new customs schedule be designed to raise the same amount of total duties as the present schedule would or should we be aiming at lowering the amount of total duties and making up the shortfall with other kinds of taxes or by cutting expenditures. Is a duty on food acceptable or not. With a rise in pensions to cover higher food costs would a duty on food then be acceptable. Should bigger cars be charged higher rates of duty than smaller cars. Should duty on petrol be higher than it is now or the same or lower. It appears that even if
there were no duty on liquor or cigarettes we would not be able to completely match mainland duty free prices for these items. Should we reduce our duty on these items to try to get closer to those mainland duty free prices or should we be satisfied that Norfolk prices are well below mainland retail prices. Which specific items should be totally free is another question that we will need to address. Perhaps if I could make some comments on the submission put to us by the Norfolk Island Chamber of Commerce. This is a lengthy submission. No doubt all Members have by this stage had the opportunity to carefully read and consider the whole of the submission, and to clear up a few uncertainties that may have remained from the brief discussion at our last meeting I might remind Members of some parts of the Chamber of Commerce submission.

Firstly in speaking to the matter of whether there should or should not be duty on foodstuffs and groceries, the Chamber's introductory paragraph read - "The Chamber's view is that most Island residents would be prepared to accept some responsibility for their costs of living and towards their community. As we all here are free from the burden of personal income tax the Chamber's view is that the most equitable method of making this contribution is through duties on our requirements on a 'user pays' basis. This method of contribution ensures that each person pays according to means".

When discussing foodstuffs the Chamber commented - "On the basis that there are few indirect imposts placed on those who live in Norfolk Island the majority of the Chamber were of the opinion that food should attract duty, however" - and I should stress this - "it recognises that it is a many sided question and accordingly three different appraisals for consideration are presented", and the Chamber's submission goes on to do this.

Miss Buffett made mention last week of the income generated by the philatelic bureau and bond store. The Executive Members of the Chamber of Commerce have asked me to point out that in no way did the Chamber imply or intend to imply that customs duties were the sole or even the major source of Norfolk's funds. The excellent revenue raised by the philatelic bureau is a separate question and is certainly vitally important to the Island's revenue. The bond store and the revenue raised through it are recognised in the Chamber's submission and
received in fact special comment, but in any case much of the bond store's revenue is from tourists and this was the point being made by the Chamber, that is that a high percentage of the Island's income in one way or another comes from the tourists. This point is made more than once in the Chamber's submission.

There was discussion at our last meeting of the term essential foodstuffs. The Chamber in fact in its submission has listed what it regards as essential foodstuffs. The list does appear to be reasonably comprehensive but it certainly excludes exotic foodstuffs and it has taken some care to ensure that what it terms essential is really essential rather than fancy smoked salmon or international french cheesecake for example.

The Chamber has been keen to look very carefully at the question of simplifying the whole system. Our existing legislation and tariff schedule does cause a number of headaches for our customs officers and for those who are importing goods into Norfolk Island. For the sake of both the customs officers and the importers if we can simplify that system and remove those difficulties we should do so. However the Chamber recognises that the question is not simply one of making the paperwork simple for the importers and the customs officers, the Chamber has recognised that there is also the very serious question of economics. The Chamber has been aiming to find an answer which encompasses both the aspect of simplifying the system and the aspect of its economics.

The attention of the Members was drawn at our last meeting to two of the recommendations of the Select Committee Inquiring into Tourism. The first of those was that we should recognise tourism as the basis of the Norfolk Island economy; and the second was that we should ensure that all of our policies regard Norfolk Island primarily as the home of its residents and not primarily as a tourist resort. In fact on page 1 of the Chamber's submission they have said - "The Government and the Chamber accept that the Island's economy is based on tourism and that that economy is being jeopardised by the downturn in tourist numbers, in fact the Chamber's submission is based on the first recommendation of the Legislative Assembly's Select Committee Inquiring into Tourism."

With regard to the second recommendation, that is that the policies should regard Norfolk Island primarily as the home of its residents and
not primarily as a tourist resort. The Chamber's submission has not attempted to really deal with the question of the Norfolk Island lifestyle or whether tourism should be the basis of the economy or should not, the Chamber's submission has attempted to deal with the situation and with the facts as they stand at the present time and those facts at least at present are that a large proportion of the Island's income both direct and indirect is earned through tourists and tourism and the Chamber believes that until there is an alternative source of income to the Island that income must be protected.

The Chamber of Commerce in its letter that has been tabled today has sought to remind Honourable Members that the Chamber is a community minded body and that this is evident by its continual support along with other sections of the community of the Island's many fund raising events, raffles etc, and its members involvement in the Island's Service Clubs. It should also be remembered that in seeking to stabilise the commercial section of the economy the Chamber is also endeavouring to ensure continued employment for those members of the community who are employed in the commercial sector. The Island presently does have a greater expenditure than in past times, certainly it has to fund its own Government, it has to fund broader social services, more roads to maintain and so on. Larger expenditure has to be matched by larger contribution, and the Chamber of Commerce has submitted that this is something which should be contributed to by the people who live here as well as by the tourists. The Chamber stresses that the money cannot simply be manufactured. Again the Chamber of Commerce in its letter which was tabled today has acknowledged that the Chamber's submission was put forward for discussion and that it did not claim that this submission represented the best possible answer and that it did not give the philosophies or reasons behind the recommendations made.

Mr. President the submission of the Chamber of Commerce, the submission from Mr. Cuthbertson and the submission tabled today by Mr. Howard which had been prepared by the Norfolk Island Administration, are all quite lengthy submissions but perhaps for my own part if I could run through the questions which I raised earlier and provide Mr. Howard with my impressions of what the answers should be.

