MR. BUFFETT: Mr. Deputy President I would not promote delay but if members have not had proper opportunity to examine it all I would be hopeful that they would be given such an opportunity.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: While we are discussing this particular point I would like to draw to the attention of the House that the Bill as it was introduced two weeks ago is being implemented now, it began being implemented on the 17th, I think we have an obligation to move promptly unless there is a major serious reason for delay.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: I might say that a major and serious reason for delay would be that members have the proper opportunity to examine the legislation that is before them.

MR. ACTING DEPUTY PRESIDENT: Mr. Quintal.

MR. QUINTAL: I would like to ask the Minister for finance where does the authority come from to start charging customs duties from midnight on the 17th.

MR. HOWARD: There was enacted a little over a year ago a law called the Provisional Collection of Taxes Act which said that where a Bill to impose tax is introduced in the Assembly, if the Administrator certifies that it is in the public interest that that Bill be treated as though it were law immediately, then it shall be treated as though it were law immediately. The need for that law arises from the fact that in this Assembly, this Norfolk Island Assembly, we do a very unusual thing, which is that we introduce a proposed new tax and then we leave it on the table for two weeks for people to think about and to gather community comment. If we were to introduce a Bill for customs duty and leave it on the table for two weeks for community discussion without putting the law into effect, there would be two weeks of absolute chaos of people making emergency air shipments to take advantage of the duty
changes that probably were going to be made, so that is the reason for the law, but it is entirely legal.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard do you wish to continue.

MR. HOWARD: No.

MR. ACTING DEPUTY PRESIDENT: Further debate honourable members.

MR. HOWARD: Shall I continue with the review of these matters.

MR. JACKSON: If Mr. Sanders is satisfied that he has been circulated with the paper.

MR. BROWN: I think I have the floor Mr. Jackson. Mr. Deputy President Mr. Sanders obviously has some problem as a result of not having given the matter the consideration that he would like to give it, this is a matter which we should not leave for any lengthy time but I would be quite happy if Mr. Howard continued to explain the different parts of the Bill and if at that stage the matter were adjourned until tomorrow, but if we are to adjourn it I feel that we should in fact sit down and finish it off tomorrow if that is possible.

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

MR. HOWARD: I will continue with going through these principal points as I see them in the amended Bill.
I point out that on page 4 there has been no change in this form of the Bill on the basic central proposal that was made two weeks ago that there be a 6% duty on almost everything except for motor cars which will carry 15%, that has not been changed, that is as proposed two weeks ago.

MR. SANDERS: On the section that says motor cars 15% does that include motor cycles.

MR. HOWARD: Indeed it does.
MR. ACTING DEPUTY PRESIDENT: Mrs. Gray.

MRS. GRAY: I have trouble with section 5 (2) the description of duty being paid on a motor vehicle imported for home consumption, particularly I relate that to things like hire cars.

MR. SANDERS: What page are you on Mrs. Gray.


MR. BUFFETT: Of which draft.

MR. HOWARD: The amendment I just introduced.

MRS. GRAY: The draft dated 29.6.82.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: A comment on that question. Home consumption means for use here, it is a term with legal meanings and it means for use here. A hire car would not escape, it is being consumed here just as surely as if one owner had it. On page 5...

MRS. GRAY: Excuse me, I am sorry I am still on page 4. (3) we have got an enactment bit, or are we dealing with this and then the amendment.

MR. HOWARD: I will introduce an amendment on that as soon as this is accepted.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard to continue.

MR. HOWARD: Thank you. On page 5 there is a definition of passengers household goods which includes where appropriate, a motor vehicle. In other words if someone is moving here and one of the things they own when they move here is a motor vehicle that they have been using for a year, the proposal is that it is duty free when it comes in, along with the other household goods.
In point (b) on page 5 passengers personal effects are defined partially but will be defined quite accurately by having them prescribed by regulation, they will continue to be described for the moment in the law as they are now described or as they were described up until the 17th.

MR. JACKSON: One question, that means Mr. Chairman, through you to Mr. Howard, that any seconded officer, any school teacher, anyone coming to the Island to reside and brings with them a motor car or motor vehicle and it has been in use by that person for twelve months, then it would be admitted free.

MR. HOWARD: That is what the Bill proposes.
Down the bottom of page 5 there is a new paragraph (ii) which says that passengers effects are not to include more than the prescribed amounts of liquor or cigarettes and the intention is to follow the same limits as there are going into Australia, that is one carton of cigarettes, one litre of alcohol, above that amount duty would be payable, that would not be an unlimited exclusion on those items.

MR. SANDERS: What would be the amount of duty if somebody cared to bring a specific make of cigarettes or bottle of alcohol or something and he was quite happy to pay the duty, as personal effects, I do not mean a suitcase full.

MR. HOWARD: Cigarettes would be dutied at 6%.

MR. SANDERS: And if a fellow was quite happy to pay the duty on one extra bottle of alcohol.

MR. HOWARD: I think he could not bring in anymore alcohol than one bottle because I think the Liquor Ordinance prevents him from doing so. The Liquor Ordinance prevents him from importing any liquor, this Bill allows him to bring in one, nevermind what the Liquor Ordinance says.

MR. JACKSON: And one carton of cigarettes.
MR. HOWARD: That is what is proposed, yes.

MR. JACKSON: In your first proposal it was up to $100.

MR. HOWARD: As the Bill is amended here today that $100 exemption does not apply to passengers personal effects, it is one or the other. The $100 exemption is imports when you are not a passenger, that is if you write to Montgomery Ward and get them to send you a pair of blue jeans, that is up to $100 for you as a private person, for your own use, no duty up to $100 worth. That does not apply to passengers effects. All passengers effects are duty free if they are genuine passengers effects, except for the limitation on liquor and cigarettes.

MR. JACKSON: Mr. Chairman, getting back to the personal effects that anyone can bring in, they can bring in any amount of dollars if they wish in personal effects.

MR. HOWARD: As long as they are genuine personal effects, yes.

MR. JACKSON: So therefore a motor car that has been used for twelve months could be valued at so many thousands of dollars and that could be brought in free as personal effects.

MR. HOWARD: No, not as personal effects, as household goods. If someone is moving to the Island.

MR. JACKSON: Well you could call it anything you like, household goods is the same as personal effects, and a motor vehicle like a mercedes benz comes in free of duty.

MR. HOWARD: The proposal is that if someone is moving here and has a motor car and has been using the motor car for a year before leaving for Norfolk, that yes that be duty free along with his other household goods, that is the proposal. It can be amended if you do not like it.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett do you have a question.
MR. BUFFETT: I just wanted to raise a query Mr. Acting Deputy President as to where the liquor importation is stated to be exempt from the existing liquor legislation.

MR. HOWARD: On page 6, (4).

