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 and I quote - "(aa) any goods imported by Churches for use in their religious services; or".

Mr. Acting Deputy President the purpose of bringing this forward is to recognise that Churches of course are not a revenue earning activity in the Island but they provide for very essential spiritual needs of the community, and the goods that they use in their religious services I feel should recognise that. I do consider that if one comes to the situation of taxing at 6% or any other percentage that one might like to mention, it really is promoting some sort of moral decline in the Island and I really cannot support anything that would move in that direction. I would like to say also that I have had a letter from one of the members of the Clergy in Norfolk Island and I would like to quote part of that letter to you, it says - "To impose any kind of duty or tax on matters necessary for divine worship would be very wrong. With extensive experience I know no country that does this, even communist ones as China and Russia when such genuine items for local and mission Churches are exempt totally".

I would want to propose to members of this House that they in fact do recognise that and support a motion which in fact does not place that imposition on goods imported for use in religious services in Norfolk Island.

MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Buffett. Further debate honourable members. Mr. Jackson.
MR. JACKSON: Mr. Chairman this is one of the worst pieces of legislation in the Second Legislative Assembly that I have ever been confronted with. It is offensive, it is facetious, it is an insult to recommend a 6% duty on goods to be used by Churches for their religious services. I also have been approached by a church-goer who stated that his particular Church purchase in bulk and the reason they do this is to save by buying in quantity, and a proposal of this nature will add more on to what they will have to pay to purchase these things for religious teachings. This particular Church sends clothing to other Pacific Islands to assist the people up there who cannot properly provide for themselves, and to place a burden on a religious organisation as I have stated, has never been known in the history of Norfolk Island and to suggest it now, once again I deplore it, I condemn it and I cannot support such a proposal, therefore I must state that I support Mr. Buffett’s amendment to the Customs (Amendment) Bill and I support it totally.

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

MISS BUFFETT: Thank you Mr. Acting Deputy President. I feel that an imposition of 6% on things imported for the use of Churches to earn money for the Government through an imposition like this would be contravening a divine command and I think in itself nothing could be more basically wrong and I would ask all members to seriously consider exempting such things and giving full support to Mr. Buffett in his proposed amendment. Thank you.

MR. ACTING DEPUTY PRESIDENT: Further debate. Mr. Quintal.

MR. QUINTAL: I would just like to say Mr. Chairman that I wish to support the amendment for several reasons and the first is that I cannot see for the life of me that we would raise very much revenue from the Churches from whatever they buy, although that does not come into the picture at all really but I must mention that part of it. I think it is wrong myself to impose a duty on any goods imported by Churches and I wish to support the amendment moved by Mr. Buffett. I am not a very strong church-goer but I do support the amendment.
MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Quintal. Further debate.
Mr. Howard.

MR. HOWARD: This is one of the hardest ones of all for me to decide on. If we exempt Churches I think we would probably have to exempt books and magazines and if we are going to exempt books and magazines, how can we tax food, that is the problem I have. I do not think that 6% duty is going to be seriously damaging to anybody, it is nothing like the 33% that the Australian Tax Commissioner charges people on income over about $90 a week. I do not think it is going to be a serious burden on anyone. I had the pleasure, the opportunity of talking with all four of the Islands Clergymen yesterday and they spoke to me about their concerns about a number of aspects of the Customs Ordinance, to their credit the last thing they mentioned in their various concerns was the proposed duty on goods imported by Churches, and I have tossed and turned and thought about it. I think I will oppose the amendment and I may not go to heaven as a result, I am not sure, I think we need a simple tax and I think if we start making exemptions we are going to have to make more exemptions, and so I am going to oppose it.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: Mr. Howard did make mention that he considered that a 6% tax might not seriously damage; I assume he is referring to the imposition that would be placed upon the Churches, I would say that maybe he does not have a good knowledge of the finances of a number of the Churches on the Island. I have already mentioned that they are not revenue earning organisations, that they in fact do operate in many instances with a vast number of expenses and with a shoestring income, and so 6% in fact does mean monetarily, some considerable amount to them besides the more moral aspect that I have earlier addressed. I would hope that members would recognise that this particular amendment that I am proposing is one more than just of a monetary value, it is one which will show the calibre of things that need to be stood up for in this particular community, and they might also take that into account when they consider their attitude in respect of this amendment.
MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Buffett. Mrs. Gray.

MRS. GRAY: I cannot support the amendment Mr. Acting Deputy President. I agree with Mr. Howard, one couples this amendment with the one which we are about to deal with I believe on books and one decides which is of greater or lesser value, food for the soul or food for the body. I cannot support it.

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

MR. SANDERS: Thank you Mr. Chairman. I do not support the amendment either, I would prefer to, but as I have previously stated there should be no amendments otherwise the system just will not work.

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

MR. BROWN: I support what Mr. Sanders has just said Mr. Chairman.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: I regret that a number of members Mr. Acting Deputy President feel that they have got to follow a system in lieu of following what might be the best dictates of a situation that is in front of them in feeling that they have to follow that line of a system in Norfolk Island.

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

Question - put

The House voted -
AYES, 5
Mr. Buffett
Mr. Christian-Bailey
Mr. Quintal
Miss Buffett
Mr. Jackson

NOES, 4
Mr. Howard
Mr. Brown
Mrs. Gray
Mr. Sanders

Amendment agreed.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: Mr. Acting Deputy President the amendment that stands in my name finally is - "(aa) Printed matter, namely, reading, school and text books, music, periodicals, pamphlets, newspapers, labels, paper advertisements and paper advertising matter, charts, maps and plans, catalogues, price lists and used and unused postage stamps, childrens picture and painting books; or". That is reading the technical terms of it Mr. Acting Deputy President.

The basic purpose that I move that particular amendment Mr. Acting Deputy President is that it removes the thought of any tax on the free passing of information in Norfolk Island between Norfolk Island and elsewhere. It is well known that we are a thousand miles from the mainland of Australia, 600 - 700 miles from New Zealand, and there is some reasonable isolation in particular situation. We do place some great dependence upon information, printed information, and I think it would be quite wrong practically to place a tax upon the passage of that information in a practical sense and I think it would be quite morally wrong for us to try and have some impediment such as a 6% tax in respect of that.

Mr. Duncan McIntyre wrote a letter to the paper, the Norfolk Islander of Saturday 26 June 1982, in which I thought he very succinctly made a couple of points and I would like to quote them to this House Mr. Acting Deputy President, and I quote in part from his letter - "The proposal to collect duty on books, magazines and newspapers is a deep and fundamental breach of principle. Any tax on books, any tax on information or ideas sets a precedent from which any or all of us may
suffer in the future. It does not matter how innocent the circumstances may be at the time, it does not matter that everything else cops 6% too, it does not matter that books for the school will have the benefit of the Administration exemption, it does not matter that you can import your own books duty free up to the minimum dutiable value, it matters least of all that publications you dislike will enjoy the same exemptions as those you approve, what matters yesterday, today and tomorrow, is that it is wrong to tax the flow of ideas and wrong to lay any basis now for government discrimination in the future, and don't say it could not happen here, from 1935 to 1964 it was illegal to publish a newspaper without government approval. Some parts of revenue law go beyond revenue, any tax on publications is a tax on thoughts whether the thoughts are important or trivial and a tax on thoughts is a gut felt insult to a free society, yours etc Duncan McIntyre". I thought that those words that I have quoted from Mr. McIntyre's letter, and I might say I have done so without speaking to and gaining his approval but it was a letter to the public newspaper so I felt no impediment in doing so, succinctly described some very sound thoughts as to why there should not be a 6% tax on those matters that I have earlier mentioned as a formal motion before this House, and I do ask members that they recognise those principles that have been elucidated there and that they will support an amendment which does not place Norfolk Island on a list of places that taxes freedom of information in an undesirable way.

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

MR. SANDERS: Thank you Mr. Chairman. I do not support the amendment, as I have repeatedly said if there is any exemptions the system is not going to work. For Mr. McIntyre to write that letter I feel sure that he must have neglected to remember that there is something like 25% sales tax in Australia.

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

MR. HOWARD: I take the same view, I feel very unhappy about the idea of taxing books, I am not real unhappy to have lost that last vote on
the Churches, I would not be terribly unhappy to lose this one, but I am still going to oppose the amendment and my line of reasoning is this, if you follow the path of a book as it gets printed, you start in a forest where a tree is growing and somebody goes in and cuts the tree and then they pulp it and they make paper out of it and then they truck the paper into a printing plant and printers go to work and they print the book and then they bind it, then it goes into the warehouse of a bookshop and the bookseller sells it to somebody. In our case the book gets put into a cardboard carton and put onto a ship and it is sent to Norfolk Island; now there are taxes being put on that book all the way along the line, all of the people that I have talked about in the whole process so far pay income tax on their salaries and they can work cheaper if they were not paying income tax. All of the factories and plants and so forth where the book is handled pay land rates, all of the vehicles that carry it are charged registration fees, there are dozens and dozens of taxes on the book before it gets to us and I do not see why we suddenly become monsters because we include it in our one across the board tax on Norfolk Island at a modest 6%, I do not see why what we are talking about doing suddenly becomes a hideous thing when supposedly everything that has happened up to that point is perfectly alright, I just do not buy that.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: I would make mention Mr. Acting Deputy President of Mr. Howard's explanation of the process from a tree to being cut to being pulped etc, it is not until in fact it is taxed, and it may not be taxed, it depends on where it is done of course, but in the process it goes along, I would make mention of the fact that I have raised the difficulties that I see in respect of the information that it provides to us and in fact it is not until its last stage that it is actually that, it is only when it becomes printed matter, and that is what my motion refers to Mr. Acting Deputy President, printed matter, when it reaches that form there is a fear in my mind that 6% is a great impediment on its free passage.

MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Buffett. Further debate. Miss Buffett.
MISS BUFFETT: Mr. Acting Deputy President in supporting Mr. Buffett's amendment I feel I would like to thank him for the sincere effort he has made by moving these amendments to the Customs (Amendment) Bill in a very desperate stand to try and preserve some solid qualities of life in Norfolk Island.

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 -

**AYES, 4**
Mr. Buffett
Mr. Quintal
Miss Buffett
Mr. Jackson

**NOES, 5**
Mr. Howard
Mr. Brown
Mr. Christian-Bailey
Mrs. Gray
Mr. Sanders

Amendment not agreed.

MR. ACTING DEPUTY PRESIDENT: Is there any further debate on the amendment as amended honourable members. The question is that the amendment be agreed.

Question - put

The House voted -

**AYES, 5**
Mr. Howard
Mr. Brown
Mr. Christian-Bailey
Mrs. Gray
Mr. Sanders

**NOES, 4**
Mr. Buffett
Mr. Quintal
Miss Buffett
Mr. Jackson

Amendment agreed
MR. ACTING DEPUTY PRESIDENT: Will somebody move that the Bill be agreed to as amended. Mr. Howard.

MR. HOWARD: I move that the Bill be agreed to as amended. Have we agreed to it in principle yet, we have.

MR. ACTING DEPUTY PRESIDENT: Further debate. There being no further debate the question is that the Bill as amended be agreed.

Question - put

The House voted -

AYES, 5
Mr. Howard
Mr. Brown
Mr. Christian-Bailey
Mrs. Gray
Mr. Sanders

NOES, 4
Mr. Buffett
Mr. Quintal
Miss Buffett
Mr. Jackson

Bill, as amended, agreed.

PUBLIC ACCOUNT EXPENDITURE BILL 1982-83

MR. ACTING DEPUTY PRESIDENT: Order of the day No.4, the Public Account Expenditure Bill 1982-83. Mr. Howard to resume.

MR. HOWARD: Thank you. Could I ask if the House has some thought about adjourning for a while, shall we continue ploughing. We should not adjourn for more than a couple of hours because the next Bill has to do with money that is needed to be spent tomorrow.

MR. QUINTAL: Well may I suggest we move on with the business.

MR. HOWARD: Right.

MR. SANDERS: Mr. Chairman, I was going to propose an adjournment. May I speak for my reasons.
MR. ACTING DEPUTY PRESIDENT: Yes Mr. Sanders.