Firstly I believe that the revised schedule should be designed to raise the same amount of total duties as the present schedule raises.
I do not think that it is appropriate for us to lower the total amount of duties and then attempt to make up the shortfall by imposing some other form of tax on the community or on the tourist, and although we must always be careful that we keep our expenditures to a minimum, I do not think that it is appropriate to look towards a reduction in the total income from customs duty at the expense of having to cut our necessary expenditures. Personally I find a duty on essential foodstuffs to be unacceptable. I do not feel that it is appropriate to impose such a duty on essential foodstuffs and to then take the view that we can correct any problems by simply increasing the social service payments. That may go some of the way towards solving the problems of those in receipt of social service benefits but it would certainly not assist the every day working man and this Island has many of those men and many families I feel would be suffering especially under the present economic climate if we unnecessarily increased the cost of their essential food items. Cars are a subject which will no doubt raise considerable debate today. I feel that we should be encouraging car owners to keep their existing vehicles for a little longer rather than suffer the financial drain of funds leaving the Norfolk Island economy in order to purchase motor vehicles from overseas. There are reasons for larger motor vehicles to attract a larger duty than small vehicles. Just as we want to preserve as much of our funds as possible by encouraging car owners to keep their cars a little longer, I feel it desirable that we encourage the conservation of petrol and in fact all types of fuel. If this can be done to any extent by having a slightly higher duty on larger motor vehicles then this would be fine, however when we look at the question practically I feel it likely that we will decide that the additional revenue generated would be quite small and that if someone could afford a bigger car and wanted a bigger car they would buy it no matter what duty we put on it. The question of duty on petrol is again a difficult question. If we can encourage people to walk the length of Burnt Pine rather than drive, to ride a pushbike or ride a horse or to perhaps not make unnecessary trips in a motor vehicle, then there may be community benefits in this and for that reason I am not totally opposed to the duty on petrol remaining as it is now or being increased, however I do
accept the point which will no doubt be made that this may effect the lower income earners and this would have to be carefully considered. I have had figures provided to me in relation to the result of total removal of duty on cigarettes, and I have had some figures presented to me in relation to the result of total removal of the duty on liquor. I believe that many of our visitors use the price of cigarettes and liquor as a barometer in assessing their idea of the value of shopping in Norfolk Island. It is believed that many of the duty free stores on the mainland put cigarettes and liquor out at cheap prices as a come on to make the duty free shoppers feel that the value in the remainder of the goods in the duty free store must be similarly exceptional. I acknowledge that to totally remove the duty on liquor and cigarettes would not necessarily enable us to totally match the mainland duty free store prices but if we can even get to within 50 or 60 cents of those mainland prices, that is mainland duty free prices, then I can see that there could be benefits in totally removing the duty on liquor and on cigarettes. The Chamber of Commerce in its submission has provided a list of items which it has recommended for classification as free items and I would support each of the items which has been there recommended as free, in addition to that I would support as I have already said, the inclusion of essential foodstuffs, liquor and cigarettes.

Thank you Mr. President.

MR. PRESIDENT: Mr. Howard.

MR. HOWARD: Thank you. It occurred to me after I had tabled the Public Service submission that I had really said nothing about it, and the community knows nothing about it on the whole, and I thought I should say a few words, I cannot do it justice in a couple of minutes but I will try to give at least the outlines of it.

Basically it responds to the same feeling that seems to be very widespread in the community that the customs schedule is too complicated and that if we could come to one flat rate of duty with as few exceptions higher or lower as possible, that would be a good thing.

The submission from the Public Service is worked out in I would say more legal detail than submissions we have had from others and of course that is only appropriate because it has been drafted in part by
the Legal Adviser and by the Collector of Customs who knows the legalities of the requirements of a customs law. The magic number if you like, the basic rate that is proposed in this submission is 6% duty across the board. The list of items that they suggest be duty free is quite extensive, it includes live birds and animals, grain and other imported feed, manures and fertilisers, seeds, bulbs, flowers, plants, shrubs and trees, all foodstuffs, medicines, spectacles, printed matter, books, magazines, periodicals, trophies, anything for horticultural and agricultural purposes, propane and LP gas; that is basically the free list that they propose. I would like to make the point that as I understand it this submission is not put to us by the Public Service as saying this is the way we think it has to be, say yes or no, I think the Collector of Customs certainly, and I believe the CAO as well, take the view that this is their contribution to the discussion we are having today, I think they see this as their chip in to the problem of how we can get a better customs law. Essentially it is not radically different from what the other submissions are saying, lets simplify the schedule, lets have as much as we can a single rate of duty and lets clarify the problem of deciding in what category something falls.

I thought I should make those few remarks.

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

MR. JACKSON: Just one question to Mr. Howard - they also claim that there is to be no duty on foodstuffs.

MR. HOWARD: That is one of the free items that they propose.

MR. JACKSON: That is right, thank you.

MR. PRESIDENT: Further debate Honourable Members. Mr. Jackson.

MR. JACKSON: Mr. President. I would say to Mr. Brown when he stated that the Chamber did not consider that Miss Buffett insulted them, it is not my intention to insult anyone here this afternoon, even if I
disagree I will speak out against the submission and I do not consider that as being insulting, and if I did speak out and be critical of a certain submission, it is not being done in a factious manner. I will propose an alternative to be considered by the Member responsible for customs. The submission that seems to be dominating in the minds of Members at present is the one submitted by the Chamber of Commerce.

Now firstly I would like to state that I strongly oppose that submission that has been presented by the local Chamber of Commerce. This submission appears to me as a do it yourself kit for a consumer price index, and the architects of this submission is the business community of this Island, as a matter of fact the advocates of this submission have claimed that it was compiled by the average working class person. Now I am aware who compiled this submission, who the ones responsible were but I am not prepared here in this House to state names, however you can rest assured that maybe they may be working class citizens but I am certain that their income is well in excess of the average working class person. I am aware that customs duty on certain items is high, such as item 15 of the Customs Ordinance - watches and clocks - which represents a 17% duty, and to those persons who have complained about this high duty, I consider their complaints justified. However what I do not consider justified is the Chamber's recommendation in schedule 3 of their submission that there be a 5% overall duty on all food and grocery items, and may I add that at present there is no duty on food, therefore with shipping freight charges up 6% on the arrival of the Ille du Lumiere on the next visit and no price control on food, no control on mark ups, the Chamber has also proposed a 15% duty on petrol, an increase of 6% on present costs, carters will certainly increase their cartage rates because of higher fuel costs, therefore could we just imagine what would the Chamber of Commerce proposal of 5% on all food items add to the average working man and his family, the low wage earner, the people on fixed incomes, let alone the senior citizens and the pensioners, their food bill will escalate.