MR. BUFFETT: Thank you.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: Continuing over on to page 6. It is now proposed that we should not allow $100 of duty free imports for commercial enterprises. In paragraph (d) at the top of the page the proposal is - where in the Collector's opinion the goods are not for sale, exchange or trade, in other words that is the pair of blue jeans from Montgomery Ward that Mr. Jackson has sent in for his own use, the exemption is up to $6 of duty, or $100. In other cases, that is where the goods are for sale or for exchange or for trade, it is proposed that the limit be $1 worth of duty which would be $10 or something in value, a bit more, that is because the Collector of Customs made a review of about 150 customs returns recently and found that there were really a great many commercial items being mailed into the Island, brought in in quite small quantities, $50, $40, $80, and it was his recommendation that we not exclude all of those, that there should be a very small exclusion for commercial purposes but not much.

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. SANDERS: I am sorry to interrupt. My apologies, I have seen this before but I must have brought the Act instead. Could I just for one moment ask you would you go back to page 4. Paragraph (b) at the top, and on the previous page, the bottom of page 3 - (i) on a ship - at the time those goods are landed; or (ii) in an aircraft - at the time those goods are unladen from that aircraft; and (b) in any other case - the time of the first arrival of those goods within the territorial limits of Norfolk Island. You did make mention of this before but I was looking for my papers. What protection does the importer of those goods
have as proof that they ever arrived on the Island, say for instance if the lighter turned over.

MR. HOWARD: The goods have not been imported until they get on to the jetty.

MR. SANDERS: That is what I would like clarified. It is on to the jetty.

MR. HOWARD: Yes, at the time those goods are landed.

MR. SANDERS: What about (b) does that not contradict. You have got within the territorial limits.

MR. HOWARD: That is in cases of things that are not brought on a ship or in an aircraft, for example if you sail a motor yacht here, it is imported into Norfolk Island if you are going to bring it here when it comes into the territorial limits of the Island; or suppose you bring an aeroplane, suppose Marie wants to bring in a second aeroplane, it is not being carried in an aeroplane, it is an aeroplane.

MR. SANDERS: Isn't that one of those classic things that causes confusion because it is however a person determines at the time.

MR. HOWARD: I do not think so. I think the law as drafted is entirely clear. It says if the goods come on a ship, the time they are imported is the time those goods are landed. If the goods come in an aircraft they are imported at the time those goods are unladen from that aircraft, and in the case of things that come neither on a ship nor in an aircraft, the time is when they...

MR. SANDERS: I think that is when they have pretty good contacts isn't it.

MR. HOWARD: When they arrive within the territorial limits.

MR. SANDERS: What page are we on now, I'm sorry.
MR. HOWARD: The next point I want to draw to your attention is on page 7. There has been in the Customs law for some time a provision that duty may be exempted on a class of goods or on a project where the Assembly recommends to the Administrator that duty on those goods be not charged. The Administrator then has authority to do that. I am now proposing to you in (2) at the top of page 7 that we have two levels of that kind of special duty exemption and that the two levels be matters in which the duty would be $200 or more, and other matters in which the duty would be less than $200. My proposal is that in the case of matters where the duty would be $200 or more, that an exclusion should be given only on the advice of the Assembly to the Administrator, just as now, but I am proposing that duty of up to $200, duty exemption of duty up to $200, be able to be granted by the executive member providing the executive member then tables in the Legislative Assembly a report of what he has done. The purpose of that proposal is that there will be from time to time some goods brought into the Island that the Assembly feels really should not carry duty. I mention for example tombstones, I cannot really imagine that we will want duty to be charged on tombstones. Rather than beginning to add to the list of exemptions elsewhere in the Act, I am proposing that duty up to $200 be able to be exempted by the executive member providing he tells the House what he has done.

The details of how that is to be done are spelled out on page 8 where it says the Administrator shall not exempt duty on large matters except on the recommendation of the Legislative Assembly, and in (5) it says that where the executive member makes an exemption of a matter under $200 of duty, he shall within 2 sitting days of making the exemption, lay a copy of the exemption on the table of the Legislative Assembly.

MR. JACKSON: So therefore Mr. Chairman, anyone bringing in these particular items on which they may claim exemption, they will have to make application. In the event that someone brought home ashes, and the casket was valued at about $600 or $700, for burial on their homeland of Norfolk Island, they have to claim exemption and only $200 would be allowed to be claimed on say a $600 casket or even a tombstone.

MR. HOWARD: In answer to that question, the wording of this proposed
arrangement has been worked out in conversation with the Collector of Customs and the Legal Adviser and the Legislative Draftsman, and in that discussion it seemed to be the most workable thing if the Collector of Customs and the Customs people were well aware that they should not charge duty on things that you do not want to charge duty on, and this is a procedure for doing that. No, nobody would have to make application, duty would simply not be charged.

MR. SANDERS: Mr. Chairman the Legal Adviser advised me last night that on matters that Mr. Jackson is talking about that even without any confusion that would bring it up to nearly $4,000 the value of the thing that you are importing anyhow.

MR. HOWARD: Yes it is a reasonable amount, it is not massive. Anything massive, clearly the Assembly would want to vote on before any exemption was given. On the lesser matters, although as Mr. Sanders says up to say $4,000, the executive member would have the authority provided he told the House what he had done and all he needs to do, the executive member needs to do, is make one mistake, give one exemption that he should not have given and he will not very long be an executive member, that is the purpose of that requirement. Those are designed to allow the principles, the beliefs, the philosophies, of the Assembly to have an effect on customs duties so that they can be waived when they should be.

Those are the principal changes that I wanted to draw to your attention in this amending Bill.

MR. JACKSON: Mr. Chairman, Mr. Howard did you say earlier that you had discussed this with the Collector of Customs.

MR. HOWARD: Yes I have.

MR. JACKSON: Thank you.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: The proposed new Customs law in the form that you now have
in your hands, the amendment that I have just introduced which is a rewrite of the full new proposed Bill, the purpose of the proposed law is to do with two principal things. First of all it is to simplify and clean up the Customs law on the Island, that has been wanted for years, people have been asking for it for years, it has always seemed to be something that was too hard to get done and it has got a lot of difficulties, well here it is, here is a simple and reformed Customs law, and I think we have the opportunity to do now what previous Governments and Administrations really have for very good reasons found too hard to do, we have a chance to do it. Secondly the purpose of the proposed law is to shift some of the tax burden so that it is shared more widely and so that the attractiveness of Norfolk Island's shopping for tourists is increased, not merely for the benefit of tourists but for the benefit of our basic industry and for the benefit of the whole Island. As residents on Norfolk we have been very lightly taxed indeed, compared to our friends in Australia and New Zealand we pay no income tax, we pay no land rates, we pay no water rates, we pay no sales taxes, we pay no stamp duties. I was interested in a small item in the last issue of the Norfolk Islander which pointed out that in Australia on taxable income around $90 a week, the Australian Tax Commissioner takes away from everybody above that sum, $1 in every $3. I want to point out that the kind of taxes that New Zealanders and Australians pay, income tax, land rates, stamp duties, sales tax, are all added in to the price of goods like food, they all add to the cost of food. We do not pay any of those taxes on Norfolk. I have mentioned food and the proposal to put a customs duty on food I think is the most difficult and contentious thing we have to deal with today. Mr. Buffett has moved an amendment proposing that food be exempted. He has not yet moved that amendment. I would like to have a vote to accept this amendment that I have just tabled so that Mr. Buffett can then introduce his amendment proposing that food be exempted because I think we ought to get into that subject because I think it is the difficult subject we have to deal with today.