MR. SANDERS: I asked at the Executive Committee meeting last Monday the 28th for a copy of the Public Service paper with queries on the budget. This paper has been in the executives possession for two weeks, surely non executive members to have input are entitled to see all papers especially as access to files and papers has been a bone of contention ever since the formation of this new Assembly. We are dealing with public monies and I consider this matter of the utmost importance to all who live here. I consider this to be an insult to the integrity of the six non executives. I move that this Public Account Expenditure Bill 1982-83 be adjourned until we have been able to peruse the paper in question and any others that may be relevant to voting on the matter.

MR. JACKSON: May I ask Mr. Chairman what are these relevant papers that Mr. Sanders is enquiring about because if he is enquiring about the latest figures or papers that were suggested be made available to members in the Executive Committee meeting last Monday, well I have not seen those papers, are these the ones that Mr. Sanders is referring to, if those papers are relevant to what we will be discussing here on the Public Account Expenditure Bill, I do believe that the papers should be in our possession to be studied for the necessary time it takes to absorb them.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: In this sort of informal discussion that we are having, I have got to apologise for not having made those available, I said that I would to Mr. Sanders and to make them available to all members at the Executive Committee meeting and I failed to do it, too much going on, and I apologise for that. The whole process of compiling and preparing the budget has been a pressure cooker operation, it has been done with great difficulty under severe pressure, I am sorry I did not provide those papers, I hope that we can find some way to press on. I can speak to that paper, I am happy in the debate if it continues to hand you the copy that I have now to look at, I have had a long talk with Accountant about the contents of that paper and I am happy to report on
that as we go along. There are serious financial problems for the Administration and the Government if we do not press on and deal with this Bill and supply money of some kind. If there are particular aspects of supply that Mr. Sanders or Mr. Jackson want to hold up for the time being until more study can be given to them, there may well be some that can be suspended, postponed, for the moment, but we do need money to keep the Administration operating and I think despite the failure on my part to provide the papers I said I would, I think we need to press on with considering the Bill.

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. SANDERS: Mr. Chairman I have no objection to sitting here all night but I would still like to see the paper before I pass an opinion on it.

MR. ACTING DEPUTY PRESIDENT: Mr. Quintal.

MR. QUINTAL: Mr. Chairman I would like to suggest that we adjourn to give the six members an opportunity to read that paper which should not take very long.

MR. ACTING DEPUTY PRESIDENT: Mr. Quintal would you like to move that we suspend for two hours.

MR. JACKSON: Before that adjournment goes in Mr. Chairman, may I ask what would be the procedure then, would someone go down and roneo the papers off to provide us with this particular paper or what will be the procedure. While we have been here talking that could have put into motion, to provide the other six members with a copy. To have one paper passed around the room here and the executive members sharing theirs, I do not consider it is in the best interests of everyone. I believe those papers could be quickly roneoed off and be back in our possession, it would not take a two hour adjournment.

MR. QUINTAL: Mr. Chairman could Mr. Howard give us an indication of how long it would take to go through the paper.
MR. HOWARD: The answer is it depends on how much thought you want to give it. Let me describe the paper, it is a letter to me called Proposed Budget Impact of Proposals, it comes from the Chief Administrative Officer. There are first of all some general comments on the difficulties of handling the fortnightly allocation of money, there is then a list of what the CAO believes the Administration can afford to do with the money that it is proposed they be given, there is then a list of goods and services that they say they do not think they will be able to provide unless we give them further supply. That material takes six pages along with concluding comments. There is then an attachment which is eleven pages of pencilled figures which support the information given in the first six pages, I think you could read it and digest it reasonably well in an hour, if you want to give it study, hard study and want to get out your calculators and start doing sums with it, it could take as long as you have got time. I can say generally that the essence of the paper is the Administration's wish to say these seem to be the difficulties we may have if the Supply Bill goes through as it is proposed. I can say that after a conversation of about three hours with the Accountant, having gone through the paper in quite extensive detail, he feels that the problems that were raised in here are really not insurmountable problems at all, that they all can be dealt with. That is the essence of the meaning of the paper.

SUSPENSION OF HOUSE

MR. QUINTAL: I move that we adjourn for one hour and a half and that the paper be roneoed off to give each member a copy.

MR. SANDERS: Mrs. Graham is doing it now, maybe if we just adjourn for ten minutes and if Mr. Howard could, while we go through it, give us the answers that were given to Mr. Gilchrist the other day.

MR. ACTING DEPUTY PRESIDENT: The question is that the House be suspended for ten minutes.

Question - put
Motion not agreed
MR. HOWARD: There wasn't any vote. I think we need a little more than ten minutes.

MR. ACTING DEPUTY PRESIDENT: The question is that we now suspend for one and a half hours.

Question - put
Motion agreed to

Sitting suspended at 6.30 p.m.

RESUMPTION OF SITTING (8.00 p.m.)

MR. ACTING DEPUTY PRESIDENT: Resumption of business honourable members.
Mr. Howard.

PUBLIC ACCOUNT EXPENDITURE BILL 1982-83

MR. HOWARD: Thank you Mr. Chairman. I resume the debate on whether the Public Account Expenditure Bill should be agreed to in principle.

MR. ACTING DEPUTY PRESIDENT: The question is that the Bill be agreed to in principle. Mr. Howard.

MR. HOWARD: Since the Supply Bill was tabled two weeks ago, there have been a number of questions and uncertainties expressed to me by people in the community and some people in the Administration and I would like to try to clarify some of those. There has also been a bit of fairly severe criticism about the budget, partly in a very well written one page article in the Norfolk Islander last Saturday week, and because that article raised a number of the specific worries about the budget that some people have felt, I thought I would deal with four or five of the points that are raised in that article. I have a copy of the article here and if it is wanted that I table it for Hansard I am ready
to do that. I am asked the date, the date is the 19th of June and the article is headed '1982-83 Budget - Some Queries, A Contributed Analysis'.

The article as I said is well written, in some ways it is a well informed article, in some ways I think it is misinformed. I take the article seriously because first of all it expresses its thoughts well and secondly because it quite obviously has been written by someone very close to the upper levels of the Administration with access to a certain amount of information about financial planning in the Administration, I do not know who wrote it, it was not signed, so for the purposes of the talk I will refer to him as Mr. X.

Mr. X makes a number of fairly severe criticisms of the budget. He says that there is cause for scepticism at if not downright disbelief of Mr. Howard's assertions, and it says one is entitled to question the genuineness of his proposal, and it says the cost to the Island's economy is frightening to contemplate and it refers to apparent inconsistencies and anomalies and says perhaps the cause for these is oversight or error and it says there is little cause for confidence in a budget which appears to be not so much austere as unclear.

I want to deal with five points that Mr. X makes in this article. The first is that he says that the salary level for the year should be not one million five hundred and eight thousand which the Supply Bill proposes be allocated but one million five hundred and eighty three thousand three hundred, and he says Mr. Howard's figure represents a 4.75% reduction of salaries, alternatively it might represent the salaries of six or seven temporary employees for the whole year or of even more employees for part of the year. Now that statement, because it comes in a well written criticism, may cause people to worry. I want to respond by saying that the figure in the Supply Bill of one million five hundred and eight thousand for the year comes from the latest and only recent official figures that are available, it comes from the April salary figures furnished to me by the Accountant in which salaries in the month of April were shown as being one hundred and sixteen thousand dollars, there were two pay days in April, so that means that the salaries and overtime and other salary costs actually paid in the month of April, was at the rate of $58,000 a month. I noticed with interest in the May figures which I passed out earlier
today, that the figure is $113,000 instead of $116,000, so there may even have been a bit extra allowed for overtime or other salary costs in the month of April, but the wages and salaries figure in the Supply Bill is based on a continuation of salaries at the rate that they were running according to the latest figures we have. I do not know where Mr. X got his figures, we have to rely on the figures that the Accountant gives us, I do not think we can rely on anonymous estimates that say that the Accountant's figures are not right.

Secondly Mr. X says that social service benefits are being paid at a rate of approximately $5,000 per fortnight. He continues - 'Mr. Howard's allocation it seems will not even meet current needs', so here Mr. X is trying to get the pensioners frightened that the budget is not going to allow their benefits to continue. The Supply Bill figure for both social service benefits and for medical benefits is based on what actually was spent in the first nine months of the year, it is based on continuing that rate in the coming year. Those are the only official figures that we have available. Mr. X asks does Mr. Howard intend to break the connection with Australian benefits, will Norfolk Island recipients be denied such increases in the next financial year. Again I think he is trying to frighten people. The answer to those questions is no of course not, I do not propose and I could not break the connection with Australian benefits and of course Norfolk Island recipients will get whatever increases come along in the coming year, those are all in the Social Services law, we are obliged to make those payments, we have no discretion about them, the system is as of right and it tells what benefits are to be paid and how they shall be increased in accordance with Australian increases and there is no thought of changing those. The Supply Bill proposes that we allocate an amount of money to keep payments at the level that the nine months figures show they were running. If benefits are increased in Australia we will have to increase ours we will have no choice and further supply will be necessary as the year goes along if that happens.

Next of all on the question of operating expenses for the Administration, Mr. X says that the Administration sought $465,000, Mr. Howard has allocated $390,000. What Mr. X says is true, the Administration sought $465,000, the Administration sought an increase in operating expenses in the coming year of 21%. Now in an economic downturn in a time when you have to tighten the belt for the timebeing,
you cannot say increase your operating expenses by 21%, as far as I am concerned that is not on. What has been allocated in the Supply Bill is the same rate of spending for operating expenses as existed in the first nine months of the year. No a 21% rise was not given but a continuation of expenses as they have been is included in the Bill.

Next of all Mr. X suggests that the budget dumps on to the Administration the job of making some political decisions. If money is to be saved, should the money that is spent be put into this category or that category, and Mr. X says those may be political decisions and the politicians should be making them. I agree totally with that. I do not have the slightest intention that the Administration should be asked to take a responsibility for political decisions and my hope and expectation as the year goes along is that when there are difficult decisions to make do you spend on A or do you spend on B. I hope that the Administration Branch Heads and the Chief Administrative Officer will be in close contact with the Assembly, with the executive members, to make sure that there is input from the elected representatives of the Island on which is the proper political decision.

Mr. X is worried about the cost to the Island's economy that will result from the reduction in capital expenditures, and he says - 'When it is considered that the greater part of the Administration's capital purchases of vehicles, furniture and building supplies etc are made locally, the cost to the Island's economy through a complete freeze in these areas is frightening to contemplate'. Well all I can say is Mr. X must be a very easily frightened man because enquiries that I have made of the businesses on the Island who are the principal suppliers to the Administration say that the proposed reductions in capital expenditure that are included in the budget this year are hardly going to have a visible effect on their business at all. The idea that there is going to be a frightening effect on the private sector is just fantasy.

Finally Mr. X once again echoes a plea that some people have made, that we ought to be spending our reserve funds. He says no part of the reserve funds which after all belong to the people of the Island, can be touched, apparently they are going to be kept for an even rainier day than this. I wanted to express a view on a very important change
that has occurred in the world in the past year that I think some people on the Island may not be aware of. Until about a year ago in most civilised countries in the world there had been a period of about twenty years in which it was smart to be in debt, it was a period in which inflation kept rising every year and in which interest rates were relatively low. Under those circumstances the most intelligent thing a young family could do would be to buy on the biggest mortgage they could get the biggest house they could possibly afford to get and sell it five years later at a capital gain and then buy again the biggest house they possibly could afford. The price of everything was increasing year by year and the cost of borrowing money was smaller than the rate of inflation. Under those circumstances it was intelligent planning, it was good thinking, to be in debt, and all over the world business enterprises and governments reacted to that fact and most of them went as heavily into debt as they possibly could. That was good management for twenty years. Many people on Norfolk Island, many people everywhere, have grown up during that twenty year period and have never known any other state of affairs. For most of the worlds history up until twenty years ago things were different, money was a thing to be valued and to be kept, debt was a thing to be avoided. Once again about a year ago the wheel turned once again. Money once again has become a valuable thing and debt once again has become a painful thing. Interest rates have risen to the point where they are substantially ahead of the rate of inflation and the smart thing to do now is not to go into debt, the smart thing now is to have money, cash. This change that occurred beginning about a year ago, is not an accidental thing, it has happened in response to international pressures at the most senior governmental international level. As near as I can tell one of the principal factors in it was that after World War II Europe became flooded with a kind of financial paper called euro dollars which were promissory notes based on the U.S. dollar. As the rate of inflation in the U.S. increased the value of the U.S. dollar decreased, the value of euro dollars decreased. Governments throughout the western world have finally put serious pressures on the U.S. to put its own house in order and to strengthen the value of the U.S. dollar, and if you follow financial trends of that kind you will see that the U.S. dollar has strengthened world wide over the past year
very substantially, that is the result of pressures put on the U.S. by governments around the world. That is what has driven interest rates up in part and that is what has changed the financial world once again back to a situation where the smart thing to do now is to have money in the bank rather than being in debt. Now there are many people who have never lived in a world where that is the case, in their adult lives at least, and that kind of world responds very differently from the one they grew up in and the ground rules are different. We are now living in that different world and the intelligent thing to do now if you have cash is to conserve it, it is paying you far more than you would get if you went into debt. Debt is being penalised once again. It is to the benefit of the public of Norfolk Island to preserve those reserve funds, for many reasons but that is one of the principal ones.