Let us examine as I see it the reason for this proposed 5% duty on food. The Chamber is really asking the community to financially contribute so as to prop up the shops that are feeling the pinch because of the decline in the number of tourists. I suppose we could all name a number of reasons and various reasons for this decline. The main reason suggested being because of high airfares by East-West, and I agree
on that point. The shops that sell to the tourists claim also that high customs duty is effecting their trade because tourists can buy goods cheaper in their homeland. There was talk in the boom years that the shops would price themselves out of business because of their high mark ups, it has also been suggested that there are too many shops, it has also been suggested that too many shops are selling the one tourist item and there are not enough tourist dollars to share around. In the First Legislative Assembly it was suggested that a freeze or some sort of control be placed on the number of shops to be built in the Burnt Pine area, and the results of discussions finalised that the people in that area would find their own level, well I guess that is exactly what has happened, it has found its own level. It has been suggested that there is a world wide downturn in the tourist industry, especially within our own area the South Pacific region, however whatever the reasons are the Chamber of Commerce has no right to impose a higher cost of living on the people of Norfolk Island, especially those, and I repeat especially those who have absolutely nothing whatsoever to do with the decline in tourists, and they are our senior citizens who have lived here all their lives or most of it, and they will be the hardest hit if a 5% duty is added on to their food bills. Many of the shop owners have purchased their businesses quite recently and no doubt their returns are not as rosy as they would like them to be, they have bought their business at a highly inflated price and the unaudited books are not what they are printed to be, and to maintain their margin of profit customs duty is recommended to be reduced and the difference to be made up by imposing a 5% duty on food. Well Mr. President I strongly resist this proposal. Let me say that some of the shop owners have openly admitted that they have only bought their business as a means of gaining entry into the Island. With what I have heard from those in the real estate trade is that there are between 15 to 20 businesses up for sale on the Island, some are in serious financial difficulties. Are we to be asked to prop them up till things get better. Let us now have a look at the last Norfolk Island Annual Report of 1980-81 and examine the value of some of the items which are sold mostly to tourists, we will find the major tourist attraction was clocks and watches, the total imports of those two were $319,955. We come down to apparel and attire, clothing, the total value of those imports was $1,175,895. We come down
to footwear, shoes, the total imports of that particular item was $692,620. We turn now to cameras and photo goods – those two combined had a total value of $380,000. We come to radios, record players and tape recorders, there was a total value of $510,347 on those. We come to cosmetics and perfumes, it has a total import value of $307,000. We turn to the last item of jewellery, it had a total of imports of $656,424.

So therefore Mr. President now with a modest mark up of 50% on all those items it means that someone has and is still making a lot of money. Therefore Mr. President I do believe the time has come when we will have to look at a more realistic method of raising revenue. By asking the low wage earner and the pensioners to pay the same as millionaires and the wealthy is not a fair system. I have made references on many occasions Mr. President to the feasibility study into the affairs of Norfolk Island in 1978 by Professor Gates and Professor Treadgold. Unfortunately their study was never completed. However they both presented tentative reports. Professor Gates stated in part of his 41 page report, and I quote from that, he said "the average Norfolk Island wage earner is somewhat financially better off than the average Australian wage earner". Well we know the average wage earner in Australia in 1978 was receiving $234 a week, we also know that in 1978 no Norfolk Island worker was earning anywhere near $234 a week. Therefore once again there has to be on Norfolk Island some very big income earners for Professor Gates to say that we are better off in average earnings than our Australian counterparts. Professor Treadgold's report was taken from the resident population from age 15 years and over by their stated income in the Norfolk Island Census of October 24th 1978, and he extracted his census papers of 1290 residents who stated their annual income and these are his findings as at 24th October 1978. We find that there was a total of 100 persons who earned between $1 and $2,000 as their income for the year of 1978. We find that there were 242 persons who earned between $2,000 and $4,000 in 1978. We find that 213 persons earned between $4,000 and $6,000 in 1978. We find that 198 persons earned between $6,000 and $8,000 in 1978; we also find that 141 persons earned between $8,000 and $10,000 in 1978; there were 130 persons who earned between $10,000 and $14,000 in 1978; and on the Island in the census produced by Professor Treadgold we find that there
were 37 persons who earned between $14,000 and $18,000 in 1978; 33 persons earned between $18,000 and $25,000 in the census of 1978; we find that 7 persons earned between $25,000 and $35,000; we find lastly, 15 persons earned $35,000 and over in 1978. The largest proportion of those 1290 residents that the census was taken from, no income was stated by 175 persons, so therefore Mr. President it seems that in 1978 there was a great degree of large income earners on Norfolk Island.

Now with all the other submissions to be considered I would recommend why should we not examine the possibility of exempting all imports on all goods of duty and make Norfolk a duty free Island using the figures of Professor Treadgold as a basis to recover the amount lost in customs duties in a 5 or 10% tax on income, and may I state it must be on income, otherwise I would not support the proposal. If we look at the total incomes stated by the 1290 residents in 1978 and examine the returns on a 5 or 10% income earning, we would find that the total annual earnings of the 1290 residents was approximately 9 million dollars. Taking into account a 10% inflation rate for each year from 1978 to 1982, that figure represents 13 million dollars. Now I have stated that we should be looking for a more realistic method of assessing revenue to replace the customs duties, if we look at a figure of 5% on the 13 million dollars on todays figures we would find that 5% would bring in $650,000. If it was a 10% levy it would bring in 1 million 300 thousand dollars. So therefore Mr. President I have put before the House an alternative submission that I wish to be considered because I realise that unless we have something realistic to encourage the tourists to come to our Island by propping up this and cutting there and placing something else elsewhere, we will not get the incentive to get them here. We must be bold and have an incentive and also we must have the means of recovering the revenue we would lose.

In conclusion may I congratulate the Administration on their submission, and they are to be further commended because their submission, like the respect that I have paid to the people of Norfolk Island especially the low wage earner and those on pensions and our senior citizens, they did not attempt to place any duty on foodstuffs.
MR. PRESIDENT: Mr. Sanders.

MR. SANDERS: Mr. President, on reading all of these submissions they all ask for simplicity, I have one here that is simplicity in itself, as a matter of fact it takes up six hand written lines. I would suggest a flat rate tariff of 6% with no exemptions other than for anything medical. I would suggest a duty to be applicable on motor vehicles being 1% for every 100cc's or part thereof; and motor cycles at 2% for every 100cc's. Petrol could be as high as 20%. On this basis the user pays. I think the days of trying to bleed it out of somebody else so somebody else can have something for nothing is finished. I believe on this basis everybody is contributing. On the 6% overall tariff, apart from the petrol and motor vehicles, on the figures that were in the Administration's submission I think that they would wind up with a little bit more revenue than what they are anticipating this year and 6% would not be a burden on anybody. I do believe that this 6% while it is simplicity in itself, is a very easy alternative to income tax. Locally produced goods would not have any duty on them at all, any extra burden on the elderly would be almost non-existent but if it did it could always be reimbursed via the social services system.