MR. SANDERS: Excuse me Mr. Chairman. Mr. Howard you did not get as far as page 9, I have one contentious point on that one.
MR. HOWARD: I am sorry about that, please raise it.

MR. SANDERS: Right at the top (a) (i) actual money price paid or to be paid for the goods by the importer in Norfolk Island plus any special deduction; or (ii) current domestic value of the goods; then it says whichever is higher - I believe that should be deleted. Then (b) all charges payable or ordinarily payable for placing the goods free on board at the port of export.

Why I bring this matter up is because it is quite a common occurrence that a truck could be delivering goods to a wharf, and on the occasion I am referring to there was a demarkation dispute between the wharfies and the truckies and there were large amounts of waiting time which when the document comes back here duty is demanded. Could that be deleted and the price that is paid for the goods whether it be with special deductions or current domestic value, and the rest be deleted.

MR. HOWARD: My reaction would be that the kind of thing you are talking about does happen once in a while, it is not the ordinary rule of things, it does happen. At times the additional charges would not be very much, occasionally they could be quite high. My view would be that rather than crossing out that clause that the thing to do would be to leave it in and where there is an unusual case where there was a large charge for holding or delay that really was just hard luck, then the provisions for exemption by the executive member could be brought into play for that part of the duty.

MR. SANDERS: I do not believe that any charge at all, waiting time or anything, should be dutiable. It is the duty not applying to the article that was purchased and it would not matter how little it was and surely the customer importing it with the high freight rates and whatever, to have additions on a cost that he was unaware of, I do not think is kind to the importer, and it does happen regularly.

MR. HOWARD: My impression is that there is nothing unusual about this provision. I think it is pretty standard customs procedure in calculating the price, to say the price of getting things on to the ship is included in the price.
MR. SANDERS: That is one of the reasons why I suggested that while we are amending it that we just tidy it. It has caused a lot of disruption on the Island over many years.

MR. HOWARD: It is as I understand it quite open to Mr. Sanders to move an amendment that that be deleted if he likes. He was talking about two different proposed amendments, one was to omit whichever is the higher.

MR. SANDERS: I don't quite know whichever is the higher is, whether it comes under (ii) or whether it is the bit in front of (b) because it is 'whichever is the higher; and', all by itself.

MR. HOWARD: What the phrase means is that if current domestic value is higher than what the person paid...

MR. SANDERS: I know what it means. I would like to move an amendment Mr. Chairman that 'whichever is the higher' and section (b) be deleted.

MR. BROWN: Mr. Chairman I move that standing orders be suspended to allow Mr. Sanders to put that motion.

MR. HOWARD: I don't think it is necessary, you can move an amendment to an amendment without notice.

MR. BUFFETT: Arising out of Mr. Sanders' amendment to the amendment Mr. Acting Deputy President, I now have a query as to which in fact would apply of (i) or (ii) in (a).

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. SANDERS: It would depend, on the export certificate it usually reads the export price to seller and current domestic value, and if it has an export price there is a huge difference.

MR. BUFFETT: It is still unclear to me Mr. Acting Deputy President if you had both of them expressed in some way, how you would determine for
customs import purposes, which one you would actually take.

MR. SANDERS: The customs declaration would quote the price to the seller, it is not his prerogative to say that it was something discounted, because it is written actually on the export document. If he had bought it just on the ordinary retail market the special deductions or what have you just would not show on it. If it was an export article it would show then what the current domestic value is, what that article costs in the country that sold it and what the price is for export. The Collector of Customs should have no difficulty at all because it is on the document.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: I think the reason that distinction is needed is that history has recorded cases where people try to fiddle the Customs law and what some people have tried to do on some occasions is to get an invoice that shows that something cost $250 when as a matter of fact it is $1,000 worth of goods, and everybody knows it.

MR. SANDERS: There are no reputable firms that would do such a thing.

MR. HOWARD: It seems hard to believe. The Bill is written this way so that if a fiddled price is shown on the invoice but the goods in fact were worth more if anybody else wanted to buy them in Australia for export, the Collector has the option of taking whichever is the higher of those two, now if you are going to include both of those things you need to say which is to be taken and that is why you need the words 'whichever is the higher', so I am against deleting the words 'whichever is the higher' because it leaves total confusion.

MR. SANDERS: If he has bought it for export it would show an export price and you cannot buy it for export within the country, it actually has to leave it, and it shows on the documents with a Government stamp, and if you call that a fiddle. There is nothing that can be exported legally without that certificate, there is a customs clearance and usually health certificates, depending on what it is, but there is at least one, probably more. If you doubt me ask the fellow behind you.
MR. ACTING DEPUTY PRESIDENT: Those in favour say aye.

MISS BUFFETT: I'm sorry, could you tell me what you are asking.

MR. ACTING DEPUTY PRESIDENT: The question is that the amendment be agreed, deletion of the words 'whichever is the higher' and '(b) all charges payable or ordinarily payable for placing the goods free on board at the port of export'. That is on page 9 of your paper.

Question - put
The House voted -

AYES, 1
Mr. Sanders

NOES, 8
Mr. Buffett
Mr. Howard
Mr. Brown
Mr. Christian-Bailey
Mrs. Gray
Mr. Quintal
Miss Buffett
Mr. Jackson

Amendment not agreed.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: Mr. Chairman could I now ask again that we adopt this amended form of the Bill so that Mr. Buffett can move his amendment about food and get into the serious discussion because his proposed amendment is an amendment to this amendment and he cannot move it until this has adopted.

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. SANDERS: Could I direct a question to Mr. Howard please. Mr. Howard you have an amendment for that corporate thing on page 4, at
what stage of the proceedings does that occur.

MR. HOWARD: If that is of concern to Mr. Sanders I will move that and then Mr. Buffett can move his, is that alright.

MR. ACTING DEPUTY PRESIDENT: Mrs. Gray.

MRS. GRAY: Can we not take the amendments as they appear as they relate chronologically if that is the word, numerically, to the Bill.

MR. ACTING DEPUTY PRESIDENT: Mrs. Gray Mr. Howard has moved an amendment and there is now an amendment to the amendment to be considered.

MRS. GRAY: To the Bill in total.

MR. ACTING DEPUTY PRESIDENT: Yes.

MR. HOWARD: I would like now if it is in order, and I think it is, to move an amendment to this amended form. On page 4. I would like to make it clear that I am moving this amendment on behalf of Mr. Sanders. There is a standing order rule that we were talking about a little bit ago saying that amendments to change the way taxation falls on people can be moved only by an executive member. Mr. Sanders wanted to move this, the standing orders prevented him from doing it, I said I would be glad to move it on his behalf.