At the invitation of the Chief Administrative Officer I had a meeting of about three or three and a half hours with the Accountant a day or two ago to go through the budget plan and to discuss with him the Administration's view as to how the Administration would be affected by the budget and the Supply Bill as proposed. I am pleased to tell you that in the first place that conversation was collaborative and cooperative and constructive. At the end of the conversation the Accountant felt that problems the Administration feared might be involved in the Supply Bill as a matter of fact were quite manageable. He queried me on many aspects of the budget and I think, I would not want to put words in his mouth, but I think at this point he sees no problems that cannot be solved in ways that I and the Assembly I think are quite willing to solve.

Once again it is an austere budget, it proposes that expenses be held at the level that they have been for the first nine or ten months of this year rather than expanding. It is an attempt to balance the budget, I think it is suited to the times and I recommend it, and I would like the Bill to be approved in principle and then perhaps we can discuss the Bill in detail, although if I can get the call after that vote Mr. Chairman, there is a small amendment that I want to make for a couple of items that I omitted to include.

MR. ACTING DEPUTY PRESIDENT: The question is that the Bill be agreed to in principle.
Question - put

Motion agreed to unanimously

MR. BUFFETT: I wanted to address that matter Mr. Acting Deputy President. An annual government budget is prepared to provide on the one hand for a number of things on which money must be spent, things such as the running costs of government which include wages, salaries, office requisites, that is administrative sort of expenses, things such as the provision of professional or technical services such as education, school for example, scholarships, health, which includes the hospital. It also includes the provision of other services such as the library services, broadcasting service, roadworks and maintenance of public places and that sort of thing. Also it is to provide for social and welfare needs of the community, such as aged pensions and medical and hospital assistance. It also needs to have provision of moneys for capital works for community benefit such as public incinerators, school buildings, bathing sheds and those sorts of things, and also it needs to provide for law enforcement instruments such as Police and Courts to uphold the laws in a particular community.

To put out moneys for such things you need of course to have an income of moneys and so on the other hand preparation is made of income to be derived from sources such as fees for governmental services, governmental business undertakings and duties and imposts made to provide for the running of government. A whole range of considerations need to be made in this budgetary consideration because it has wide ranging effects on all sectors of the community, any community, and no less in Norfolk Island.

In Norfolk Island at present there may be considered three main or principal areas of financial activity, there are others but I am trying to stress the principal ones. Firstly that generated by tourism in Norfolk Island, secondly I think we can say that generated in the business sector, and thirdly I think we can say that generated by government, and that can be in our context the Australian Government in Norfolk Island or the Norfolk Island Government here. There is of course much interdependence and intertwining between these three groups and I think it must be said also that the quantum of the groups are
not always constant. A budget needs to take all these things and many others I might add, into account and the result of that should be a budget which is viable, realistic and it must give confidence to the community on whose behalf it is being presented that there is proper management under that budgetary arrangement. This budget which is presented to us in the form of the Public Account Expenditure Bill and the address that accompanies it by the Executive Member for Finance, firstly paints a picture of gloom; secondly it proposes all the wrong things to remedy that situation; thirdly it does not adequately provide for the existing community services and facilities nor for the meeting of statutory financial commitments and by statutory I of course mean that provided for by law; and fourthly it is my assessment that it uses the budget for gaining of personal power. It does not provide for the continuation of government approved policies. Let me examine these Mr. Acting Deputy President. I do accept that there is a considerable decline in the number of tourists in Norfolk Island at this time and has been for a number of months. The Tourist Board figures are quite specific on this and people who are directly involved in the tourist industry of course experience this. There are however identifiable reasons for this decline and steps are being taken to remedy this. High airfares is one of the principal impediments to the tourist industry at present. This is due in part to the type of aircraft flying here which in turn relates to the capacity of the airport. The airport is in the process of being upgraded hence a remedy is being pursued in that particular direction. I think it can be acknowledged however that some persons of the last few years may have bought into businesses here in Norfolk Island, bought on the rising graph because the tourist figures have been rising over that period of time, and now that it is no longer rising at that rate that it has been rising over the past couple of years, immediate past couple of years, are finding things quite difficult, and this is regrettable, and a return to viability of the tourist industry hopefully will remedy this. There are a number of proposals within the budget that reflect the dramatisation of gloom and these measures do nothing but escalate any existing difficulty as I understand it. A present difficulty is that there is a shortage of money being spent by tourists because the number of tourists just has declined. This budget has not provided for any significant government
capital expenditure nor maintenance expenditure. Last year some hundreds of thousands of dollars were allocated and spent in these sorts of areas to provide for and maintain services to the community. Now not providing for community service is bad enough but that is not the point I am really making at this time. What I am saying is that that sort of money, hundreds of thousands of dollars, will not be spent in the Island. Businesses in the Island that enjoy having the Administration as a customer which bought various things, a whole host of things in the community, will no longer have that business available to them simply because money is not being allocated for that purpose. It has been mentioned in Mr. Howard's debate just now that for persons who thought that significant sums not being spent in that area would not have a difficulty, he said it was just fantasy if I remember his words correctly. I think the result of the lack of spending by tourists in Norfolk Island cannot be explained as just fantasy, and what I am saying is that this is a similar situation of non spending in the community and I consider that there will be some dramatic result in the business sector and I regret that that situation is being put upon us. Businesses have already had extensive adverse experience with no tourists to spend money and now businesses will have to suffer the effect of the Administration not spending money, instead of an injection of funds which should be the remedy sought by businesses there will be a diminution of available moneys. This is the sort of thing when I say that the budget proposes the wrong things to remedy the situation. I have ministerial responsibility for a number of community services and facilities and in this budget a number of them are inadequately provided for. Let me look at the welfare services for example and the payment of pensions. At present total pension payments the Administration has to pay out each fortnight is in the vicinity of $4,730, it can vary depending on whether persons are in hospital or not, and this figure calculates to an annual amount of around $122,000. The Supply Bill only provides $110,000, that is some thousands less than what we need to have at the current rate and it is not accounting for rises in pensions and not allowing for payments for any additional persons who may qualify and have need of a pension payment. I mention that this is a statutory requirement Mr. Acting Deputy President, and it seems negligent that it is not catered for in the budgetry arrangements at this time. I also mention in the area of welfare services the
payment of pensioners hospital and medical and dental and the like. This year we will probably pay out around $115,000. The budget next year provides for that exact amount, but I make the point that it is not taking into account of any increase in costs that might have to be met nor any increase in patient numbers.

Senior citizen units also I need to consider under this area that I have responsibility for as far as welfare services are concerned. Units have been a real need in the community for some years now and within the past few months six units have been very generously donated to the hospital for this purpose by Mr. & Mrs. Art Mawson. They however need to be serviced, serviced by staff, laundry facilities, food and the like, and the estimated cost for the next financial year is in the vicinity of $21,000. This has been requested by the hospital but refused and not provided in the budget.

Again at the hospital side inadequate funds are available for proper maintenance of the buildings and grounds.

Education is another area for which I have responsibility and I consider inadequate supply of moneys have been made. The library service and the broadcasting service will not be able to offer the standard of service in the next financial year as they have done in past years on the allocation of funds that have been made.

In the area of capital works I have responsibility for roads, not one cent is provided for reconstruction and sealing of roads, and there are still residents living off unsealed roads, and with increases in the building of houses this is increasingly so. And some important works at the school is not provided for.

So you will see Mr. Acting Deputy President that there are some very important community services which should be provided for and I have some knowledge of them because as I have mentioned, I have some responsibility for them and I consider that they are not properly provided for in the figures that have been presented to this House as the Public Account Expenditure Bill stands at this time.

I said that the Public Account Expenditure Bill is being used for the gain of power. I have earlier described how inadequately this Bill provides for the pursuing of government business, now this will mean that every minor item as well as major items not financially provided for now, and again I say there is inadequate supply, meaning that a vast amount will need to be additionally sought and they all will have to be
forwarded to one man for approval. So it is my view that that part of the budget or the method in the budget in doing that can well be interpreted as a further jockeying into position of further power. The government has a number of approved policies which this budget is not providing money for, and I just quickly mention two. One is a mosquito vector control, an important health measure agreed by the government but ignored by this Bill. There is a feasibility fishing project in which the government here has entered into an arrangement at our request I might say so that there be a feasibility of the fishing here to try and develop an industry in the Island that might be of benefit to the community, and there are no funds to provide in the next financial year for the continuation of that project which has been going up until today.

Now someone may well argue that if more money is needed later on then it will be provided then. Well then it is probably too late to raise the corresponding revenue and you therefore only dip into reserves, and this maybe unnecessary because with some forward planning it could be avoided. The Treasurer has already said that if moneys are needed, further moneys are needed, for X or for Y, then a case can be made to bring it forward, but the whole idea of budgeting Mr. Acting Deputy President is to endeavour to set out as best you can what you predict your expenses will be over a given period, in this particular instance for twelve months, so that if you wished to have a balanced budget, and that has been the proposal put to this House time and time again, if that is the case then you make provision for your income to meet your expenditure on a balanced arrangement. If in fact you only make arrangements for your income to meet expenditure when you start the year and you feel that you might have additional expenditure at a later time but do not provide for it, you cannot then expect that you will come out with your aim achieved of having a balanced budget, I do not think that is sufficient forward planning.

In a nutshell I see the Public Account Expenditure Bill as inadequate supply of moneys for the proper care and provision of the Norfolk Island community and I have instanced those things in which I need to exercise some responsibility for.

MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Buffett. Mr. Howard.
MR. HOWARD: Thank you. I will deal with one personal point first. Mr. Buffett describes the Bill as a manoeuvre to gain personal power. He says that all requests for major and minor items needed to be sought will be forwarded to one man for approval and that this will allow a further jockeying into a position of further power. All he is doing is revealing how little he knows about how the finances of the Island are controlled. Future Supply Bills will have to come to this Assembly, they will be voted on by nine people. It may be that Mr. Buffett is imagining how wonderful it would be if he were Minister for Finance, if he could allocate all those things. If he were I assure you he could not. The Assembly allocates money, the Minister for Finance has nothing to do with it. I resent his comment, I excuse it on the grounds of his ignorance of how the law stands.

In general, no I will go on with some specifics. Mr. Buffett is in charge of social services, he says that spending is running at the rate of $4,730 per fortnight. I can tell you from the official accounts of the Island for the first nine months of the year that social services were running at about $3,000 a month. I want to know and I want the Minister responsible for social services to tell me what has made it jump from about $3,000 a month to $4,730 a month in the last couple of months of the year, what extraordinary development has there been. I am going on the figures that the Accountant provided all of us with for nine months actual spending, what has happened. As Mr. Buffett quite properly observes, as I had observed some minutes before he did, we have got no discretion about paying social service benefits, we will pay them, the law says we have to and we will, if we have to pay them from reserves however we have to pay them we will pay them. There is no discretion about that, there is no worry about that, the idea that it is negligent not to provide a very large increase in the coming year at the outset of the year is just mischievous on his part. A very substantial amount of money is allocated in the Supply Bill for social welfare services, they will be paid at the statutory rates. If as the year goes along we find that more money is needed, it can readily be provided by the Assembly, if it is needed it will be provided. The idea that there is negligence in that aspect of the budget is mischievous.