MR. PRESIDENT: Thank you Mr. Sanders. Mr. Christian-Bailey.

MR. CHRISTIAN-BAILEY: Thank you Mr. President. It is encouraging to see the strong interest and awareness in the community on this issue of customs tariffs and we have before us today three well thought out submissions and recommendations. Firstly from the Chamber of Commerce, one from a member of the business community, and the third one from the Administration. All these bodies are aware of the basic needs and problems, and we can be guided by points in each. We hope that after the deliberations of today a clear picture will emerge which will enable the Assembly to get on with the job of drafting legislation which will benefit the whole community. What we need is obviously new legislation which will firstly greatly simplify the old system and remove the many anomalies existing. This should not only make our customs procedures work more smoothly but hopefully will improve the image of
the customs office which has suffered so much recently because the whole system was difficult to work with. Secondly any new legislation in my view should provide protection for the tourist industry and enable us to maintain or regain our status as a duty free or low duty port. This means that the duty must be lowered on many typically tourist lines. It is my view that liquor and cigarettes should be included in the free or at most low duty category. It is my strong belief that visitors and travel agents use the price of liquor and cigarettes as a yardstick on duty free shopping in assessing whether or not Norfolk is a good place to shop. In recent years our image in this regard has become somewhat tarnished and I believe this is due in no small measure to the very high duty borne by liquor and cigarettes. A low duty in typically tourist lines will once again be a strong incentive for visitors to come here and on their return home advise their friends that Norfolk is still the best place for duty free shopping. Thirdly Mr. President in any review of tariffs we must ensure that our revenue is still maintained at a satisfactory level. If we are to take some of the burden away from the tourist and those directly servicing the tourist industry then it follows that the whole community is going to have to shoulder some of the load. The simplest and fairest way of doing this is to place a small duty on foodstuffs and basic commodities and in this way all sections of the community will contribute. There will undoubtedly be protests about this but it has to come, there is hardly a person on Norfolk Island whose income and standard of living is not influenced by the healthy state or otherwise of our tourist industry, nor would there be many people who do not deep down appreciate the facilities and amenities we now have on Norfolk Island. If we are not prepared to dig into our pockets a little we may well find there is nothing there. There could be no funds to pay our pensions and many people may well lose their jobs, tradesmen, public servants and business people alike. We on Norfolk Island enjoy excellent education and health care services, for the most part we now drive on well tarsealed roads and enjoy recreation facilities that are being improved all the time, we have a subsidised stock improvement programme, a good library, a radio station, excellent electricity and telephone services and for many of these things we personally contribute very little. We should also
remember that thanks to the tourist industry the local people have the facilities of a good shopping centre and a frequent transport service to the mainland. The only alternative as I see it is personal income tax. As well as being difficult and costly to collect this would place a far greater burden on all income earners, the costs would also be passed on to our visitors and another of Norfolk's traditions would be gone. I spoke of a low duty on foodstuffs, even a 5% duty would not mean an increase of 5% on food costs. The Chamber recommends that this levy be made on invoice costs so that we are not then paying duty on our already freight costs nor on the retail mark up. It is my view that a 5% duty on invoiced costs of food is not unreasonable. This rate could mean as little as between $30 and $50 extra in a year to a family. Food is not the only item. I would strongly recommend a high duty on high powered vehicles, on petrol, television sets and similar luxury and non tourist type articles. I feel we could also sustain an increase in confectionery and soft drinks and in books and magazines, even so it may be that our total revenue will be a little less. I predict that we will make up some of this in increased turnover in many tourist items. Meanwhile we should be looking at other ways of raising revenue and giving both the business sector and the private sector the opportunity of contributing to the promotion and upkeep of Norfolk as a tourist destination and as a viable community paying its own way. Meanwhile I commend the considerable thought, initiative and sense of responsibility shown in all these submissions and hope that we as a Government will set about in a business like way to produce a piece of legislation which will remove some of the problems we face and help in our tourist industry.

Thank you Mr. President.

MR. PRESIDENT: Thank you Mr. Christian-Bailey. Mrs. Gray.

MRS. GRAY: First of all Mr. President may I applaud and support Mr. Christian-Bailey's statement. Perhaps I could address it in more philosophical terms than specifically as has been done here already this afternoon. The question as I see it is whether or not we are trying to assist the economy of Norfolk Island as a whole by making shopping more attractive for visitors or are we trying to raise revenue to support an
ever increasing public expenditure. Unless there is some incentive offered to free enterprise we are going to be in more trouble than we are already. Visitors are not buying with the argument that they can do better at home, admitted on some items they probably can. Therefore retailers are not purchasing stock, collection of duty is falling, therefore available revenue is falling which probably means that expenditure should be cut and that in turn indicates that jobs will disappear. There is a justifiable argument for an across the board duty in terms of simplification but I do not believe that that is the sole purpose of this exercise, we seek to achieve three goals. I see them in this order of importance - (1) an increase in the attraction of shopping for visitors and thereby attempting to consolidate the industry which currently supplies probably about two thirds of the public purse revenue; (2) a reasonable rate of duty to provide a share of the revenue raising activities; (3) a simplification of the system in terms of man hours for estimates and collection of duties and that is across the board both in the public service and the private sector, and it appears to me that it is not possible to reconcile completely those three points without compromise. To make shopping more attractive we must reduce duties, to raise revenue we need to maintain or even raise those same duties and to simplify the system we seek an across the board levy. Taking the points in order of importance as I see them, I support a simple mix of duties, that is percentage duties, and I seek the lesser duty on the greatest number of items. Just a couple of additional points, perhaps if one does not tax foodstuffs and other local consumption goods, how can it be said that the residents are sharing the burden of revenue raising, surely it is idealistic to hope we can get off scott free, however if the Executive Member for finance can arrange some way that we can do it, I will be more than happy to support him.

MR. JACKSON: You have got tax.

MRS. GRAY: If I may reply to the interjection, it is generally considered that raising of taxes probably costs about 30 to 40% of them. If I may continue. I wonder upon what goods which are for local use is duty acceptable. Is there a serious suggestion that the tourist industry
shoulder the full responsibility for our financial wellbeing, and perhaps in reply to Mr. Jackson, you may know who compiled the submission of the Chamber of Commerce however I suggest that you do not know with any degree of accuracy who was called upon to contribute to the statements made in the submission.

MR. JACKSON: Perhaps Mrs. Gray might inform the House.

MR. PRESIDENT: Order.