So on Mr. Sanders' behalf...

MISS BUFFETT: Can I ask a question here, I am a bit lost at the moment. Through the chair Mr. Acting Deputy President I am sorry, in being asked to accept the amendment to the amendment of the Customs Ordinance, so that we can go on to Mr. Buffett's amendment, so where are we now could you please clarify Mr. Chairman up to what stage are we. I do not want to accept 6% on food inadvertently, this is what I want to clarify.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard has moved an amendment to the Bill, we are now dealing with an amendment to the amendment.
MR. HOWARD: A comment to Miss Buffett, I was mistaken in saying that I wanted to ask for your approval of this, I withdraw that, it was a mistake. I would now like to move this proposed amendment on behalf of Mr. Sanders, that on page 4 (3)(a)(iii) the words 'an enactment' be eliminated, and I will now turn it over to Mr. Sanders to talk to that amendment.

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. SANDERS: Just before Mr. Howard cleared out, I was advised by the Legal Adviser last night that it should not be 'an enactment', it should be 'enactment or', the 'an' should remain in.

MR. HOWARD: I beg your pardon, that is the way it was given to me and that is the way I should have moved it, 'enactment or', quite right.

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. SANDERS: Thank you Mr. Chairman. In speaking to the proposed amendment, the purpose of this is that in the Ordinance it would read without this that the hospital can import goods at a different price for resale than persons such as chemists or shops, and it is getting back on to my hobbyhorse, it was discriminating greatly, that one person can import at one price and somebody else at another, and all that does is make everybody equal.

MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Sanders. Mrs. Gray do you have a question.

MRS. GRAY: No, I support the amendment absolutely.

MR. ACTING DEPUTY PRESIDENT: Further debate honourable members. Mr. Howard.

MR. HOWARD: I guess Mr. Sanders made it clear, it should be clear to people who are listening that what he is proposing is that goods
imported by the hospital should carry duty.

MR. SANDERS: Yes Mr. Chairman, the same as anybody else.

MR. ACTING DEPUTY PRESIDENT: There being no further debate honourable members the question is that the amendment to the amendment be agreed.

Question - put
The House voted -

AYES, 6
Mr. Howard
Mr. Brown
Mr. Christian-Bailey
Mrs. Gray
Mr. Quintal
Mr. Sanders

NOES, 2
Mr. Buffett
Mr. Jackson

ABSTENTIONS, 1
Miss Buffett

Amendment agreed

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: May I now yield the floor to Mr. Buffett so he can move his amendment to exempt food.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: Mr. Acting Deputy President with the present decline in tourist numbers proposals were made in the customs duty area to assist the remedial action which was to bring tourism back to a viable level in Norfolk Island. Also there was a need as has been mentioned here this afternoon, to clarify the dutiable categories of quite a range of imported articles. Basically these are articles imported over more recent years and not forseen when the original Customs Schedule was made I think back in 1913. In this total process it was recognised that customs duty is a principal earner of revenue. Submissions were made by various persons and various organisations in Norfolk Island and these
submissions and proposals were discussed in this House on the 26th of May. Out of that discussion, out of those submissions these amendments which we have got before us today were proposed, and basically it is a 6% across the board arrangement, except for a couple of instances. This certainly does simplify the collection of duties part of the exercise but in my view it creates real havoc in other areas such as a rise in food costs. And the first amendment that I do propose Mr. Acting Deputy President which stands in my name is that this should not apply to food, foodstuffs and beverages other than liquor.

The 6% imposition is really hidden within many other components and contributes to a spiralling cost of living in the Island. It may well make cigarettes and liquor more attractive to tourists which is seen as a tourist advertisement for Norfolk Island but a good percentage of liquor and cigarettes are bought by residents, residents, not tourists, and therefore in that situation you are really reducing duty by an astronomical amount in the vicinity of 66% and 79% for cigarettes and liquor respectively and replacing it by a duty of 6% on food, and I think anybody who has any real regard for the best interests of all sectors of the community cannot see this as a proper proposal. The Government would really be better advised to retain the present levels of liquor and cigarette duty but have a duty free shop or collecting point at the airport for departing tourists. Now you would not have any duty income from those tourists in those categories but you certainly would have increased turnover of profit margins on liquor and cigarette sales.

I really have been inundated with personal calls, with telephone calls and letters, strongly opposing 6% on a number of the more essential products imported into the Island, especially upon food, and I really feel the need to support that view that there should not be duty on foodstuffs and the like.

Some of the multiplying factors in the cost of food you eat is that of course gas which you cook with is subject to 6% also. I would like to quote some words written by Mr. Bryan Nunn, he wrote a letter in which he kindly provided a copy to all members of the Assembly and one part of it concerns foodstuffs and I would like to quote him because it is relevant to what I am trying to say, he says this - "I believe the
Assembly would be wrong in imposing increased costs on foodstuffs. I am aware that the Government is suggesting increased aid to pensioners to offset their increased cost in food. In my experience many of the residents of the Island who are living under great restraint because of their low incomes are not necessarily Norfolk Island pensioners, they can be persons who are living on fixed incomes either locally or by way of superannuation payments from overseas, they may be persons who although earning low income, have the responsibility of supporting large families or have other income consuming responsibilities. They may be persons who because of age or ill health require to spend a large proportion of their income upon medical and other assistance, thus I do not believe that the increase in the cost of food can be answered solely by lifting the pensions of Norfolk Island pensioners. And let me just drop off the quotation for a minute Mr. Acting Deputy President and say I certainly confirm and support the words that he has written. I continue the quotation - "It has also been stated that many of such people live upon food produced on this Island and that the cost of this will not be effected, and this is not quite true. In discussions with producers of locally grown or produced foodstuffs it is quite clear that the imposition of a tax on feeding stuffs, utensils and other articles necessary to produce these goods in Norfolk Island, will cause an increase in the price of locally grown or produced goods. Moreover many of these people who are undertaking this work professionally are doing so by means of bank overdraft upon which the going rate I gather is something like 15%, any increase in their purchases will have to take into account the increase in the cost of financing these purchases."

Mr. Acting Deputy President I have endeavoured to point out that food, foodstuffs and beverages that have to be bought by persons in Norfolk Island, not like liquor, not like cigarettes, you just cannot say well I will not have any this week because there is not the funds to buy them or things are short or things are more expensive, food needs to be got to support oneself and one's family, and I think it is a great imposition, an unnecessary imposition, on the residents of this Island to be burdening them with a tax of 6% when you are in fact lowering on the non essentials by the likes of 66% and 19%, it is just not a goer as far as I am concerned and I consider that the members of this
Assembly would be doing a gross disservice to the community if they try and tax them in this particular fashion. It has been said well you might find this a reasonably equitable way, and I think this is what the executive member for finance has mentioned, that this is a reasonably equitable way of spreading the burden in the community. I really think it is shifting the burden too greatly from one particular area to another area, and the area that it is being moved upon to try and ask them to support is the difficulty in the family areas in which they have additional expenditure because of the additional mouths within their families to feed and I cannot support a motion in which these proposals are put forward.