Senior citizen units. This Assembly does not know anything about those
senior citizens units except as residents driving around looking. Mr. Buffett, the executive member responsible for health has not told us anything about them, we do not know anything about the operating costs of those units, Mr. Buffett has never come to us and said here is how this nice gift that the Mawsons have given the Island is going to be financed, I would like your support for this proposal. If he puts forward a reasonable case and if a majority of the Assembly agree that the money should be provided it will be provided, but he has made no case, that is his fault. He says that the library and the broadcasting will not be able to provide the same standard, I disagree with that, I think they can do so within the money allocated. He says there is no money for the sealing of roads, that is quite right there is none. We are in a squeeze period and we have to squeeze down to live with it. Many people on this Island lived for a long time without sealed roads. If in a time of needing to tighten our belts we have to let some sealing go for a year or two, we will let it go for a year or two. The idea that we must go on sealing every road that exists whether we have got the money or not I think is bad planning. I was troubled on the most serious level by Mr. Buffett's apparent view that if the Administration wants money, the job of the Treasurer and the Assembly is to find the money, to raise taxes, to increase the burden on the people. He says that you should make provision for income to equal the expenditure that is needed. I think the expenditure that is needed has been reasonably well provided for on an austerity basis in the budget that I have presented to you. The idea that we should raise taxes all around the Island in order to allow the Administration to go up 21% in its operating expenses is not one that I agree with. I think we cut the suit to fit the cloth, I do not think we can invent a larger piece of cloth to cut a larger suit because somebody wants one. I do not think the budget is inadequate, I hope the budget will work out as well as it implies for the year. It may be that as the year goes along that things will get even tougher than they are now and if they do we may have to cut deeper than this budget has cut, I hope that will not happen but if it does my intention will be to propose that we cut in time to protect our financial soundness and not that we tax people to raise whatever money it is that the Administration wants.
MR. ACTING DEPUTY PRESIDENT: Further debate honourable members. Mr. Buffett.

MR. BUFFETT: I think I should just clarify a couple of points that Mr. Howard has raised. The first one, he mentions that he took exception for example about my comment about manoeuvring for power and he made mention that if there were any additional items of expenditure that needed to be brought, it could only be decided by nine people, this Assembly, well that of course is right when you come to the end product, that is a Bill placed before this House but I need to make it quite clear that a Bill can only be brought before this House by an executive member, not by any member, and of course it is logical that it is brought by the Executive Member for Finance, and therefore to say that he would have "nothing to do with it", is erroneous, quite wrong, misleading. I do not need to be excused on any of those points that I mentioned Mr. Acting Deputy President.

Secondly there was some comment made in respect of the units at the hospital. I make the point and I made it earlier that the units were presented to the hospital, they were not presented to the government, the hospital is a statutory body which organises their own affairs and it is the hospital that has put in a bid for this particular unit to be so serviced in the manner that I have mentioned, it is a proposal that I support, it has not got the support of the Minister for Finance. If he feels that he wants some more detail I am happy to give it to him, I hope that it might convince him that those additional funds should be made available to the hospital for that purpose. I then make the point that I made earlier that if that additional $21,000 of course is to be made it is going to put the budget out of balance and we need to then look for some other area, that is what I mentioned when I said earlier that one needs to take all of these things into account at the beginning so that you see both sides of the ledger and you can make your arrangements accordingly. I certainly do not want to go back to the situation of there being no sealed roads on Norfolk Island or very few sealed roads on Norfolk Island, I think the roads that have been made in the years that have gone past have been done at some considerable expense to the community and I think it has been found that that expenditure has been worthwhile and appreciated and found to
be a pretty essential part of the operation of not only the community internally but for the visitors who come here and want to see various parts of the Island and to see it in reasonable comfort and in reasonable safety, and so I do not just think that it should just be passed off and said oh yes we can just go back to a non sealed road situation in a number of instances, I think it deserves better attention than that Mr. Acting Deputy President. I just wanted to mention those couple of things which we have both raised in addressing this matter.

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

MR. JACKSON: Mr. Chairman. I consider the points raised by Mr. Buffett to be relevant points because it proves beyond doubt that the adjournment this evening to wait for a paper that was promised to the six non executive members of this Assembly was well worth waiting for because it has revealed to me some very startling results, and some of those points Mr. Buffett has already raised. There is listed in this document that has been presented to us this evening for the first time for perusal some 35 matters and goods and services not able to be provided for by the Administration on first examination unless savings are identified in the foregoing items. Now when we look at some of these goods and services not able to be provided it shocks me. The fishing feasibility study being one, and it is quite correct what Mr. Buffett stated, it was a request to the Australian Government from this Government that a feasibility study be done within our waters to try and establish a second industry for Norfolk Island. We have a member from that Department on the Island, paid for by that Department and all that is requested of the Island, the Government of Norfolk Island, is to provide him with a subsidised house to live in and also a vehicle to carry out his operations. Now when I see this fishing feasibility study as one of the goods and services not able to be provided for it really shocks me. When you go down the list you see other points - new fire fighting equipment; no funds available; new post office boxes, which I believe there was an application for an extra 250 boxes at the post office to be provided for public service, no funds available;
cliff rescue equipment - what a serious situation, no funds available; the mosquito vector control programme, and we all remember what we went through here in the later part of last year when the mosquito scare was on, now there is no backup control, no money available to continue that control. All down this list you see denials of public funds, now what is the reason for this, this is being asked within the community, why is the Island being depressed, is it being depressed simply for a purpose of someone wishing for their own advantage to say later on well look the government has been good managers, we have got a reserve now of 1.5 million dollars, and build that up to say in the vicinity of 4 million and say to the Australian Government after the five years is up, now look we have been good managers now you hand everything over to us. Well what sort of managers would we be to the future generations of this Island if we let the whole Island run down and be depressed instead of continuing some of those works, and essential works at present, we will be doing a disservice not only to ourselves but our future generations, the people who call this Island their home, and their future is here; this is what I am concerned about, our children, their children, what are we going to leave to them, broken down places, nothing being built up. There has been an application to build a Civic Centre. It has been estimated that the liquor bond at present where the storage base is that it will be required for restoration early in the new year, no provision, no forward planning has been planned to build another place to store one of the main revenue earners of this Island, that is the liquor bond.

Mr. Howard showed concern and appears to be very worried about Mr. X. I will not describe it as Mr. X, I will describe it as an analysis of the 1982-83 budget. I believe this article should be completely aired, not be picked to pieces, and I am prepared to air it now.

MR. BROWN: Lets air the author of it.

MR. JACKSON: It could be mine, I'll take it if you like, don't try and gag the debate now, lets air this. This analysis stated - 'In outlining his 1982-83 budget the Executive Member for Finance Mr. Ed Howard estimated revenue for the coming financial year at 3 million one hundred and sixty seven thousand eight hundred dollars. In the course of his outline of proposed expenditure he stated that expenditure
would not exceed the estimated revenue in order to keep the Island in the black. This would be achieved without eliminating any jobs, without reducing any salaries, the austerity in spending is planned to come in other ways without coming out of the pockets of the people. An examination of the estimates of expenditure on salaries contained in the Administration's white paper tabled in the House by Mr. Howard and a comparison with what Mr. Howard has actually made available gives cause for serious concern as to the accuracy of Mr. Howard's assertion that no jobs will be lost and no salaries will be cut. The Administration's estimate of salaries in the areas of general administration, post office and philatelic, assembly staff, registry, police, community services, health, repairs and maintenance, forestry and agriculture total one million five hundred and eighty three thousand three hundred dollars, this estimate is based on the same premise as Mr. Howard's, namely that wages and salaries remain steady at the April 1982 level. Mr. Howard's allocation for salaries in this area is one million five hundred and eight thousand dollars - a shortfall of $75,300. How full salaries are to be paid without reduction in jobs with this shortfall is not explained. Overall Mr. Howard's figure represents a 4.75% reduction of salaries across the areas mentioned. Alternatively, it might represent the salaries of 6 or 7 temporary employees for the whole year or of even more employees for part of the year. It is, to say the least, alarming and gives rise to scepticism at, if not downright disbelief, at Mr. Howard's assertions. Questions of perhaps greater importance are raised by Mr. Howard's statements on social services. These benefits Mr. Howard has said, will be held at the same level as for the first nine months of the current year. He has allocated $110,000 for social service benefits. These benefits at present are being paid at a rate of approximately $5,000 per fortnight or $130,000 per annum. Mr. Howard's allocation it seems will not even meet current needs. When one hears Mr. Howard say that benefits are to be held at existing levels one is entitled to question the genuineness of his proposed earlier statements that social service recipients should be given an additional allowance to offset the effects of his proposed 6% duty on food. Even more importantly the question arises, does Mr. Howard intend to break the connection that presently exists between the Australian and Norfolk Island rates of benefits. Norfolk Island benefits are presently set at 75% of Australian rates and are increased
twice yearly in line with Australian increases. Will Norfolk Island recipients be denied such increases in the next financial year. Whatever way it is looked at more light needs to be shed on Mr. Howard's intentions with respect to social service benefits. A further cause for concern is the cut in authorised expenditure for what Mr. Howard describes as Administration operating costs. This area includes general administrative expenses, the library and broadcasting services, provisions for school requirements and equipment, medical and dental requirements, maintenance of roads, bridges and public places other than public buildings. The Administration sought $465,000, Mr. Howard has allocated $390,000. It may be granted that economies may be desirable and necessary in this area, however what is disturbing is that the executive member gives no indication as to where cuts are to be made. If such cuts are going to effect the public adversely, for example provision for school supplies, medical equipment, road maintenance, it is surely a responsibility of the elected government to inform the public where those cuts are to be made. It is all very well for Mr. Howard to speak of tremendous flexibility, his proposal gives to the Chief Administrative Officer and his Branch Heads in spending his allocation...

MR. SANDERS: Could we find out who the author is of this letter please.

MR. JACKSON: Those officers were not elected by the public, Mr. Howard was. If hard decisions and unpopular spending cuts have to be made the public is entitled to be told what those decisions are and where the cuts will be made. In blunt terms Mr. Howard has to be prepared to take the political responsibility for decisions which may prove to be unpopular, he should not try to shrug it off onto the public service. Cuts in other areas, abandonment of the mosquito vector control programme, cuts in the allocation for what was seen as necessary for water protection measures, the lack of provisions for any new road sealing or for capital works and purchases, all cause the greatest concern. In particular, when it is considered that the greater part of the Administration's capital purchases of vehicles, furniture and building supplies etc is made locally, the cost to the Island's economy through a complete freeze in these areas is frightening to contemplate. It is not the time to increase taxes says Mr. Howard, except of course
on food and other previously duty free items. A tourist accommodation licence fee which the Administration estimates would raise $130,000 with little more than 16,000 tourists, is rejected out of hand. There can be no increases in other local fees despite the fact that many were last adjusted many years ago and with the decline in the value of money are now totally out of date. No part of reserve funds which after all belong to the people of the Island, can be touched, apparently they are to be kept for an even rainier day than this. There are a number of question marks hanging over this budget, what effect will it have on the Island economy as a whole, what does Mr. Howard intend with respect so social services, salaries and jobs, perhaps the explanation for the apparent inconsistencies and anomalies in these areas is oversight or error. Even if that is the explanation, there can be little cause for confidence in a budget which appears to be not so much austere as very unclear.

Now that was in the press the weekend before last and it created concern as Mr. Howard has correctly stated because the public is concerned as it is unclear what is going to happen because those questions have not been answered as this analysis of the budget before us has correctly claimed in this assessment, and I add once again is it a fact that in depressing the Island Mr. Howard is building up some reason, perhaps of his own assertions, for power, and I mention the word power because it has been mentioned here before, and so that he can say to the Australian Government well here it is, but while doing such and building up such a reserve the Island has been run down to a degree which will cost three or four or five times more to build it up again. Once again may I express my utter concern for the future generation of this Island if we neglect those listed items that I have pointed out in this paper that was held back from us, which was promised to us from last Monday's Executive Committee meeting.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: Thanks. I only wanted to comment on one thing. I think I pretty well answered the questions raised in that long thing that Mr. Jackson has just read. A simple question in weighing the comments that I made earlier about that article and in weighing the article itself, who do you want to believe, do you want to believe what the
Accountant said in his figures or do you want to believe an anonymous author in the Norfolk Islander, take your choice Mr. Jackson, believe who you like, I will believe the Accountant.