MR. JACKSON: I may be wrong in my assumptions.

MR. PRESIDENT: Order Mr. Jackson.

MRS. GRAY: Also Mr. Jackson there are as I understand it already duties levied on foodstuffs, some foodstuffs, the Chamber’s submission recommends a reduction on some of those items I believe. Finally I am a little mystified as to why you thought statistics from an outdated census for some of your remarks, they may still hold good but I am curious, the new one is available.

I do not think I can add anything to that Mr. President.

MR. PRESIDENT: Thank you Mrs. Gray. Miss Buffett.

MISS BUFFETT: Mr. President as far as I can see my motion has produced the desired effect. The submissions that have come to hand have been openly discussed, and I commend the efforts of all the people who have communicated with the Assembly by submission and I know that considerable time and effort have been spent in the production of such well presented data.

In their basic points the Chamber of Commerce wished the Government and the Chamber to accept that the Island’s economy is based on tourism and that that economy is being jeopardised by the downturn in tourist numbers, that the duty paid on tourist orientated imports form a substantial part of the Island’s direct revenue, that adverse prices on tourist goods has damaged Norfolk’s economy and partly contributed to the decline in tourist numbers. I wish to point out at
this stage before I proceed that in no way in my comments on the introduction of the Chamber of Commerce submission was there any indication on my behalf of insult, and I do not think there are any words that can be put together to indicate that. I am very aware of the work that goes into this kind of thing, but I am not bound to agree with the principles that have been put forward and I shall explain my differences of opinion with those of the members of the Chamber of Commerce. I accept the view that a major portion of the Island's economy is presently based on tourism, what I cannot accept is that the so called outdated 1913 Customs Ordinance is so greatly to blame. I agree that the Customs Ordinance should be amended for clarification and for levy adjustments and I congratulate those who have taken the initiative to jolt a commencement of proceedings. I will emphasise however my determination to see that fairness to all the community is not jeopardised by the type of tariff the Government imposes. In case anyone misunderstands what I mean by that, let me say that I will not agree to any proposal by anyone that will add burden to those members of this community who already have the heaviest prime cost financial responsibilities, hence I will not agree to a levy on food, 5%, 6% or 7% across the board does not sound like much of a burden especially when the Chamber has shown their consideration for local pensioners by suggesting that the Government increase pensions by $1.11 per week if a 5% overall food levy is imposed, these are only suggested figures by them. With prices of petrol and cars up suggestedly at 6%. In the second option they have a 2% levy on essential foodstuffs and 5% on all other groceries, and an increase in petrol etc, and the example recommendation is 78cents a week increase. Then with essential foodstuffs free of duty, and 5% on all the other food and grocery items the Chamber's submission recommends an increase to pensioners of 43cents. A flat rate increase of say 5% on basic essential living costs would necessitate a 5% increase on the pension which would result in the required figure of $2.60 per week. We cannot impose a cost of 5% and only give them an increase of 0.15%. The Chamber would recognise that considerable adjustment is required in their sample figures on the basis of that principle that I have just put forward, and omitted by them in their submission.

I now turn to the family man feeding say 4 mouths on one wage
clothing those four people, two of them requiring frequent new sets of clothes because they are growing, paying for a dwelling place to house them, paying approximately $17.50 a week health insurance for M.B.F. cover, or $9 a week for Southern Cross, geared to suit local conditions only or mainly, paying for a car and petrol and car repairs, which are essential prime cost items on this Island with no public transport and the percentage of duty on them for private use is high enough already, I have not even taken into consideration the standby emergencies some desire to have on hand in case of overseas medical emergencies. It is our duty to conscientiously and lovingly not grudgingly look after the interests and wellbeing of the senior citizens of the Island by whose life long respect for the god given resources of this their homeland we are now able to watch visitors from all over the world admire. Tourism is an industry in our homeland and I hope that no more steps will be taken to turn the homeland into simply a tourist resort. It would be a pity if we had a continually complaining section of a normally healthy community. The very same people who have lived here and who make up the community know and honour their responsibility to contribute to the wellbeing of Norfolk Island and its people, not just the financial wellbeing as in the shallow concept of profitability, but in the brotherly love wellbeing as can only be understood by those who have lived and dwelled amongst the people of this Island who not only sing the words of the biblically inspired Pitcairn Anthem but live its every word and principle in their daily lives. We must never overlook one unchangeable fact, that the atmosphere or feel and soul of a place will always draw more people back and the more they come back the more they will talk about it. Our clean fresh air and peaceful and tranquil scenery are our most valuable resources to tourists as well as to residents. The commercial enterprise of investing ones money in importing to this distance what one hopes the tourist will buy is a very unstable and risky enterprise these days with instability of world affairs. My observances over the last year have caused me to question the wisdom of the present government policy that there be no numerical limit on shops. So many people have started up similar competitive businesses in the last few years that I fear the policy will backfire to the detriment of the entire resident community. The detriment would be evidenced by a situation where there are far too many shops of the one
type solely servicing a fickle industry over which we have practically no control, so that when there is a decline in this industry the tourist type stock sits as dead money unless the stock is transferred to another market place to where tourists are transported far more economically than they are to here. The cost of transportation to and from Norfolk Island be it of people or cargo of any description has always been the underlying cause of temporary spasmodic commercial activity and as far as I can see this cause remains. I would like to see customs duty imposed for the purposes of protecting and fostering local industry as well as duty being imposed for revenue purposes. I think the time is overdue or if not overdue the time is right now to give strong consideration to duty for these purposes while we have this matter under discussion. It is my opinion and it is a fact that the flat rate proposed by all these submissions strike at the lower income earner in that $2.50 or 5% of $52.00 as is say currently the pension rate, 5% of that income, is much higher than 5% of the person earning $500 a week or $1,000 a week or more and I think if there is going to be a demand that the community pay more than they are paying, that they be called upon to pay proportionately which is the only fair method in my estimation, and I would support Mr. Jackson's proposal of a levy on personal income tax, and make Norfolk a duty free port. I again compliment all Members who have made their submissions and have started the ball rolling with discussions, and I will conclude Mr. President in the hope that we do not rush this matter; I know that Mr. Howard would like to put forward legislation quickly, I think we should move and not just let it aside, but I would commend the Chamber of Commerce's suggestion of a discussion amongst all Legislative Assembly Members and themselves and interested parties and I would like to see this happen before we get down to the stage of drafting legislation or directing the drafting of legislation. Thank you.

MR. PRESIDENT: Thank you Miss Buffett. Further debate. Mr. Howard.