That is my submission to this House Mr. Acting Deputy President in respect of the first amendment that I propose to you, and again that relates to food, foodstuffs and beverages other than liquor.

MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Buffett. Further debate honourable members. Mr. Howard.

MR. HOWARD: Thank you. The theory of this proposed new Customs law is that if you tax everything at a set modest amount you do not have to tax anything very heavily, and we will greatly simplify a law that now causes a lot of dispute and takes a lot of administering. I think that theory will work so long as we tax everything equally. I think the theory will not work if we begin adding exceptions to the rule. The idea of putting duty on food is controversial, nobody likes it, not one person has said to me what a wonderful idea to tax food, nobody feels that way, I do not feel that way, I think it is a terrible idea to tax food. Nobody likes the idea of taxing books or magazines, nobody likes the idea of taxing agricultural equipment, nobody likes those, but you will find that if you exempt one thing that it then dawns on you that you have to exempt another thing and having done that it will dawn on you that you have to exempt another thing, it is like setting up a long line of dominoes on end, they will stand there quite reasonably until you tip the first one and then they go tick, tick, tick, tick.

Mr. Buffett has mentioned the fact that he has several other amendments that he is going to propose, those are the first few dominoes starting to fall. I want you to realise that they are only the first few dominoes, there are dozens of other dominoes lined up behind that will
fall too, they will have to. If you exempt food from duty, if that is the will of the House, it seems to me obvious that we have got to exempt agricultural equipment and material used by primary producers on the Island and it seems to me we have got to exempt livestock and it seems to me we have got to exempt chickens brought in and it seems to me we have got to exempt eggs being brought in for breeding purposes, and if you are going to exempt those things you need certainly not to put duty on books, and if you take the duty off books we ought to take it off the Churches as well, and if we are going to take it off them then we ought to take it off sporting bodies and then we ought to take it off medicines and then we ought to take it off disinfectants and then we ought to take it off animal feed and we ought to take it off paper and we ought to take it off spectacles and we ought to take it off fencing and we ought to take it off toothbrushes, they are all items in the present Norfolk Island Customs Schedule, and that is not the full list, one follows another, it all begins with the first domino. My proposal is that if we tax everything moderately we do not have to tax anything very much but the minute we begin giving one exemption for food I put it to you that in fairness to others in the community you need to exempt one thing after another in addition, not merely the three or four additional things that Mr. Buffett wants to propose but many other things as well, then we are going to end up with the same old Customs Schedule. Now if that is what the House wants then that is what the House will have but if we want to simplify the Customs law I put it to you that you have to have no exemptions other than the ones that are already written into the law, the minute you exempt food the dominoes start to fall.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: Mr. Acting Deputy President I would like to take issue with the theory that you should tax everything and tax it a little bit. I think in fact if you need to have a taxing arrangement you should tax those areas that can better accommodate it and you should look at those areas in which there is difficulty in fact if you impose such a burden. What I am endeavouring to promote this afternoon is to ensure that there is not a burden placed in certain areas, in fact some of
them are not going to earn much revenue anyhow, I feel really there is no great purpose at all in imposing such a duty. I know that it has been said that if the Legislative Assembly brings down costs the difficulties that have been hurting the tourist industry will be remedied but one cannot be so naive as to believe that increased costs will bring down costs and that is what this is doing right across the board and it is not taking any account of areas of need. Let me just pose you another example. The tourist industry is in a decline, we have all said that this afternoon and that is acknowledged but it has been said that we are going to bring down the price of cigarettes and booze so that that will be a great attraction to them, but in the proposal of 6% across the board I think we need to be aware of the increases to the tourist that it is going to bring. Let me give you an example. The 6% will have a plus effect to the present existing costs of the accommodation proprietors which will of course have to be passed on in the end product to the tourist, let me just quote you a couple of things. Within this particular industry there needs to be used building materials and there is maintenance material, that will be a cost of at least 1%, there will be gas which has been known will be a plus 6%, all cleaning materials will be 6%, crockery will be 6% plus, all stationery material will be a plus 6%, brochures and advertising material will be plus 6%, bedding, mattresses, sheets, blankets, again will be plus 6%, and food which I am addressing, will be 6%, and of course on top of that will be the cost of the capital to carry increased costs which I have also made reference to this afternoon. So it is quite foolish to think that in this exercise by bringing down cigarettes and liquor prices you in fact are going to decrease significant costs to the tourists, they are also going to look at the price of the packet which they buy to come to Norfolk Island, the airfares are high enough now, but also into the cost of the packet is written the accommodation and I have quoted some figures which I indicate will be a plus cost in that area and I do not think that is going to assist the situation, but really let me come back to the matter of food which is the first matter that I have proposed to you this afternoon. As I have said, I think it is best to have a taxing arrangement upon those areas that can accommodate it and I think food in Norfolk Island is not an area that can be well accommodating of a 6% increase.
MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Buffett. Further debate. Mr. Sanders.

MR. SANDERS: Mr. Chairman I think I had better dive in where angels fear to tread too. The situation has come where the old days no longer apply where everybody pays other than oneself. The only way this situation is going to work at all is if every single person on the Island contributes. Most of the submissions I have seen have been quite good but all carefully arranged so that it is everybody else who pays other than themselves. Under this system it is entirely the user that pays, you do not have to have fillet steak or something for your breakfast, there is still ample food in a market that is suitable to most persons. Also according to the schedule there are large amounts of stuff that are actually reduced, one thing that comes to my mind out of the old schedule is sweets for children, which ruin their teeth, were duty free but under the old schedule if you had medicated lollies because you had pneumonia there was a duty on them. This is one of the things that actually gets tidied up rather than gets spoiled. It is strictly a matter that the user pays. I would also like to point out to anybody interested is that it is an alternative to income tax and a terrible lot cheaper, this is only 6% across the board, income tax probably to arrive at the same amount of money would probably cost 15% because most of it would be used up in the collection. I personally find the duty on food repulsive but I support the motion, I do not think it can work without. Thank you Mr. Chairman.

MR. ACTING DEPUTY PRESIDENT: Mrs. Gray.

MRS. GRAY: Thank you Mr. Acting Deputy President, I do not think it is easy for some of us to sit here and state that we condone raising the cost of living on Norfolk Island however none of us is exempt. Regrettably it is a fact that everything is rising in cost, another shipping freight rise for example as Mr. Jackson and I have already discussed perhaps, there is a single word often used as well, inflation, and better Governments than this one cannot control it. It has been interesting to note that the very few persons who have approached me expressing views against the 6% duty on food have been those more than
capable of paying it, people whose income could be described as upper upper bracket and perhaps their opinion comes from some philosophical socialist view point. Having seen what rampant socialism can do in any self respecting country I am not in favour of inserting even a thin edge of the wedge into this society. I agree with Mr. Sanders, I would be the first, perhaps the second, to agree that duty on food is a last resort and I see the imposition of this duty as just that, a last dip stand in an attempt to stabilise the economy of Norfolk as it is now, based on a method of indirect taxation. Again I agree with Mr. Sanders I see the only alternative as a direct taxation, perhaps eventually it will come. If this fails, the step we propose now, some of us propose taking, you can forget about attracting visitors with low cost shopping and start working out just how much income tax you will pay, not to this Government but to the Australian Federal Government, because if this scheme does not work the future of Norfolk economically and thence politically, will be in jeopardy. Support for this proposal has come from those who now pay more than anyone else in terms of revenue to Norfolk. The 6% across the board has the support of the members of the Norfolk Island Chamber of Commerce and I would like to read to you a resolution passed by members of the Chamber on Monday night - "The Chamber of Commerce endorses and supports the Customs (Amendment) Bill in principle".