I just want to pick up one thing that has been mentioned three times, once by Mr. Buffett, once by Mr. Jackson and once in this article, it is the mosquito vector control programme. Mr. Jackson referred to how we all remember what we went through when the mosquito scare was on. Dengue fever, and we were told it was caused by mosquitoes and so we began planning a mosquito control programme and what did the researchers find out, they found it had nothing to do with mosquitoes at all, it was a virus, it has nothing to do with mosquitoes whatsoever, so here we are trying to spend money to solve a problem that never existed at all, it was in our minds. Now if that seems a terrible threat to the Island, I cannot see it.

MR. ACTING DEPUTY PRESIDENT: Further debate honourable members. The question is that the Bill be agreed to in principle.

Question - put
Motion agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: May I please move an amendment to the Bill. I inadvertently left out two items which I now want to put back in, they appear on page 4, or do not appear on page 4. This is the heads of expenditure listing. Three quarters of the way down the page you will find division 302, subdivision 3, the only item listed is 03. I move that items 01 and 02 be added there. One is for general land services which includes the stock programme on the Island, the other is for the extraction of timber and it covers some costs in that area. I am not proposing that the sum of $390,000 be increased, the Accountant asked that I add those two items within the $390,000, and that is what I am moving now.

MR. ACTING DEPUTY PRESIDENT: Any further debate honourable members.
MR. SANDERS: Are those figures to be increased Mr. Howard.

MR. HOWARD: No, they are two more items to be included in that list of other items.

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

Question - put

Motion agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Is it the wish of the House to dispense with the detail stage. No. We will go through the heads of expenditure one by one.

Detail Stage

MR. ACTING DEPUTY PRESIDENT: Is head of expenditure 1 agreed. Any debate honourable members. Mr. Sanders.

MR. SANDERS: Mr. Chairman are you taking them as they are listed here in each panel.

MR. ACTING DEPUTY PRESIDENT: Yes. $1,508,000 authorised expenditure.

MR. SANDERS: Wages and salaries.

MR. ACTING DEPUTY PRESIDENT: Yes. Any further debate honourable members.

MR. JACKSON: I take that Mr. Chairman to be the total vote for divisions 101, 102, 103, 104, 105, 202, 301, 302, is that correct - $1,508,000.

MR. ACTING DEPUTY PRESIDENT: Yes. Further debate.

Question - put

Head of expenditure 1 agreed to unanimously.
MR. ACTING DEPUTY PRESIDENT: Head of expenditure 2 - $390,000.

Question - put
Head of expenditure 2 agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 3 - $62,875. Mr. Howard.

MR. HOWARD: It may help Mr. Chairman as you raise these heads if I identify what they are for. That one is for the remuneration to Legislative Assembly members and that figure is in line with the figure of the past year.

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

Question - put
Head of expenditure 3 agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 4 - $15,000. Mr. Howard.

MR. HOWARD: That is the additional expenses of the Legislative Assembly, travel and travel expenses and Legislative Assembly incidental costs. The amount proposed is $15,000, that is one third of what was proposed by the Administration in their original budget.

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

Question - put
Head of expenditure 4 agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 5 - $358,000. Mr. Howard.

MR. HOWARD: Thank you. That is the Accountant's estimate for what education salaries will be during the year, if it should be during the
year that New South Wales teachers salaries increase, we will have to vote additional money to cover those increases, but this is the Accountant's present estimate of what salaries are at current rates.

MR. ACTING DEPUTY PRESIDENT: Thank you.

Question - put
Head of expenditure 5 agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 6 - $211,300. Mr. Howard.

MR. HOWARD: $211,300 is proposed to be granted for the printing of stamps and things related to stamps, for example philatelic bulletins and other comparable costs of running the philatelic operation. That is the amount that I believe the Revenue Manager asked for for the year.

Question - put
Head of expenditure 6 agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 7 - $30,000. Mr. Howard.

MR. HOWARD: This head and the one immediately following it represent a change in the budgeting system for the Tourist Bureau. The head number 7 is $30,000 which is allocated for the operation of the Visitors Bureau in Burnt Pine. The money that they would actually have to operate the Bureau would be that $30,000 plus whatever the Bureau can earn in the various things that it does to earn money. It does not include any promotional costs, those are separately stated in the next heading.

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. SANDERS: Thank you Mr. Chairman. There are a couple of questions
I would like to ask on the income and expenditure account for the ten months to April 30th, if I could through the chair address them to Mr. Brown. Have you got your copy there Mr. Brown. In expenditure, on the first page, is postage, cables and telephones - $1,591, and yet in the same column but over the page you are showing postage, cables and telephones at $497. Is this an error or is this an addition.

MR. BROWN: No, I understand Mr. Sanders that the expenditure has been divided into two basic headings, the first heading is promotional costs and the second heading is general administrative costs. If you look half way down that first page that you are looking at under the heading expenditure in capital letters you will see promotional costs with a semi colon and it appears that for the purpose of the accounting the Bureau has divided its electricity costs and its postage, cables and telephone between its promotional responsibilities and as general administrative responsibilities.

MR. SANDERS: Is that the $134 that appears twice.

MR. BROWN: Yes. And so I should add the total for electricity for the year for example or for the ten months to April 30th, would have been $268, divided as to $134 against promotional costs and $134 against general administrative costs.

MR. SANDERS: Thank you. In the creditors note 2 you have a departure fee Viva Tours, $1,900. Could you explain to the House how come the Norfolk Island Government owes Viva Tours $1,900 in departure fees.

MR. BROWN: I have not checked the nature of that entry Mr. Sanders, I do not know the answer to that but I am certainly happy to find out for you.

MR. SANDERS: Thank you very much. Mr. Brown there is one other one. On the statement of assets and liabilities, right up at the top where it has got accumulative funds deficiency surplus, under there you have adjustment for prior years note 1 - $2,468. It does not appear to come up anywhere, is that just the amount that they could not find or is
that a...

MR. BROWN: No, if you turn to the following page to the very last page of those accounts up to the 30th of April, you will find a heading that says note 1 adjustment, and it says that in the years 1979, 1980 and 1981 moneys had been collected for payment to accommodation houses on behalf of tourists, it was the practice to offset funds held on behalf of an accommodation house against the commissions due to the Bureau from that house, these commissions were not brought to account in those years and are now included. The effect of that is that an amount of commission had been held in the accounts and not brought to account and it was brought to account as earnings for the ten months up until the end of April.

MR. SANDERS: Thank you Mr. Brown. Thank you Mr. Chairman.

MRS. GRAY: If I may through you Mr. Chairman, the Bureau seemed to support itself to the extent of some $20,000 last year, I seek clarification from the executive member responsible for finance, I think he has just told me within the last few minutes that this subsidy will be in addition to moneys that they raise themselves, is that correct.

MR. HOWARD: That is my understanding, yes.

MR. ACTING DEPUTY PRESIDENT: That was head of expenditure 7.

Question – put
Head of expenditure 7 agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 8, Mr. Howard.

MR. HOWARD: 8 is a new item which is the tourism promotion fund of $80,000. That fund if it is approved is to be spent only with the authorisation of each part of it by the executive member Mr. Brown, and it is the first time the Norfolk Island Government will ever have spent anywhere near that substantial amount of money for the promotion of
tourism.

MR. ACTING DEPUTY PRESIDENT: Mrs. Gray.

MRS. GRAY: Clarification I think probably to the executive member responsible for tourism if that is possible, I understand that expert opinion is to be sought on planning expenditure in this area, is that so.

MR. BROWN: The Tourist Bureau will be preparing a marketing plan for the Island for the next year. In preparing that plan it will be receiving input from a number of areas. The Bureau presently retains Mr. Ian Menzies as a Consultant in Sydney and he is doing some work in this area. East-West Airlines will be providing input. Some input will come as a result of the household survey which is being carried out. There will be input from the airlines servicing Norfolk Island from New Zealand and Brisbane as well as East-West. There will be input from a number of areas and all of this will be assessed by the Bureau and by myself before expenditure is incurred, if that answers the question.

MR. ACTING DEPUTY PRESIDENT: Mr. Jackson.

MR. JACKSON: Mr. Chairman through you to Mr. Brown, in the discussions that we had with Mr. Keith Sutton, he made reference to the inadequacy of this $80,000, and if I gathered correctly what Mr. Sutton had to say about it he said it is not nearly enough and East-West has, to promote Norfolk Island, up to $100,000 to match our advance. The query that I am raising is is this $80,000 sufficient to entice East-West to come in. They stated that they would like the figure of $80,000 to be much larger for them to put in their $100,000. Now would $80,000 be sufficient to give Norfolk Island the promotion, this is the peoples money, the money belongs to the people, I know it is a lot of money, will it do service. After listening to Mr. Sutton, he said it would not even scratch the surface as far as promotion towards Norfolk Island will go, and as I read him, if there was not a substantial increase on the $80,000, East-West would not make the $100,000 available, they would only make a proportion of it available.
MR. BROWN: This amount Mr. Jackson is a much higher amount than has ever been allocated in the past, but in addition to the grant that the Assembly makes to the Tourist Bureau, the Tourist Bureau will be seeking to co-ordinate the efforts of as many as possible of those local accommodation houses, tour operators, business operators and so forth who presently spend considerably sums each year in their own forms of advertising and promotion. In the last four months the Bureau has been quite successful in working together with these other persons and bodies and has been successful in working together with the Accommodation Proprietors Association and with the Chamber of Commerce also, and so the $80,000 we can expect will increase as a result of whatever contribution to joint promotional effort can be made from these other sources. In addition to that the Bureau will be speaking with not only East-West but also with the airlines servicing the Island from New Zealand and from Brisbane and it will be seeking to ensure that as far as possible the promotional efforts for the Island over the next year are joint promotional efforts and not something similar to a shotgun approach where money is splashed in all kinds of directions without necessarily getting the best result, we will be attempting to consolidate what is done in order to obtain the best possible result for the number of dollars that are spent. To come more specifically back to your question, I expect that East-West Airlines will in fact be delighted at the amount of money that is being provided this year, naturally the more we can provide the happier they would be, but I would regard the $80,000 which is presently proposed as being a pretty good sort of a start for us. As you say it is public money, we are at a time when money is tight, it is an austere budget, I am quite happy myself with the amount that is being proposed. If the Tourist Bureau is able during the year to commence to generate its own income in addition to this well that will be a wonderful thing, but I expect that East-West Airlines will be quite happy with the amount that is being proposed.

MR. JACKSON: Mr. Chairman, to build on to this $80,000, once again it belongs to the people and the whole Island contributed this $80,000, including the apartment owners and those directly involved in tourism, has there been any approach from those directly involved in tourism to
build on to this $80,000 that the rest of the community has put up for the promotion of Norfolk Island, have they contributed anything, I mean the apartment owners and those directly involved, have they been called upon for any contribution.

MR. BROWN: Mr. Jackson ever since this Second Legislative Assembly came into being there has been an excellent spirit of co-operation between the Chamber of Commerce and its members, the Accommodation Proprietors Association and its members, the local tour operators and the Tourist Bureau. Very substantial contributions have already been made towards joint promotional campaigns and I have every reason to expect that the same co-operation will continue in the future.

MR. ACTING DEPUTY PRESIDENT: Further debate on head of expenditure 8.

Question - put
Head of expenditure 8 agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 9 - $110,000. Mr. Howard.

MR. HOWARD: $110,000 for social service benefits. As I said earlier, that is at the rate that was according to the figures for nine months spent during that period of time. If there are increases in the Australian social service benefits we by law will have to increase ours and if that happens during the year I will need to come back again for further supply to meet those costs, but $110,000 is provision at the level that things ran for the first nine months of this current year.

MR. ACTING DEPUTY PRESIDENT: Mrs. Gray.

MRS. GRAY: A question to the executive member responsible for finance. The benefits appear to be down on last year, I feel that you have probably explained the whys and wherefors, would you perhaps briefly do it again as we are faced with this total right now.

MR. HOWARD: Down on last year.
MRS. GRAY: I thought so, or is it a matter of reshuffling.

MR. HOWARD: Maybe down on the budget that was allocated for last year, that could be. That is correct, more was supplied this year than was actually required as a matter of fact. The Supply Bill a year ago provided more money than was needed during the year, but the $110,000 allocated is at the actual rate of spending according to the figures for the first nine months of this current year.