MR. HOWARD: Mr. President it may have sounded in the remarks I made earlier on that I intended to lie back and say nothing, I think I
have a duty to the community to say what I think about these things as an individual Member. I wanted to hang back, because for better or worse as Executive Member for finance you have given me the burden of trying to get this thing pulled together and in a very important way I am your servant today not the one who should be speaking. If it is not rude Mr. President, I would like to know what you think about all this and I am wondering whether you are going to trade places with one of the Deputy Presidents.

MR. PRESIDENT: Not at this time Mr. Howard.

MR. HOWARD: Well I am very disappointed to hear that. Greg is absent because he is ill, I think the community is entitled to hear what we think, I am sorry you will not tell us what you think. I will tell the community what I think.

MR. PRESIDENT: May I correct what you said Mr. Howard - I said not at this time, I should say most certainly I am happy to make my views known. Mr. Howard you have the floor.

MR. HOWARD: I was hoping that might be in this meeting and I was simply offering you first go before I made my comments.

I want to echo what a lot of other Members have said about appreciating the work that has been done by the Chamber of Commerce, by the many people who have contributed to the effort that has gone to getting this far. It is not a new effort, it has been going on on Norfolk Island for a very long time and it has never got off the ground so far. A couple of years ago Mr. Alan Walsh from the Australian Customs Department came over here and did an extensive survey of our customs set up as he saw it and many of the recommendations that he made are now operating practice in the Customs Department. One of the things that he felt was important enough to include in his very lengthy report was a reprinting of a submission not unlike the ones we have been looking at and thinking about today, it was made in 1973 by the shopkeepers association at that time, and they went through the same kind of effort that people have been going through in the past couple of months, several months, on this thing, and we are trying for the same
thing, they were trying to simplify it, trying to make it clearer, and they too were reaching for as near as possible one basic rate of duty, what is that, 9 years ago, and it is still being talked about and still nothing has happened. I want to give a lot of credit to the Chamber of Commerce even if I disagreed with their entire submission which I certainly do not, for having got off their tails and having started to push this thing. The Public Service, the Administration, had been working on customs review and improvement for a long time. I am delighted that they have come forward with the submission that they have given us. I think if it had not been for the Chamber that maybe we would not have gotten the Public Service submission as quickly as we have, and I want to credit the Chamber for having taken the initiative.

I think the idea of simplifying the schedule, making customs more nearly a single rate of duty if we can, is an idea whose time has come, I think the Island is ready for it, I hear Members around the table, with one or two exceptions, expressing their support for that kind of idea, I favour it myself. In speaking to the specific points that I circulated in memorandum form to the Members and which I hoped you would give me as clear guidance as you could on specific points, first of all should the customs schedule be designed to raise the same amount of duties as the present schedule would or should we be aiming at lowering the total amount of the duties and substituting with other kinds of taxes or perhaps by cutting expenditure. My feeling very strongly is that we should revise the schedule in a way that is aimed at raising about the same amount of total duty, assuming the economy stays at whatever the level is, in other words I am not looking myself in my own thinking about it, at slashing duties right and left and substituting some other kind of tax in its place, I am bound to say that I think Mr. Jackson's proposal, supported by Miss Buffett that we get rid of all customs duties and have an income tax, sounds great, sounds lovely but all over the world where there are graduated income taxes, all you need to do is to analyse the way they work out and the average bloke and his family end up paying the larger share of the tax and there is no way of escaping that, that is the way the world works. I think because of the smallness of the Island, the smallness of the population it is pretty silly really to talk about raising a kind of tax in which
you are going to spend 30 or 40% of what you raise in raising the
tax, that is self defeating. Customs, especially with a simplified
customs schedule, is a fairly easy tax to raise, if we can make it
clearer, if we can get rid of some of the hassles it is an accepted
existing way of raising revenue that the Island has had for a long
time and I think we would be foolish to abandon it. So my view is
that we should continue to have a customs duty schedule that raises
about the same total amount of revenue as the existing schedule would
if it continued. Secondly I am in agreement with what a couple of
Members have said about a duty on food being acceptable provided it is
not a high duty and provided we make sure that the people who are on
pensions, who are receiving social services benefits, are protected
from the harmful effects of that kind of duty. I think there is
something to what Miss Buffett said about applying the rise if we for
example applied a 5% duty on food, I think there is some food for
thought in what she said about maybe that justifies a 5% rise in
pensions to make the pension whole again, not just a few cents a
week, I think that is a thought worth thinking about, but I am not
opposed to the idea of a duty on food provided we protect those who
would suffer the most from such a duty. I quite favour the idea of
charging higher rates of duty on bigger cars than on smaller cars. I
am quite attracted by Mr. Sanders' idea of 1% per 100 cubic centimetres
of engine capacity. I have no objection to the duty on petrol being
increased if that is necessary, if we can raise the necessary amount of
total duty without increasing the cost of petrol, it is a pretty high
rate now the cost of petrol, and I certainly do not want to see it
raised, but if we have got to do it, if for example the Members decide
that the list of things that should be absolutely free is such a long
list that we have to find some things to increase, petrol might be one
of the things that I myself would be willing to think about charging
more for. So far on the matter of duty free liquor and cigarettes I am
not persuaded by what I have heard and I have heard opinions from not
only the Members of the Assembly but from people right around the
community, I honestly do not think that tourists are so silly as to
discover that cigarettes are cheap and then to go around on a buying
rampage around the Island thinking that everything else is cheap because
cigarettes are cheap or because liquor is cheap, I think tourists are
pretty canny and I think if they are going to buy a stereo cassette
player or an elegant new camera, they know pretty well what that thing is going to cost them back home and I think they shop very carefully for it and the fact that they just bought a cheap carton of cigarettes does not make them think I really do not believe that a camera costs a lot less than it costs, I think they know the value of the dollar and I think they shop very carefully. On the other hand if in a simplification of the customs schedule we came down basically to a flat rate, 6% if that is what it turned out to be, I do not see why we should not include cigarettes and grog at 6% along with everything else, I like the idea of simplifying the schedule. As to the question of which items should be totally duty free, obviously you have to include everything bought by the Administration, there is no point on earth in the Government charging itself import duty, that is just a silly exercise. What proportion of the total imports to the Island are bought in by the Administration, I do not know, I do not have the figures here, it is a fairly substantial amount, so that if you start applying an imaginary 6% flat rate of duty on all of the imports that we had last year you had better reduce the amount of duty you think you are going to get because many of those imports were bought in by the Administration. I think the same thing has to apply to the Commonwealth here on Norfolk. We have agreed that the airport project and the cable station project should attract no duty, things bought in to build those should be duty free, and I think we have to live with that. I am intrigued by Mr. Sanders' idea of a flat rate on as many things as possible and making the exceptions as few as possible, I have not made up my own mind personally about that but I find it a very interesting idea, I think if there was one rate of duty that applied to almost everything, virtually without exception, that it might be very acceptable to the community as a whole I think, it might save a lot of arguments.