Perhaps there is an alternative which could well have the support of some members of this House. Food imports are estimated at one and a half million dollars. The wages and salaries bill for the Administration is one and a half million dollars. According to the recent census figures 189 people living on Norfolk earn an income of $200 or more per week, 70 - 75% of those people are employed in the Administration. If we tax the income of these people at the rate of 6% we would raise the same amount as 6% duty on food, perhaps it is an alternative which would be considered acceptable, it could mean that none of us pay duty on food. The last words probably are spoken with tongue in cheek, it is a matter of playing with figures and playing with numbers, if we do not put the 6% duty on food it will go on, as Mr. Sanders suggests, as perhaps 15% in direct income tax in due course. I cannot support the amendment of Mr. Buffett's.
MR. ACTING DEPUTY PRESIDENT: Thank you Mrs. Gray. Mr. Brown.

MR. BROWN: Thank you Mr. Chairman. I am certainly not speaking to support Mrs. Gray's suggestion that perhaps the Administration salaries be taxed. I do not think that that is a consideration that we should be entertaining at all at this stage. Any consideration of taxation would have to be a consideration of taxation of the whole community, not just one part of it.

At an earlier meeting I said that I was against the imposition of duty on essential foodstuffs. Over the last few weeks I have had a number of phone calls in relation to the proposed introduction of duty on food, some of those calls have been to offer alternatives, others have been from people who have been totally against the imposition of duty, and a surprising number have been from people who in fact favour it. Mrs. Gray has mentioned the resolution of the Chamber of Commerce last night, sorry on Monday night. It must be admitted that a low flat rate of duty on everything is a simple and fair system provided that it at the same time looks after the senior citizens. A small increase in social service payments will do that. It may be that it will create some other problems, it may well be that there are some people who are not receiving social service benefits but who nevertheless would be greatly disadvantaged. If that turns out to be the case and if this House decides to go ahead with Mr. Howard's proposal, then I would be the first to agree that the House should look at what form of assistance can be devised for those other people who are greatly disadvantaged as a result of it, that is if there are any people who are greatly disadvantaged as a result of it. We have to remember that some costs do come down under Mr. Howard's proposal. It may not even be the case that there is any substantial increase in the average cost of living, if Mr. Howard's proposal is accepted. I certainly accept his comment about dominoes. I accept that once we make one exception we would have difficulty in not allowing further exceptions. I accept too that in the case of food there would be a definition difficulty. It would be difficult to draw the line at what is going to be called food against say what is going to be called confectionery, where would health food bars come in, do they come as confectionery or do they come as food. There would be a
number of difficulties of definitions. As I said earlier I am against the imposition of duty on essential food but I can see sense in Mr. Howard's proposal and I can see extreme difficulties in making his proposed legislation work if we choose to accept anything other than the full package. For that reason, although I do not like a duty on food, I intend to support it.

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

MR. QUINTAL: Yes Mr. Chairman, there has certainly been a lot of interest in the Customs (Amendment) Bill. We have had submissions from wide sections of the community, and also probably all of us have had phone calls from a large section of the community, which is a very healthy situation and I would like to thank everyone for the contributions and interest they have taken in the amendment. The majority of people I have spoken to are definitely against any increases in duty on food. As I have stated before, the people with large families will be hardest hit. It has also been said that a number of tourists come over to Norfolk because of the cheap liquor and cigarettes, if this is the case I wonder if we really want that kind of tourist. Bryan Nunn has said in his submission that it is debatable whether the cost of tobacco and liquor forms a major reason for tourists coming to Norfolk Island. Finally I would just like to quote another thing Bryan Nunn said and he said in his submission - "Amongst other things I do not envy anybody who has the responsibility of creating a just, equitable or sound economic budget for Norfolk Island", and I think he has said that in a real big mouthful. I would like to support the proposed amendment.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: Mr. Acting Deputy President I think it has been alluded to this afternoon that there are a number of people on the Island who may not contribute in the dutiable arrangements, and I think Mrs. Gray mentioned that the vast majority of duty came from the persons who were involved in business in the Island because they have a large volume of imports. I would acknowledge that they are in fact the persons who
write the cheque that goes to the Customs Department which constitutes this large amount for the collection of customs duty, but I would point out with the greatest of respect that in fact the end product of payment is myself and yourself when we actually go into a shop here and buy an article, and we pay the price of that article into which is included the duty item, the duty content, and so everybody who drives or walks along the roads in Norfolk Island in fact do contribute to the duty arrangement in Norfolk Island in one way or another. It is in fact channelled in the major degree through the commercial area and I accept that. It has also been mentioned this afternoon that the senior citizens may well receive some increase to compensate should we find ourselves in a situation of having to pay duty on food, but I have also endeavoured to earlier point out that it is not just those persons, and if in fact you are going to try and accommodate those additional persons as well it also may well create a domino theory that has been mentioned by Mr. Howard, right you give it to the senior citizens in one category you need to give it to senior citizens in another category and if you give it to senior citizens there you might have to give it to another person who might have twelve children, because they are having additional difficulties with food, and so it can go on also, and my point is Mr. Acting Deputy President that you may well find yourself in a situation and it is a situation that I am proposing, that in fact you do not start that at all, you do not put it on food to start that arrangement whereby you have got to make spiralling increased payments to additional persons because it will not be necessary if you do not contribute to their additional costs.

MR. ACTING DEPUTY PRESIDENT: Further debate honourable members. Miss Buffett.

MISS BUFFETT: Thank you Mr. Acting Deputy President. I can only support an amendment to the Customs (Amendment) Bill providing food was exempt. I cannot accept the principle of an imposition of 6% on food, and I intend coming up with some suggested alternatives later on in my address. I would support the Bill if it were in amended form to exempt from all customs duty the following items— all food, foodstuffs
and beverages other than liquor, seeds for the growing of local food, agricultural fertilisers, all animal and poultry grain and food, and school books printed and plain, memorial plaques and tombstones and gas. I could possibly moderate them but I would not tolerate food. The Bill as it stands is not acceptable to me if it is not amended by the abovementioned items and I must reject it in its entirety if not amended.

Mr. Howard has presented for debate an amendment and I am sure that by the time we have finished, an accepted form of customs amendment will result.