MRS. GRAY: Projected to the twelve.

MR. HOWARD: Yes, correct.

MR. JACKSON: Mr. Chairman, the supply last year was $146,500 and Mr. Howard must be aware that the Australian rates are assessed every six months, in May and November, and there will be an increase again in November and under law that money has to be provided and I am very surprised that a shortfall has been provided where an extra Supply Bill will have to be introduced to make this extra payment.

MR. HOWARD: We could try to guess what the increase is going to be in Australia and provide it in advance before knowing what it is but I do not see any need to do that, I do not see any disadvantage to anybody in waiting and seeing what the increase actually is and then providing the money that is necessary, no-one will suffer as a result.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: I can see that it is nice to know exactly what it is before providing it but unless you make some forward projection of what it is, you find it difficult to balance what income you need to meet that. We are budgeting on $110,000 in this particular instance and we have got an income that will balance that on the other side. If we need to provide additional funds, is the Treasurer really saying that we will just take that out of consolidated funds.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.
MR. HOWARD: I do not know where the money will come from, if we have to pay it and we do not have the revenue to pay for it from revenue, we will have to take it from savings from past years. There is a possibility if you want to be optimistic that the year will be a great deal healthier financially than I think it is going to be, certainly the Chief Administrative Officer thought it was going to be a great deal healthier, he forcast that revenues will be well greater than I think they will be. If it turns out that things are as he thought they would turn out to be, we will be able to provide for such things from revenue, if the revenue is not there we will have to take it out of savings.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: I just make the point again Mr. Acting Deputy President that on the calculations that I have that the amount is insufficient for the financial year, I should also mention the Social Services Board who also has statutory interest in this, has advised me also that it feels that the provision is insufficient in the budgetry arrangements.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: If there is a genuine insufficiency in the amount I would have been glad to provide a substantiated larger amount if Mr. Buffett had brought it to my attention when I first presented him with my plan for the year, he had a couple or three days in which to do that and made no comment, all I can say is that if it is inadequate we will have to provide it later.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: I just mention a figure was presented in respect of the amount that was thought that might be appropriate. That has been reduced to the amount that is here now.

MR. ACTING DEPUTY PRESIDENT: Further debate on head of expenditure 9.

Question - put
Head of expenditure 9 agreed to unanimously
MR. ACTING DEPUTY PRESIDENT: Head of expenditure 10 – $115,000. Mr. Howard.

MR. HOWARD: This is the other major social services expense. It is medical and hospital benefits, $115,000 estimated. Again that is just marginally above the rate at which it was running for the first nine months of this year.

MR. JACKSON: Once again Mr. Chairman, the supply last year for that was $140,000, so it is well below in this year, can Mr. Howard foresee that there will be less sickness to our senior citizens, then I would be happy to accept the lower figure but I do not think he can predict that there will be less sickness. Once again we will have to seek more funds to cover those who may be sick and seeking hospital attention.

MR. ACTING DEPUTY PRESIDENT: Mrs. Gray.

MRS. GRAY: My question is very similar, in observing that the amount is down, would Mr. Howard care to elucidate as to the whys and wherefors or hows and whys.

MR. HOWARD: Again it is down not on actual costs for this year, it is down on what was estimated a year ago might be needed in 1981-82. On both this and the previous item I remind you that the Social Services Bill had not come into effect when the budget for this current year was established, it was a totally unknown quantity. The Social Services Bill did not come into effect I think until toward the end of August of last year, so there was pretty much of a punt involved in setting what it was thought the cost would be in this current year, there was no experience to go on really, it was a brand new law that had not yet come into effect. I think it is obvious that the estimates were more liberal than they needed to have been if we had known in advance how it was going to go, so the idea that it is a drop from supply a year ago is not, I do not think, anything to worry about, they guessed high.

MR. ACTING DEPUTY PRESIDENT: Further debate on head of expenditure 10.

Question - put
Head of expenditure 10 agreed to unanimously
MR. ACTING DEPUTY PRESIDENT: Head of expenditure 11 - $19,000. Mr. Howard.

MR. HOWARD: That is for the school bus subsidy.

MR. ACTING DEPUTY PRESIDENT: Thank you. Further debate.

Question - put
Head of expenditure 11 agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 12 - $45,000. Mr. Howard.

MR. HOWARD: That is an item in the budget which is called Bursaries, Scholarships and Traineeships. It is included for accounting purposes in the general heading of education. In this current year the budgeted supply for that particular item was I think $11,000. $45,000 was requested this year and I have recommended that we supply $45,000. I have done it in the hope but without knowing and we need the executive member's comments on this, I have recommended the supply of $45,000 in the hope that out of that very substantial increase can come not only a helpful amount of scholarship support for students at the Norfolk Island School, those who go on to additional schooling elsewhere, but I hope it can be made to include a very worthwhile amount of additional training, correspondence courses, things of that sort, for people in the Administration. Now I have had no assurance from Mr. Buffett that that can be done, I think it legally can be done, I think it is entirely possible but my recommendation that we allocate $45,000 is in the belief that that will help provide some useful training for people in the public service.

MR. ACTING DEPUTY PRESIDENT: Mrs. Gray.

MRS. GRAY: I find that gratifying, I would like perhaps to ask the executive member responsible for Administration, Education & Health whether he can give any further detail.
MR. BUFFETT: Mr. Acting Deputy President the only expenditure that has been made there is really for students who have come out of the school, the Norfolk Island Central School, in other words almost immediately after they have come out of the school. What is being addressed now is quite a different concept that one should include adult education in this particular area of expenditure. It may well be possible, the detail is not with me as far as the scholarships and bursaries regulations are concerned, but that is being examined to see whether it comes within that area, if it does not it may not be an impediment anyway, it may not have to be granted in respect of that particular piece of legislation.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: If I could comment just a bit further on that. It may be that the legislation effecting the granting of bursaries and so forth is very specific but I am quite certain that our voting $45,000 for this particular account head does not mean that the money must be spent according to the bursaries legislation, I think we can spend it on bursaries and scholarships and traineeships and that we, to the extent that that money is spent for bursaries for school children, yes it has to be done according to the appropriate legislation, but our voting the money does not mean that it all has to be spent according to that particular law.

MR. ACTING DEPUTY PRESIDENT: Further debate.

Question - put

Head of expenditure 12 agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 13 - $30,000. Mr. Howard.

MR. HOWARD: $30,000 for the subsidy to the Norfolk Island Hospital for the year. Their request for the year for subsidy was $32,000. My recommendation is that with everyone everywhere else asked to be more careful than usual with money, that it was not unreasonable to provide $30,000.
MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. SANDERS: Thank you Mr. Chairman. Have we got a balance sheet for the hospital.

MR. ACTING DEPUTY PRESIDENT: Are you directing your question to Mr. Howard.

MR. SANDERS: I am not too sure whether it is Mr. Howard or Mr. Buffett.

MR. HOWARD: It is not my portfolio, I do not have recent financial statements, no.

MR. SANDERS: Mr. Buffett have you got a balance sheet.

MR. BUFFETT: No there is no balance sheet in my hands for the current financial year, which ends today.

MR. SANDERS: Thank you. I find this an unusual amount of money. It was only very recently that we allocated a further $24,000 for the hospital subsidy, we also did not have a balance sheet for that one. While I believe that the hospital is a very worthy cause, if for $54,000 all up they think it is not even worth the effort, I would like to move that we scrub it off this until they do.

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

MR. HOWARD: Mr. Buffett may be able to comment more intelligently on that suggestion than I can. My quick impression is that if we did not vote that subsidy now and left it to be considered before very long, in the next few months, I do not think it would hurt the hospital's operating position. Mr. Buffett maybe can speak better to that than I can. What I am saying is that if it is the wish of the House to defer judgement on that one, I do not think it would do any damage.

MR. BUFFETT: Mr. Acting Deputy President if I interpreted Mr. Sanders correctly I think he was trying to say that the hospital was not bothering to produce accounts. Could I correct that then please Mr.
Acting Deputy President. The hospital does provide annual accounts. I will just mention that this year ends today and it would be quite unrealistic to ask them to provide accounts in respect of the present financial year at this time. Previous years have been provided.

MR. SANDERS: Mr. Buffett I would have assumed because they needed $24,000 just recently, that they would have given some indication of why they needed it, it appears that that was not worth the effort either, and it is public moneys, if we pass this here right now that is $54,000 of public moneys that we have no idea where it is going or why, because it was unimportant because it was not the end of the financial year. I truly feel that if it was important enough there would be one. I would like to move that this be deferred until such time as the balance sheet appears.

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders you can vote against this....

MR. BUFFETT: I would just make the point Mr. Acting Deputy President that whether people realise it or not the hospital does work on a shoestring budget, and as far as the difference between their income and their expenditure is concerned I can understand that you would think that $50,000 is a lot of money, and it is, but I would make the point that their expenditure is also considerable in the services that they need to provide for the community and I certainly would support that they be provided with these funds at this time.

MR. ACTING DEPUTY PRESIDENT: Mr. Jackson.

MR. JACKSON: Mr. Chairman I do believe, I could be corrected though, that the extra money that they sought previously was to extend their pharmacy, and I would like to make it quite clear that I would not support a motion of the nature that Mr. Sanders has put before the House because I am confident that they will provide this Government with the necessary balance sheet, and I support what Mr. Buffett has said that they operate within some limits and I do not think there is any need to hold up this subsidy, this is the last day of the financial year and balance sheets do not come in right on the knock. I would not
support a motion to hold up this subsidy.

MR. SANDERS: If the previous $24,000 was for a pharmacy I feel that it would not have been very difficult for somebody to have written a letter and said so. As it stands at the moment $54,000 of public moneys is unimportant to anybody. I disagree.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: I have recommended that we vote $30,000 for that because it was near enough to what the hospital said they believed they would need for the year and I have a very high regard for the way the hospital is managed and I was inclined to take at face value what they said, I think Mr. Sanders' querying of it, his wish to have some supporting financial information is entirely legitimate, I think that it is a kind of scrutiny of the use of public money that I think ought to be encouraged, I do not see any damage and apparently Mr. Buffett does not either, if we defer for the moment granting that until we have supporting financial information, and if Mr. Sanders intends to vote against this item I am happy to vote against it with him for the moment.

MR. BUFFETT: I correct the impression that I may have given, I am not in favour of deferring it at this time Mr. Acting Deputy President, the hospital needs to have funds to continue their operation just as many of the others need to have funds to continue their operation, the Tourist Board for example, an allocation of $111,000 in this particular budget.

MR. ACTING DEPUTY PRESIDENT: Mrs. Gray.

MRS. GRAY: The figures that have started flying around here have tended to confuse me a little. It appears that the subsidy is up from $10,500 last year, but then additional supply was sought and granted if I use the correct terminology, of some $24,000 plus, which would have brought it up to around $34,000 and now we are dropping it back to $30,000, is that correct. That is in that last financial year. This figure of $54,000, I am not sure where that has come from.
MR. HOWARD: The $54,000 is adding an apple with an orange. I think Mr. Sanders is simply emphasising the amounts of money that the hospital needs. I want to point out that the history of hospital board subsidies has always been that they ask for what they think they are going to need and the people allocating the money say they cannot have that much and cut them way down in a very important way but the hospital it turns out almost always does need the money really and before the year is out you need to provide it after all. That is what the $24,000 was. My point is that they did not ask for that $24,000 until quite late in this financial year that is ending now and I do not think they need that $30,000 that is proposed to go on operating in the next month or two, I think they probably will run short as the year goes along but this year it took what, 8 months or something before they realised that they needed the additional $24,000.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: Mr. Acting Deputy President I just additionally confirm that basically in the last financial year, which is the one that ends today, the hospital if I remember the figures correctly had received a total in that year of something like $34,000 or $35,000. I think it at the end of the time seemed a similar although maybe not as high as that in a previous year. The amount that is being sought this time is just a little bit lower, a couple of thousand dollars lower than has been allocated in the last couple of years, What I am trying to describe is that it is around the same figure that is being sought by the hospital on previous occasions, not always in one hit as has been described but at the end of the time that is what it seems to work out at and I would not be supportive of anything at this time if that seems to be the trend to reduce the amount and I would wish that they be able to start the new financial year on an equal footing as I have explained in comparison with the Tourist Board that has been given $80,000 and it not quite determined how that is going to be spent either, but it has been undertaken that it will be carefully examined and have oversight.