Those are some of my comments about where I stand in doing this. I appreciate the things the Members have said, I certainly will be taking them into account in trying to frame a proposal to put before the Assembly that will be close to the mark, close to something that will be supported by the majority. I should probably also say that I think the community has made a very good input so far. In my mind the next
good time for the community to have an input is first of all in
response to the things that we have been saying today, and we will
hear from the community about things we have said, people will support
us or they will argue against us, the next time in my view will be when
a Bill is introduced, and it will not be rushed through in a day; it
will lie on the table and be considered by the community. I do not
like the idea of a big mass meeting in Rawson Hall where 100 people
try to agree on a customs schedule, it is not going to happen, there
will be arm waving and arguments and you will end up not really
clarifying anything, I think it has to come down to some one or two
or three people drafting a Bill and then putting it on the table for
this Assembly to debate in orderly fashion where at the end of the
debate we vote.

Those are my comments generally Mr. President.

MR. PRESIDENT: Thank you Mr. Howard. Any further contributions.
Miss Buffett.

MISS BUFFETT: Mr. President I forgot to mention the question of
cars. I was going to pose a suggestion that perhaps cars not be levied
on size as on purpose because there again the family needing a larger
car would be penalised again, in my opinion. Thank you.

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

MR. BROWN: Thank you Mr. President. We have a number of aims
in looking at the review of customs tariffs, one of the aims is to
obtain simplicity in customs matters. I certainly agree that one flat
rate applying to almost everything would be very desirable. In practice
though it may be difficult to raise sufficient revenue and hold a flat
rate which is low enough to be satisfactory over the whole spectrum.
At the same time we have got to ensure that we do share the load between
residents and tourists and that in those cases where we do feel it is
important, there be items that are free of duty, and I have mentioned
that I certainly regard essential food items as one of those. I would
certainly accept a system whereby we had a three tiered system of duty,
some items to which no duty would apply, some to which a particular rate
would apply, whatever the agreed rate may be for the purpose of this example let us say 7\%, and then a third rate which is double the normal rate, and in this case it would be double 7\%, that is 15\%.

I understand that the Chamber of Commerce looked quite closely at this very proposal but that they found it difficult to raise sufficient revenue and still satisfy all of the other criteria with simply a three tiered structure, and this is apparently the reason why they have come up suggesting four separate rates. However if it be the case that a three tiered structure can work this would be very simple, almost everything would come in the normal or middle rate. Those things that were to be free would be free and those to which additional duty was to apply would be simply be double the normal rate. In looking at simplifying the customs tariff I think we should not forget that other difficulties are caused by the Ordinance itself and I hope that we will either at the same time or in the not too distant future look at resolving some of the problems which appear from within the Ordinance rather than within the tariff schedule. Mrs. Gray mentioned that there has to be a desire to boost tourist spending, that is tourist spending in Norfolk Island. Coming from every aircraft that arrives on the Island we can see visitors carrying cigarettes, liquor and other goods that they have purchased in duty free stores before leaving the mainland. Our economy will certainly benefit if those goods are purchased here rather than on the mainland before coming to Norfolk Island. More importantly perhaps we might be able to re-gain the custom of those tourists who have stopped coming to Norfolk Island or who have been advised by agents or friends not to come here because our once excellent shopping no longer compares with some other destinations. The fact is that some agents are attempting to sell people off a holiday to Norfolk Island because of the fact that they consider our shopping is no longer what it was, and there is no doubt in my mind with all due respect to what Mr. Howard has said that many of these travel agents do judge the value of shopping in Norfolk Island by the price of a carton of cigarettes or a bottle of liquor. I believe that we must ensure that the residents of Norfolk Island do make a contribution to the customs revenue. I do not think that it is appropriate for us to continue to attempt to rely on the tourists to fund by far the major part of our customs revenue and in fact at present we would appear to be relying on
the tourist and the overseas purchaser of our stamps to fund the very vast majority of our total government expense. Mr. Howard made mention of the Walsh report. That is a report which has now been available for several years, it is a report which Mr. Howard will no doubt be considering in his work after this meeting and it is a report which we should all be considering when the results of Mr. Howard's work come back to this House for consideration. Mr. Jackson and Miss Buffett have suggested the imposition of income tax along with a total removal of customs duties. This at first sounds quite exciting but I believe that it would once properly considered, be totally unacceptable to the community generally and especially to the lower income earners who in most other parts of the world find that they are the ones that suffer under the income tax systems. Mr. Christian-Bailey quite rightly pointed out that one of the traditions of Norfolk Island, and we have heard a lot about traditions in recent weeks, has been that there is no income tax, and I would certainly oppose any suggestion that income tax be introduced at this stage.

MR. PRESIDENT: Miss Buffett.

MISS BUFFETT: Mr. President may I just point out here that as a result of some of my investigations I find that the total duty paid into the customs in the 1980-81 year from imports was only 30% of the income, so I would allow half of that to be the duty derived from tourist orientated imports, there is certainly a lot of duty paid by locals, and as far as duty free liquor and cigarettes and radios etc, people travelling to Norfolk Island already know the prices on enquiring in the duty free shops on the other side, I do not think we can possibly offer comparable prices because of our buying disadvantage, we would not be able to buy the quantities that they can buy on the other side. And as far as traditions go Mr. President, I do not know that it has ever been a tradition to tax food on Norfolk Island either.

MR. PRESIDENT: Mr. Jackson.