At the meeting on 16th of June when this Bill was introduced, Mrs. Gray asked, and I quote - "If we do not put a tax on food, if we do not put a duty on food, where do we put it to get the amount of revenue required". Well Mr. Acting Deputy President I would never have thought of taxing food for revenue, and I would like to share my views with members along the following lines. Many other people share much the same view as they have discussed with me and others have been kind enough to forward their submissions. Before proceeding any further I congratulate everyone who has in any way constructively contributed submissions either written or verbal towards the amendment of the Customs Ordinance. I gratefully acknowledge those who like myself, hope that the Executive Member responsible for Finance will agree that a customs duty imposed on food and foodstuffs imported into Norfolk Island is undesirable and will be unnecessary if my following suggestions are implemented by this Assembly.

I welcome Mr. Howard's acknowledgement that we be mindful of the contentiousness of some items during this debate.

The main point of issue to me is that the whole subject of customs tariff review has in fact been slightly sidetracked, or more than slightly sidetracked, and it has become an issue as to how we are going to tax the people on Norfolk Island and I do not think we intended setting off in that direction. I think the taxation methods are another method and we should really spend long and involved debate on this matter, every member contributing every thought they can and not rush it through. Anyway the main point of issue really for me is that if we do not tax food that we must find some additional revenue, that some other revenue be raised in place of the estimated amount that will be lost by lowering customs duty on the tourist orientated purchases,
and of course both the tourist aspect and the residential aspect
are of major importance, but I cannot possibly accept anything that
would drive the families away for the purpose of being able to sell
duty free items to tourists, which I think would happen with this
proposal. For whatever the reasons may be, it is not essential that
the additional revenue be raised by the same method as that it was
lowered, in other words we do not have to raise this money through
imposts of customs duties. Therefore I propose that instead of
imposing 6% tax on food, firstly update the Public Works Levy to a
realistic 1982-83 wage figure and on last years figures allowing the
same percentage levyable for women and the same percentage deductible
for dependants, an additional $120,000 could be raised in that area
alone. The family man would generally earn much more than $100 a
week but I have allowed that he pay $100 in two six monthly calls each
year. He still claims exemption at the same percentage as before, and
this would be a far more acceptable means of raising revenue acceptable
to all, single and family, male and female. Secondly I recommend that
the motor vehicle registrations be upgraded to a more realistic figure
by say an additional $10 and proportional increasing for various types
of registrations. My calculations tell me that on last years figures
an additional $30,000 would be gained from that. Thirdly I have
consulted most long standing resident accommodation house proprietors
who all agree that a bed or unit tax is acceptable and absolutely no
hesitation whatsoever over 20 cents per head. A figure was suggested
by the previous Assembly's Select Committee on Tourism which was a
much higher figure which would have brought a much higher revenue but
if the figure were at 20 cents a head on an average of people staying
nine days, an extra $34,000 could be envisaged from that area.
Now they are only some of the proposals that I put before members for
consideration. There are other areas that I have not mentioned but
others have, and the other methods could assist towards the raising of
this extra revenue. The one and a half million dollars at 6% on food
would have netted us $90,000 and I think these three methods well and
truly cover that. The burden is not placed on a person by virtue
of a persons needs, I do not think anyone should be taxed by virtue of
his needs, and I think it is extremely unfair that we tax children, and
this is not emotional, it is a fact, we are taxing children who do not
earn their own money, so thereby the person who feeds the most mouths
pays the greatest tax and cannot afford the luxuries in a lot of instances a lot of them can, but it is the principle of paying according to need rather than according to ability, which I oppose. I think I have talked long enough at this moment.

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

MR. JACKSON: Mr. Chairman, I also cannot support a proposal for a Customs(Amendment) Bill which contains any form of a 6% duty on food, and therefore I support Mr. Buffett's amendment to exempt food and foodstuffs and beverages other than liquor.

My views on the proposed 6% on foodstuffs is well known to the members of this House and also to the residents, and I completely oppose this recommendation by Mr. Howard. Once again he has failed to take into consideration those residents of this Island who would be the hardest hit and those are the low wage earners, the people on fixed incomes, Australian pensioners and Norfolk Island pensioners. Mr. Howard has stated that he will give an extra three percentage points to the Norfolk Island pensioner. Well I consider that an insult to our senior citizens, to up duty on food by 6% and then throw out a miserable bait of three percentage points. Mr. Howard's explanation, and these are his own words and I quote - "Norfolk Island social service beneficiaries are mostly people whose food includes a reasonably large proportion of Island produced food", now once again I consider that statement most offensive to our senior citizens. I cannot understand how Mr. Howard is thinking in this to so openly advocate to our senior citizens that boil plun en a tatie is half of your weekly diet therefore I will only give you half of the 6% as compensation. And he said in his budget memo that he is being a shade generous. The Australian pensioner should be equally concerned as Mr. Howard has made no provisions for them at all. It is the first time in the history of Norfolk Island, and I have canvassed the views of our elders on this particular question, that a levy or customs duty be placed on materials for use in Church services, and in my opinion this is an outright sacrilege. Mr. Howard stated in his opening remarks in presenting the budget that many people had told him that no-one wants 6% on food and yet in answer to a letter from Mr. Bryan Nunn Mr. Howard stated - "It is quite extensive
in asking around the Island in the past week I formed the impression that a considerable majority, 70%, think it is not unreasonable for 6% on food". Now who did Mr. Howard canvass to get that figure, he may have been around the airport and talked to the tourists. I am sure every member around this table has stated that the response, the phone calls, the canvassing, has been against this 6% proposed levy. I have spoken out strongly in the past and therefore I will support Mr. Buffett's amendment that there be no duty on food and foodstuffs and beverages. Thank you Mr. Acting Deputy President.

MR. ACTING DEPUTY PRESIDENT: Any further debate honourable members. There being no further debate the question is that the amendment to the Bill be agreed to.

MR. SANDERS: Would you mind reading it please.

MR. ACTING DEPUTY PRESIDENT: The amendment moved by Mr. Buffett is - 

"(aa) food, foodstuffs and beverages(other than liquor); or".

Question - put

The House voted -

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Amendment not agreed.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett you have other amendments.

MR. BUFFETT: The next amendment that I have in my name Mr. Acting Deputy President states this - "grain and other feed imported solely for the use of livestock and poultry; or". The purpose in that Mr.
Acting Deputy President in that amendment is to ensure that in the local production of foodstuffs that it does not indirectly have the 6% duty added to the costs of that production. You will know to grow feed, to grow vegetables and the like, one needs to feed stock with, if you import it the proposal is now of course that it be charged 6% and that 6% will be added on to the cost of production of livestock and poultry and that in turn will be passed on to the person who consumes it in Norfolk Island. I have earlier explained that the thought that locally produced items would be free of any impost would be erroneous if in fact this amendment is not carried. So again Mr. Acting Deputy President the proposal is that grain and other feed imported solely for the use of feed for livestock and poultry be exempt from 6% duty.