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. SANDERS: Thank you Mr. Chairman. I am not suggesting that their
amount of money be reduced or that they not get it, all I am suggesting is that they account for it. I believe it is not just a bottomless barrel that you can just keep on putting your hand in and saying I want, I believe if they cannot account for their reasons for wanting it, if they get broke enough they will.

MR. BUFFETT: Could I just say that I am satisfied that they are accounting properly for their moneys, I have not got the balance sheet in front of me but I am satisfied that there is proper accountability in that area Mr. Acting Deputy President.

MR. ACTING DEPUTY PRESIDENT: Miss Buffett.

MISS BUFFETT: Thank you. Through you Mr. Chairman I would like to ask Mr. Sanders does he have an area of great concern about there being negligence with the hospital when so much money has been voted over to the promotion of tourism in the last several months without them having to account in a detailed manner before it is voted on, I cannot see that there is any sense in this demand for the hospital, it seems to be out of balance.

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. SANDERS: My concern is for anybody regardless of the amount of money, who wants public moneys and does not wish to account for it. It is not a till where you just help yourself, we are supposed to account to the public for this money and I feel just to hand out $50,000 without accounting for it, we are not doing our duty. I intend to vote against the motion.

MR. ACTING DEPUTY PRESIDENT: Mrs. Gray.

MRS. GRAY: I do not intend voting against the allocation. I do support what Mr. Sanders has said, and as the executive member responsible for tourism has brought forward the Tourist Bureau finances I would ask that the executive member responsible for Administration, Education and Health do likewise to the members of this House.
MR. ACTING DEPUTY PRESIDENT: Mr. Jackson.

MR. JACKSON: Mr. Chairman may I also add that certainly the Tourist Bureau has presented us with a budget some two or three weeks ago, but the money that we have allocated here this evening, $80,000, the Minister who holds responsibility and he is responsible according to the budget for every cent that is spent but we are not demanding a balance sheet from him to say at this particular time how he is going to spend that money, he has not even given us a receipt for it, the money is just to be handed over to him. So it seems to me that we are picking at straws here, we are saying to the hospital you provide us with a balance sheet of how you spent last years money and how you are going to spend this before we hand you the $30,000 grant that has been provided for in the budget. Therefore I think we are, to use Mr. Sanders' favourite saying, discriminating.

MR. ACTING DEPUTY PRESIDENT: Mr. Buffett.

MR. BUFFETT: I just confirm Mr. Acting Deputy President that when the accounts are presented from the Hospital Board I am quite happy to bring them forward for tabling so that members can see how the money has been spent. I am just relying on my memory now but I think they are even published to some extent in the Gazette, but I could be corrected on that.

MR. ACTING DEPUTY PRESIDENT: Mr. Brown.

MR. BROWN: Thank you Mr. Chairman, I just wanted to stick up for the Tourist Bureau. Miss Buffett perhaps did not understand that one of the bundles of papers I sent to her recently was a statement of the accounts of the Tourist Bureau for the ten months up until the end of April of this year and enclosed with that was a projected statement of cash flow for the months of May and June of this year, so in fact the Tourist Bureau has very carefully accounted for the moneys that it had received and expended up until the end of April and it also projected what it was going to spend for the period up until the end of June, so just in case Miss Buffett did not understand that that was what I sent to her, if she has any confusions I would be happy to explain the
various items.

MR. ACTING DEPUTY PRESIDENT: Further debate.

Question - put

The House voted -

AYES, 6
Mr. Buffett
Mr. Christian-Bailey
Mrs. Gray
Mr. Quintal
Miss Buffett
Mr. Jackson

NOES, 3
Mr. Howard
Mr. Brown
Mr. Sanders

Head of expenditure 13 agreed

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 14 - $50,000. Mr. Howard.

MR. HOWARD: Again this is a new departure in budgeting procedure. It has to do with maintenance of buildings and grounds at the school, at the hospital and other places. In the past those three items have been separately stated in different parts of the Supply Bill, in this year I am proposing that they be lumped into one single category and I am proposing that we allocate less money this year than we did in last year. In the year that is now ending we will have spent about $82,000 or we will have supplied about $82,000 for that maintenance work, I cannot tell you what the actual expenditure is. I am proposing that we allocate $50,000 which means in my mind that only the most essential maintenance can be done and that among those three different categories wherever needs it most can be given a bit of the favour.

MR. ACTING DEPUTY PRESIDENT: Mr. Jackson.

MR. JACKSON: It is a new method of lumping them all together and whoever gets in for the best cut gets the work done first. Now we have here in the paper that Mr. Howard provided us with this evening which caused
the adjournment, no new works at the school. Now what did they apply for, did they requisition for extra classes because I know there is some concern within the Principal's area that they have been cut drastically from what they requested.

MR. HOWARD: The question Mr. Jackson has raised is not about the item that we are looking at at the moment, Maintenance of Buildings. The question has to do with an item in the bids for the year of Capital Works and Services which was simply headed "School - Various", and what was asked for was $10,500, but that is not part of the item we are talking about now, that is not part of maintenance.

MR. JACKSON: That request of $10,500 even though it does not link up with this...

MR. HOWARD: It is not provided for until later on when we get to Capital Expenditures.

MR. ACTING DEPUTY PRESIDENT: Further debate.

Question - put

Head of expenditure 14 agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 15 - $25,000. Mr. Howard.

MR. HOWARD: Thank you, that is under the heading of Water Protective Measures. From memory what was proposed, what was bid for, was $50,000, the exact requirement for that money I do not think is clearly known right now, it is obvious that we should provide money for examining the Island's water supply and working with it. I have been concerned myself at the way that experts from Commonwealth Departments spend money, they spend money as though it were going out of style, they are used to doing things in a very expensive way. My feeling is that if we try we can get more for our money, I am hoping that $25,000 is a quite reasonable and worthwhile allocation of funds for water protective measures, this is one of the items in which I am proposing
that expenditure be at the control of the executive member who would be Mr. Buffett, during the year.

MR. ACTING DEPUTY PRESIDENT: Further debate.

Question - put
Head of expenditure 15 agreed to unanimously.

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 16 - $7,000. Mr. Howard.

MR. HOWARD: Improvements that are asked for and that seem entirely reasonable at the tanalith plant. New toilet and washing up facilities and a fence to put around the place to keep it secure.

MR. ACTING DEPUTY PRESIDENT: Debate.

Question - put
Head of expenditure 16 agreed to unanimously

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 17 - $11,000. Mr. Howard.

MR. HOWARD: That is to provide the new incinerator to be built at Headstone.

MR. ACTING DEPUTY PRESIDENT: Debate.

Question - put
Head of expenditure 17 agreed to unanimously.

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 18 - $20,000. Mr. Howard.

MR. HOWARD: That is a proposed addition to the working capital of the
Bond Store. The prices they have to pay for their supplies from the mainland keep going up with inflation and to ensure that they stay ahead of that and are able to have the shelves reasonably full of goods, $20,000 more working capital I think is reasonable.

MR. ACTING DEPUTY PRESIDENT: Debate. Mr. Sanders.

MR. SANDERS: Can I direct a question to Mr. Howard please. Mr. Howard is that enough.

MR. HOWARD: It is what was asked for.

MR. ACTING DEPUTY PRESIDENT: Further debate.

Question - put
Head of expenditure 18 agreed to unanimously.

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 19 - $19,000. Mr. Howard.

MR. HOWARD: That is for completing and setting up and getting going a Norfolk Island Retail Price Index. By the time we get it it will have cost a good deal more than we expected in the beginning. I think that for many reasons we are committed to carrying out that work and to getting the Index operating, that much work is needed to get it operating.

MR. ACTING DEPUTY PRESIDENT: Mrs. Gray.

MRS. GRAY: Just a comment Mr. Acting Deputy President, it is interesting to compare the cost of this somewhat limited or be it lengthy survey with the proposed household survey initiated by the executive member for tourism. Perhaps it is remarkable how with some initiative costs can be cut.

MR. ACTING DEPUTY PRESIDENT: Thank you. Further debate. Mr. Howard.
MR. HOWARD: I think Mrs. Gray's point is well taken. I have been impressed at what Mr. Brown has been able to organise for that survey and I have the feeling that there may be other ways that we as a Government can get some help from, co-operation from, other educational institutions that find it to their interest, their advantage to do something for us, I think it is a marvellous way of getting things for an economical price.

MR. ACTING DEPUTY PRESIDENT: Miss Buffett.

MISS BUFFETT: Mr. Acting Deputy President, the CPI survey and indexation is very specialised and you do not just take any novices in learning for that really to establish it.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: Could I simply ask Miss Buffett please, RPI, not CPI - it is a retail price index that we are designing here, not a CPI.

MISS BUFFETT: But it was engaged as a consumer price index which is not a cost price index which it could perhaps be confused with.

MR. HOWARD: The expert who is preparing it thinks it is a retail price index and that is what he is building for us.

MR. ACTING DEPUTY PRESIDENT: Further debate.

Question - put

Head of expenditure 19 agreed to unanimously.

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 20 - $12,500. Mr. Howard.

MR. HOWARD: That is the additional cost, some has been spent this current year, it is the additional cost of completing a review of philatelic operations being carried out by Mr. Ken Wright who has been seconded from Crown Agents in England to come and do the job for us, he
has been on the job for about a month now. The Philatelic Bureau has been swamped with orders with the growth of philatelic operations. Mr. Wright is here to help us find out how they can cope with the workload better. We had a reasonably detailed first oral report from him last night and I was impressed at the way he is getting on, I think he is already making headway, I think this will have been a very good expenditure.

MR. ACTING DEPUTY PRESIDENT: Thank you. Further debate.

Question - put
Head of expenditure 20 agreed to unanimously.

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 21 - $8,000. Mr. Howard.

MR. HOWARD: That is an estimate of what is will cost to have a comparative wages and salaries survey made on the Island. We have asked the Public Service Board if they will please get into gear and get terms of reference put together for that survey, I think it is essential in our being able to take a fair general view of public service wages to know how those wages relate to wages elsewhere in the Island, and that is an estimate of what that survey will cost.

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

Question - put
Head of expenditure 21 agreed to unanimously.

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 22 - $4,000. Mr. Howard.

MR. HOWARD: The purpose of the allocation is for land valuations. It is less than was bid for, from memory the bid was for $7,000 or $8,000, something of that sort. I reduced it in the belief that such things can be done less expensively if you need to do them less expensively,
for example rather than surveying every single property in order to make a re-evaluation, perhaps only a certain number of properties could be valued and then by rule of thumb valuations on the other properties simply estimated up by a balanced average amount, through means of that kind I think the job can be done economically and that is what that allocation is for.

MR. ACTING DEPUTY PRESIDENT: Mr. Sanders.

MR. SANDERS: Thank you Mr. Chairman. What is the purpose of valuing the land.

MR. HOWARD: One of the primary purposes is for establishing what absentee landowners levies should be, so there is a connection with revenue.

MR. ACTING DEPUTY PRESIDENT: Further debate.

Question - put
Head of expenditure 22 agreed to unanimously.

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 23 - $20,000. Mr. Howard.

MR. HOWARD: That is for, if we can do it for that, an improved accounting system for the Administration. The Administration has used for many many years a traditional old fashioned Department of External Territories style of accounting system. I think we can get the accounting done more easily, faster, more surely, with a modernised accounting system and that is the purpose of that allocation. Again this is one in which expenditure is to be made on the authority of the executive member.

MR. ACTING DEPUTY PRESIDENT: Miss Buffett.

MISS BUFFETT: Can I ask here Mr. Chairman, do you envisage computerisation there or how do you mean a new accounting system.
MR. HOWARD: It is too soon to say whether it includes computers or not but my guess is that in most modern accounting systems in an operation of this size that some use of computers makes sense, how much I cannot say, I do not know, but if there were use in some of the small computers that have come on to the market in the last couple of years, it would be quite possible in my guess to develop and lay down an accounting system and provide a few small computers for two or three parts of the Admin, within that figure, but that has not been decided, that is something that experts need to look at.

MR. ACTING DEPUTY PRESIDENT: Miss Buffett.

MISS BUFFETT: Can I ask again through you Mr. Chairman, would this endanger any positions held by staff, it is not with any intended reducing of positions of people who live here.