MR. JACKSON: Mr. President I suppose we are starting to sort ourselves out a little, those for and those against, however I agree it has been healthy and no doubt there have been various points of view
raised, but however what strikes me in the replies given by Mr. Howard, Mr. Brown and Mrs. Gray that where they are seeking to get more tourists here and encourage tourists here by reducing duty to a respectable figure, I have advocated a complete abolition of that duty, so therefore if they are genuine in their desire to gain more tourists well wouldn't the exemption of all duty be more enticing for tourists to visit the Island, but there will be a little penalty imposed upon it. It has been said that the user pays, well it can be equally said that those who earn the largest incomes should have to pay a larger share, and it is not true that the family man suffers. We have never gone into this and I do not suppose that Mr. Howard has considered having another discussion about this situation of where deductions will be made, exemptions will be made, for the family man, and so will deductions and exemptions for the wealthy man, and it has only been proposed 5% or 10%. Mrs. Gray said why did I use an outdated census by Professor Treadgold, well Mrs. Gray might be right, I should have used the one that was compiled last year and then it may have been a lower percentage, because the income of some of those businesses would have increased and therefore we may not have to get the 5 or 10%, we may be able to reduce it down to 3 or 4%. However I have made my statement and as I have said we are now sorting ourselves out and it is not my position to sit here now and pick at other Members contributions because as I have indicated it has been healthy and I am sure Mr. Howard has some points there but once again the remarks he made about my proposal and my alternatives well you can rest assured that they will be buried well below his thoughts.

MR. PRESIDENT: Mr. Howard.

MR. HOWARD: No they will not be buried down below, they will be burning right up on top.

MR. JACKSON: Perhaps that is why Mr. Howard came to the Island in the first place...

MR. HOWARD: Naughty, naughty. Come on now. That is what I am trying to do and I am trying not to mislead people by implying that all
of the poor average folk on Norfolk, all of the workers, are going to end up paying nothing for income tax, you are kidding yourself. It is the average man who ends up paying the burden of income tax everywhere there is income tax in the world. Now you do not need to take my word for it, make your own enquiries you will find it so. You will find also that if you want to raise as much money from income tax on Norfolk as customs duty raised last year, that it will not be 5% income tax and it will not be 10% income tax, by the time you finish paying for the cost of collecting it it is going to be a 15% or 20% income tax, and I put to the people on the Island who are thinking about whether that is an attractive idea, whether they would rather pay a 15% or 20% income tax on all of their income or simply a 5% duty on food. I can tell you which way they would be better off.

MR. PRESIDENT: Mr. Sanders.

MR. SANDERS: Mr. President I would like to support what Mr. Jackson said, actually to the fullest, that it is not his place to pick what the other Assembly Members have said.

MR. PRESIDENT: Mr. Jackson.

MR. JACKSON: Well I was going to suggest that seeing Mr. Howard has backed away from a Rawson Hall discussion on this particular issue, that if he wishes to pose the question here that he opposes a 5 or 10% tax on income, that we go to Rawson Hall and we pose two questions to the community, should we pay that 5 or 10% and should we put a 5% levy on food, and let the community decide what will happen and what the results will be.

MR. PRESIDENT: Is there any further debate on the motion that the submission of the Norfolk Island Chamber of Commerce and any other submissions that have been submitted to Members of the Legislative Assembly in respect of customs duty be considered and noted. Mr. Howard.

MR. HOWARD: I would only like to close by saying that I am absolutely delighted to have in the closing moments of this debate,
after all this time, the support of Mr. Jackson for the idea of a referendum.

MR. PRESIDENT: Further debate Honourable Members. The question is that the motion be agreed.

Question - put
Motion agreed to unanimously.

NEXT SITTING DAY

MR. PRESIDENT: We move to the fixing of the next day of sitting Honourable Members. Mr. Sanders.

MR. SANDERS: Mr. President I move that the House at its rising adjourn until Wednesday 16 June 1982 at 2 p.m.

MR. PRESIDENT: The question is that the House at its rising adjourn until Wednesday 16 June 1982 at 2 p.m. Debate Honourable Members. Mr. Jackson.

MR. JACKSON: Mr. President it was just as well that the rest of the business was taken off today's business paper because we would have had to adjourn most likely to another day. In the early life of this Second Assembly on two occasions we have had to adjourn a meeting because of the lengthy notice paper and the business upon it. What concerns me is why should a meeting be adjourned until 2 p.m. why can't we start earlier, say 9 o'clock in the morning, and if there is enough business to continue on in the afternoon, have a lunch break and then continue that afternoon, finish it off in one day. I cannot see any sense in starting one day at 2 o'clock, come back the next day at 2 o'clock to finish a meeting off, for goodness sake let us try and do something that would satisfy the Members in that respect because I am sure it will meet with their approval because I cannot see why we should meet every time at 2 o'clock. May I ask is there a reason that we meet at 2 o'clock, when the Business Committee deals with this.
MR. PRESIDENT: May I firstly respond by saying that 2 o'clock is the time presently set down in Standing Orders Mr. Jackson, that does not preclude Members so determining another time if they so wish of course. Mr. Howard.

MR. HOWARD: There is a very good reason for 2 o'clock on Wednesdays, which is that much of the Island closes up shop on Wednesday afternoons and I am certain that the beginning of the idea of holding the old Council meetings on Wednesday afternoons was that people if they wanted to would have a chance to come down and watch the Council or the Assembly in operation or would have a chance to sit down and listen to it on the radio without waiting for the re-broadcast the next night, and I think it is a time when it is convenient for many people on the Island, not only the Members around the table.

MR. PRESIDENT: Miss Buffett.

MISS BUFFETT: Mr. President with Mr. Jackson's suggestion I took it to mean would it be an advantage that if there is to be an adjournment of a meeting, not adjournment, what is it, a suspension, of the meeting from Wednesday afternoon, instead of coming back Thursday afternoon why not come back on Thursday morning instead of Thursday afternoon. See what the Members think of that because some meetings can be long, it is only my suggestion.

MR. PRESIDENT: At this time we are addressing the matter of the next sitting, how would you like to handle that Honourable Members. Mr. Howard.

MR. HOWARD: There is a motion that it be at 2 p.m. on the 16th.

MR. PRESIDENT: That is the motion before the House at this time.

MR. HOWARD: Put the question I say.
Question - put
Motion agreed to unanimously.

MR. PRESIDENT: May I make this additional comment Honourable Members. If you would wish I am very happy to raise that question in the Standing Orders Committee, so that it might be discussed and a proposal brought forward if you feel that an adjustment of the time might be more suitable to the House.

ADJOURNMENT

MR. PRESIDENT: I seek a motion of adjournment. Mr. Jackson.

MR. JACKSON: I move that this House do now adjourn.

MR. PRESIDENT: The question is that the House do now adjourn. Adjournment debate Honourable Members. There being no adjournment debate the question is that the House do now adjourn.

House adjourned at 4.25 p.m. until Wednesday 16 June 1982 at 2 p.m.