MR. ACTING DEPUTY PRESIDENT: Further debate honourable members. Mr. Howard.

MR. HOWARD: Thank you. I do not really see if we exempted food for chooks how we could charge duty on food for babies. I think this is one of the dominoes. We have just voted 5 to 4 that the first domino should stand up, that there should be duty on food, I think that this proposed amendment is not appropriate as we have decided against exempting duty on food. In the course of many discussions that I have had with people about the customs proposals, a lot of ideas have been put forward, a couple of other members have referred to some of those ideas, there has been a wide range of thoughts, other ways to raise revenue, how the incidence of duty might be varied, a lot of helpful suggestions that may be useful as the year goes along. One of the thoughts that has been suggested, and I think there may be merit in it, is that if you are going to have an across the board duty consistent on everything, you have lost the ability to support and encourage certain kinds of activities that you want to support and encourage, but there are other ways of doing that. There has been a subsidy on fertiliser I believe for many years, not much taken advantage of but nonetheless there to be taken advantage of. It could well be if the new Customs law as proposed becomes law that we will find as the days go along that there are some adjustments, some balancing that we want
to do, and one of those balancings might well be some form of subsidy for local producers, local growers of food or perhaps of other things, we may well find that we want to subsidise for example the import of better breeding stock on the Island. I argue again for maintaining the integrity of the Customs proposal as it has been put, 6% across the board and not breaking the line, but I wanted to mention certainly my happiness to think about as we get experience with the Bill presuming it becomes law, my happiness to think about ways of subsidising things that we do want to support in ways other than fiddling with the Customs Bill, there are other ways that we can support those things if it is the will of the House that we do so.

MR. ACTING DEPUTY PRESIDENT: Further debate honourable members. Mr. Jackson.

MR. JACKSON: Mr. Chairman, I support the amendment proposed by Mr. Buffett. Once again we see a chain reaction of increased costs, increased eggs as Mr. Howard has just said, and it will spiral because these extra imposts that have been placed on the local producer will be handed on. I am amazed that Mr. Howard on many occasions here this afternoon has stated while we are fiddling with the Customs (Amendment) Bill, well I consider it has been fiddled with quite enough by putting a hardship and burdens on many people on Norfolk Island, and this one that has been a condition of years gone by and now in one swipe grain and other feed imported solely for the use as feed for livestock and poultry, a 6% duty will be slapped on that, and there you are Mr. primary producer you cop it. I have all intentions of supporting this amendment.

MR. ACTING DEPUTY PRESIDENT: Mr. Quintal.

MR. QUINTAL: Could I ask through you Mr. Chairman what Mr. Howard's suggested subsidy would be, how would you suggest a subsidy, if a person is in need of it.

MR. HOWARD: I have not thought it through, I am only saying that there is the facility to encourage things if we want to encourage them and I
think local production is something that we ought to want to encourage. All I am saying is that there are other ways to encourage it than to exempt it from customs duty.

MR. QUINTAL: Yes because the price of fertilisers is getting out of hand, in some places you pay as much as $28 for a little bag of fertiliser and it is getting very hard to try and operate a farm these days because of the high costs of fertilisers. I do not see any problem with agriculture but seeds I must say are getting very pricy. Last year I bought 500 grams of onion seed for $24.50 and this year from the price of $24.50 for 500 grams the price has escalated to $84.20, and that is a fact, and seeds are getting very very expensive and half the seeds you buy today will not germinate and it worries me that there is a suggested tax on these sorts of things, but if a subsidy could be given I think that would be a good thing.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: In response to what Mr. Quintal was saying, I ought to make it perfectly clear that I am not saying vote against Mr. Buffett's amendment and I will bring you a proposal for subsidising those things, if I implied that I do not mean to, what I mean to say is that if this Customs proposal becomes law and we find it is working hardship in various ways or if we find we want to encourage primary production to overcome the customs duty or for whatever reason, there are ways of doing it. I am not proposing a trade off at this point, I think it is something we want to watch and see, but if we want to encourage primary production there are other ways to do it than exempting it from customs duty.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: Mr. Acting Deputy President anyone who does not know that primary production in Norfolk Island needs to be encouraged now does not have an awareness of what the situation is in Norfolk Island. What I am proposing here is that that be recognised that there needs to be this assistance if you might like to put that word to it, in the area of
primary production and in the specific area of livestock and poultry production, that is why I am proposing that it not be suffering the impost of a 6% duty on the grains and feeds that need to be imported for it to be viable in this environment in Norfolk Island.

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

MISS BUFFETT: Thank you Mr. Acting Deputy President, I would like to speak in favour of Mr. Buffett's amendment in another attempt to try and keep costs down in some areas and very pertinently encourage the activity in the primary industry area which really needs encouragement and it will probably come to the stage where the people who live here will be able to fly in anything they want the way things are going, but I would like to support Mr. Buffett's amendment. Thank you.

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

MR. SANDERS: Thank you Mr. Chairman. I believe at this stage that there should be no exclusions of any description up until we find out how the system works and I do appreciate that Mr. Quintal would be inconvenienced at the moment, but I would support it if there is such a move to subsidise those things that I know he uses, becomes an issue.

MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Sanders. Further debate honourable members. There being no further debate the question is that amendment to the amendment be agreed.

Question - put

The House voted -

AYES, 3
Mr. Buffett
Miss Buffett
Mr. Jackson

NOES, 6
Mr. Howard
Mr. Brown
Mr. Christian-Bailey
Mrs. Gray
Mr. Quintal
Mr. Sanders

Amendment not agreed.
MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: The next amendment that stands in my name Mr. Acting Deputy President is this - "(aa) manure and fertilisers or seeds, agricultural bulbs, flowers, plants, shrubs and trees; or". This is a corollary to what I was proposing earlier Mr. Acting Deputy President that those things that are involved in the production of local foods should not be suffering the impost of a 6% duty. It has already been mentioned that manures and fertilisers are extremely expensive and they are essential to the growing process of foodstuffs in the Island, Mr. Quintal has already mentioned the matter of seeds which is contained in this motion, and a rise of $25 to $84.20 that has been mentioned by Mr. Quintal is an astronomical rise to suffer in one season and it is sufficient without having to add 6% for other related articles to involve yourself in the growing of basic foods in Norfolk Island. It has been said by a number of people on a number of occasions that well in Norfolk Island we can have our own backyard and if times are difficult we can make the best of things we can by growing our own vegetables and the like. What is in danger of happening is that persons will be taxed out of the possibility of even doing that Mr. Acting Deputy President, if people have in their mind that they are going to tax everything that comes into the Island that relates to the basic needs of Norfolk Island's community and I propose this amendment to alleviate such a difficulty.

MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Buffett. Further debate honourable members. Miss Buffett.

MISS BUFFETT: Mr. Acting Deputy President again I will support Mr. Buffett's amendment.

MR. ACTING DEPUTY PRESIDENT: Thank you Miss Buffett. Further debate honourable members. There being no further debate the question is that the amendment to the amendment be agreed.

Question - put
The House voted -