MR. HOWARD: The W.D. Scott Report included one fairly lengthy section on the possible use of computers here. Scott's conclusion was that the use of computers would not eliminate any jobs at all, now whether Scott's are right I do not know. I think it might be possible for three people to do the work of four with the use of a computer or two, whether that is true I have no idea, I cannot say about such things, but I can say that the purpose is not to eliminate jobs, the purpose is to improve the accounting.

MR. ACTING DEPUTY PRESIDENT: Further debate.

Question - put

Head of expenditure 23 agreed to unanimously.

MR. ACTING DEPUTY PRESIDENT: Head of expenditure 24 - $50,000. Mr. Howard.

MR. HOWARD: That is the item that appears at the end of each budget traditionally. It is a sum of money which is available for spending at the discretion of the executive member. As a rule spending from that pool of money is done when there is a saving in one part of the
Administration that can be switched over to another part of the Administration that needs it. It is also used when there is a sudden need for a certain amount of money that has not been provided elsewhere. The executive member tries to spend as little of that during the year as he can, he tries to give most or all of it back in at the end of the year. The papers that I have been tabling at each of a number of recent meetings show some transfers of funds. I will also be obliged under the law to give a full accounting of moneys that I have allocated from that $50,000, and that will be coming to you before very long.

MR. ACTING DEPUTY PRESIDENT: Further debate.

Question - put

Head of expenditure 24 agreed to unanimously.

MR. ACTING DEPUTY PRESIDENT: Would somebody move that the Bill be agreed to. Mr. Howard. Any further debate. Mrs. Gray.

MRS. GRAY: Is it permitted to address the Bill in total.

MR. ACTING DEPUTY PRESIDENT: Thank you.

MRS. GRAY: Thank you. Mr. Buffett and Mr. Jackson voiced their objections to Mr. Howard's budget and they voted earlier at this sitting against the raising of revenue on food, they have presented objections to the lack of moneys allocated but I did not hear one word, one suggestion about where the money to cover the cost of their dreams would come from. I would like to refer briefly to the paper prepared by the Administration concerning the economic climate on Norfolk. The paper stated that Norfolk would experience high economic activity during 1982-83 and a claim was made that we would experience the benefit of 4 million dollars, minus 2 million allowed for the drop in tourism. The 4 million dollars was expected to come from the airport upgrading and the Anzcan projects, and it is a nice thought, however I must suggest that that report did not take into account or does not take into account, the disaster occurring in the shopping area and other tourist service systems on the Island. One of the major retailers on
the Island is curtailing hours of operation in an attempt to cut
down costs but allow people to retain jobs and I have referred to
that before in this House today. Nearly every shop which depends on
the tourist trade is discharging staff and relying upon owner
operation and I can see no high economic activity unless one considers
a continuing downward spiral such activity. The major expenditure in
the budget is that for Administration wages and salaries, the sum of
one and a half million dollars. It is interesting to go back to the
1972-73 Annual Report, that is 10 years ago. In that year we had about
the same population and 12,476 visitors, admittedly they were not
travelling on packages and generally spent more money on the Island
during their time here, and incidentally raising customs and liquor
bond revenues. It is interesting to note that in that year we had an
Administration establishment of 77 persons. We now have one of 140
plus 14, that is 140 permanent and 14 under the temporary arrangement,
with no increase in population and potentially the same number of
visitors. One might be justified in suggesting that increased tourist
numbers over the past years has created jobs for Administration staff.
There were 133 plus 12 Administration employees in August of 1979, that
is immediately prior to the inception of the Legislative Assembly, an
increase from 133 to 140 permanent full time employees and an increase
from 12 to 14 in part time people since then. The massive increase in
the Administration occurred during the years before the change to the
present form of government. Between 1973 and 1979 the annual average
increase seems to have been 8.8 bodies per annum. In the past three
years there has been an increase of 7, only 2.33 repeater, if we are
going to get into computers, per annum. The report of 10 years ago
also tells us that a new generator was installed and mostly paid for,
a new telephone system came into use with 200 lines and a further 200
on order, also paid for, so much for the good old days. If we are to
break the graph line of boom and bust which has haunted the Island for
so long we must stabilise our economic base, preserve our reserve and
balance the budget. I commend the budget which the executive member
responsible for finance has brought forward. I fear that he is over-
estimating some of the revenues, departure fees, bond store revenue, car
registrations, have I believe been based on a figure of 17,000 visitors
coming to the Island, I hope that that will be the case but should it
not, we are going to be in trouble. I regret to suggest that tourist
figures will be in the vicinity of 12,000 to 14,000 in this year. Refer to the graph produced by the Tourist Bureau, in 1979-1980 there was a peak year of 23,200, the following year the number dropped to 22,878 and that decline has continued ever since. The graph shows no signs of having reached bottom and shows no signs of even flattening out. The airport will be closed in October. If we get our act together in tourism and begin a co-ordinated promotions operation within the next 90 days it still takes a further six months for the effects of that promotion to be felt, that gets us to about March of 1983. Three months before the close of the financial year that we are talking about here and now. This future of unpredictable income is what Ed Howard is talking about when he proposes the fortnightly expenditure system. When standing for election to this Assembly I undertook to temper decisions with common sense, I did not utter those words lightly, I do not believe in spending money we have not got. If we can improve our tourist figures and improve revenue or improve revenue in whatever way, that will be the time to consider or reconsider the additional expenditure which I think Mr. Buffett and Mr. Jackson seek. Until then I do not believe that this Government should spend one cent more than is absolutely necessary on anything, and to suggest that we use reserves to balance the budget is to me completely out of the question. That was a proposal contained in the paper issued by the Chief Administrative Officer. The greatest single item of expenditure proposed is that of Administration salaries and wages. Ed Howard's budget does not attempt to cut that, but he has had to cut just about everything else to avoid doing so. Some members of the community may well ask him why. His support of the Administration is an attempt to protect it from the cold harsh reality of a world in recession. The budget must be balanced, we must continue to remain in the black during this financial year. The Australian Government must observe that we are capable of handling our own affairs, our own crises on Norfolk. The reserve must be kept for what it is, a reserve which may be required urgently for the good of Norfolk Island, not one sector of it but the whole community. The Administration, the Accountant, produces a sheet of financial indicators which the executive member tables each month in this Assembly, and I consider proposing to move at the next sitting of this House a motion to this effect, that is with each monthly report on the financial situation given to the executive member responsible for finance by the Accountant, where revenue is 5% or more below a similar period in
the previous financial year then he shall accompany the statement with recommendations for cutting expenditure so that costs may be kept within revenues available. I believe that some critical decisions will have to be taken if that situation occurs. I would like particularly to have some comments from the executive member responsible for finance on that proposal. Thank you Mr. Acting Deputy President.

MR. ACTING DEPUTY PRESIDENT: Thank you Mrs. Gray. I remind members that debate may be of a general financial nature on this Expenditure Bill. Mr. Jackson.

MR. JACKSON: Thank you Mr. Chairman. I am not sure if I am hearing correct but Mrs. Gray made some assessment of the wages situation for the period between 1972 and 1982, I wonder whether she was considering that wages should have been pegged then. I assure Mrs. Gray that any decision I make in this House is not made on a personal viewpoint, I consider all people, I consider those in need and I consider what is best for the Island. I do not let my judgement be controlled by my personal feelings.

I must once again refer to a submission that has been sent to all of us by Mr. Bryan Nunn, which Mr. Buffett referred to earlier in the evening when he was debating the Customs Bill. We know that Mr. Nunn is a well known economist, and he stated in his submission - "In cutting expenditure on capital items, if these capital items are really needed I think the Government is being shortsighted. Clearly one can cut back expenditure by this means but only by virtue of putting off the evil day which when it finally arrives will probably involve greater capital costs by virtue of inflation and the costs at the present time". He goes on to say - "I believe capital costs should be kept at a level of the present need of the Island and in this context should seek to separate needs or necessities from want for items that various sectors of the Island would like". He then goes on to describe the public service, and he says - "In seeking to curb the cost of the public service", which to me has been paid direct attention by certain members of this Assembly, "I believe certain factors should be borne in mind. 1. That the cost of the public service is, among other factors, dictated by the demands that are made upon it by the legislative branch
of the Government. If Government requires a sophisticated advisory and back-up service from the public service then it will have to be prepared to pay for this. While I do not want to see an inordinate cost of a public service to support this small Island, I believe that members of the Legislative Assembly must consider very carefully the tasks that they wish the public service to undertake.

2. If the public service is to be effective and not be an imported public service then I believe that latitude must be given for the effective training of public servants to carry out the tasks dictated by the Government of Norfolk Island. If the Government is satisfied with a second rate public service then clearly this can be done more cheaply. I do not believe it can be done more cheaply by an imported public service".

These are facts that have been placed before us by Mr. Nunn, and I support them completely. He goes on to say - "In any discussions about the cost of the public service I believe that one should differentiate between those portions of the public service that are revenue raising and those that are solely for the support of amenities and back-up for the Government. To this end it would seem more practicable and to lead to a better understanding on the part of the residents of Norfolk Island if all costs of revenue raising sections bore the cost for this activity, introducing a net income figure for each section".

That is a statement by Mr. Bryan Nunn in his assessment on the cut back on revenue. He stated if the Government wishes to have an imported public service it should be prepared to pay for that service, and that demand is coming from inside this Assembly, the demand that is being placed upon the public service. When I sit in and listen at the Executive Committee meetings the items and the business dealings, it is well known that the amount of work that goes in to preparing papers and submissions is being done by experts, therefore what do the members want, does Mrs. Gray want someone they can get on the cheap, like someone who does other things in a do-it-yourself-kit as has been suggested in the past, I do not believe that that is in the best interest of Norfolk Island nor will it be good government for this Government to even consider those suggestions.

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.
MR. HOWARD: Mr. Jackson quotes from Mr. Nunn's letter which Mr. Nunn addressed to me and sent copies to all members. I am appreciative of his taking the time to put his thoughts, they are always welcome and very often helpful. Mr. Jackson just drew attention to Mr. Nunn's advice that it was essential that we distinguish between wants and needs, and that is exactly what I have tried to do with this budget. I think in the budget we have allocated things that are really needed and we have had to leave out for the time being a lot of things that are wanted but are not really needed, that is what I was aiming for too.

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

MR. BUFFETT: I would just like to add this to what Mr. Howard has said, I consider that some of the needs have not been included in the budget, and I do not want to repeat it but I just wanted to mention it in the context because I just wanted to make this point, I do not consider those needs that I have addressed in considering needs, are dreams - that have been earlier referred to this evening Mr. Acting Deputy President, those that I have mentioned I think are real community needs and that was the vein in which I raised them.

MR. ACTING DEPUTY PRESIDENT: Further debate honourable members. The question is that the Bill as amended be agreed to.

Question - put

Motion agreed to unanimously

Bill, as amended, agreed.

NEXT SITTING DAY

MR. BUFFETT: Mr. Acting Deputy President could I suggest we set the next sitting day and adjourn.

MR. QUINTAL: I move that the House at its rising adjourn until Wednesday 3rd August 1982 at 2 p.m.
MR. ACTING DEPUTY PRESIDENT: The question is that the House at its rising adjourn until Wednesday 3rd August 1982 at 2 p.m.

Question - put

Motion agreed to unanimously.

ADJOURNMENT

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

ADJOURNMENT DEBATE

MR. ACTING DEPUTY PRESIDENT: Mr. Howard.

MR. HOWARD: It is awfully late, I just wanted to make a couple more comments.

I want to say something to the business houses on the Island who, if any of them are still awake, will be effected by the Customs Bill that was passed today. I want to say something very short to them, I want to say if your duty has been reduced, reduce your prices to the full extent, I want to say if your duty has been increased, confine your price rises to the smallest necessary amount. I want to say that I will be enquiring as to whether merchants are doing those two things or not and that I will not hesitate to name names in this House of merchants who use the change as an opportunity to make hidden profit increases. I have been told by several of the large businesses on the Island that their books will be available to be inspected and I am going to take advantage of that invitation.

MR. ACTING DEPUTY PRESIDENT: Thank you Mr. Howard. Further debate honourable members, no further debate. The question is that the House do now adjourn.

House adjourned at 10.23 p.m. until Wednesday 4 August 1982 at 2 p.m.