These 9 points put before us appear to be too purely a discussion matter and I cannot see that it was intended for much else. Thank you.

MR. QUINTAL: Mr. Chairman, through you to remind Mr. Jackson that at those meetings that was held with the Public Service, I did level some criticism at the at a certain person and so I will ask Mr. Jackson not to mislead the public.

MR. BUFFETT: Thank you Mr. Quintal. Are we at the stage of progressing clause by clause? Mr. Howard

MR. HOWARD: I would like to make one general comment. I think I have been listening with great interest as each person has spoken - there have been a lot of points made. Mr. Buffett, Miss Buffett, Mr. Jackson have all spoken against what is put here for various reasons that they have talked about how little detail there is - well as we go through a certain amount of more detail can be provided. They have talked about uncertainty and how much money we have or don't have. They have talked about mis-management of the economy and talked about my shocking conduct in that taking no note of what the C.A.O. told us in May last year. I hope that as we go through the detail stage that if they can, maybe they can't, if they can, that they will use the freedom that is open to all members in debating this plan to improve it. I think the Island is in trouble and I don't think it is good enough for any Assembly member to say, aye I wouldn't do that, I would not have a bar of that, if you have a better idea let us hear it. Let us try to face a problem that the Island has before it. If you don't like one or another aspects of what is proposed here, have you got better ideas? Let's hear them, just don't sit on your hands and say I would not have a bar of that, let us hear whether you can help the Island when the Island is in trouble or whether you are just going to say, I would not have a bar of that. I am happy to discuss clause by clause Mr. President.

MISS BUFFETT: Could I just come in reply to that for a moment please. It is through the very words Mr. President that Mr. Howard has just stated that I will not do that or will not have a bar of that, that causes the situation we are in because he is not accepting any advice and I have put advice forward, I have suggested far back as June debate which is easily recognisable in Hansard.

MR. BUFFETT: Clause 1. Mr. Howard.

MR. HOWARD: No before we go off the general, because I don't think it comes in any of the specific sections of this thing. Once again Miss Buffett has referred to the fact that I will not take advice. I was given, this Assembly was given, it was tabled in the Assembly for all to see lengthy advice from the C.A.O. last May about how we should plan this year's budget, and thank God it was not followed. Thank God it was put in the waste basket. It was full of the most nonsensical foolish ideas that you could only stand back and gasp at, it said that Norfolk Island was going to boom, that there would be money everywhere, that we should not promote tourism because the economy would overheat if we did. It was the most extraordinary collection of - it saved half the day - we are down a quarter of a million but we are not down half a million. Mr. Buffett spoke about my having heralded this year's budget as a balanced budget. Why he feels this has to become political, I don't know.
I can tell you very briefly what I said about the budget, part of it.
I said, I think we should balance the budget in the coming year by
an plan for spending, if revenue, which this budget estimates as being
$3 million plus for the year, if revenue proves to be that amount, I
believe our spending, as a government could be held within that limit
and the budget without eliminating any jobs or reducing any salaries.
Austerity in spending is planned to come in other ways than out of the
pockets of people. If the economy worsens as the year goes along, I
said, it could become necessary to make cuts that would as a matter of
fact begin to affect people’s pockets directly. I said I hope that
will not be the case. I said for the present the proposal of this
expenditure bill is to economise in other ways. I did not herald it
as a great balanced budget, I said I hoped we would make it, that we
could economise by cutting things other than people’s salaries, but if
things worsen we may have to face up to cutting people where it hurts,
in the pockets, and I think any suggestion I had triumphantly brought
down a budget that was going to balance no matter what is just, it is
not productive it is not getting us where we want to go. We have a
problem, let us deal with the problem, now can we do it clause by
clause.

MR. BUFFETT: Clause 1 Honourable Members.

MR. HOWARD: I would like to say Mr. President, that I
don’t think there is any quarrel about clause 1. It says simply that
the Assembly notes that the indicated revenue for the month of
December and the first six months of the current financial year are
substantially below the expectations on which the year’s budget and
expenditure act is based. In the first 6 months it was necessary to
draw an indicated $254,000 from the revenue fund over and above current
revenues during the six months, of approximately $1 million three to
pay for expenditure during those six months. That first clause does
nothing but recognise facts and if there is any doubt about those facts
or quarrel with them, let’s hear it.

MISS BUFFETT: May I ask the Finance Minister one question
If you had not drawn the $254,000 from Revenue Fund, from which Fund
would you have drawn it?

MR. HOWARD: The Revenue Fund is all of the Funds that the
Government has except for those that legally have been placed outside
the Revenue Fund, and that includes Norfolk Island Hospital which
operates its own separate budget.

MISS BUFFETT: The question was, which Fund would you have
drawn it from, not an explanation of the Revenue Fund.

MR. HOWARD: Which other funds do you think there are?
Would you suggest drawing it from the Trust Fund, moneys we hold in
trust for others, that is not on you cannot do that, there are no
other funds.

MISS BUFFETT: Through you Mr. Acting Deputy President, the
question was asked of Mr. Howard.

MR. HOWARD: From which other fund would the money have
been drawn. I put it to you that there is three funds in our accounts.
Revenue Fund, Loan Fund, and Trust Fund. You cannot spend Trust moneys
there is no money in the Loan Fund, that is an account of loans that
we owe. The only place that there is money that we can draw is the
Revenue Fund. it could not have been drawn from anywhere else.
MISS BUFFETT: So really that is your point, there was no other funds to draw from, in actual fact that is the working fund. Thank you.

MR. HOWARD: If there is no objection Mr. President, could we go onto the second one. I don't know if we need to have a vote on each of these but I think if anyone has a quarrel with it or change it or amend it we ought to do that.

MR. CHRISTIAN-BAILEY: Clause two.

MR. JACKSON: I do believe it was pointed out earlier in the first number one motion that it was agreed that it was a package and it won't be voted on clause by clause, it will be voted at the end of clause nine.

MR. HOWARD: The second clause Mr. President says that the Assembly notes that there is no clear reason in the economy of Norfolk Island or of Australia or New Zealand to expect any significant improvement in revenues during the remaining five months of this financial year. I would like to talk to that for a little bit. There are things that people may feel are glimmers of hope, for example, for a number of years it was the pattern of revenue in the Norfolk Island Government that a bit more came in in the second half of the year than the first half of the year. That was the pattern for a number of years. I think there may be some glimmer of hope in the Administration that that pattern might happen this year. The fact is it did not happen last year - the pattern was broken last year, that might be considered a glimmer of hope, but I don't think that qualifies as a clear reason to expect a significant improvement, but I wanted to mention it as one of the thoughts that people have raised. You can read comments in the financial press that because of maybe a fall in interest rates the housing industry in Australia maybe begin to recover. People may begin building houses that they have not been able to afford to bill because now they can afford to pay the interest on the mortgage, there maybe something to that but that is not a clear reason to expect a substantial increase in Norfolk Island's revenue in the next five months. The point of this clause is not to say that all is black but the clause says, there is no true reason to see that we can expect a significant increase in our revenues in the next five months.

MR. JACKSON: Mr. President, I don't think there is any need for us to go into fits of convulsion just because there is an economic downturn in New Zealand and in Australia. Without endeavouring to better our economy here we should not take just because they are going through bad times, we should try and improve our situation here and I believe there is room to improve our situation and have better tourist facilities that operates in both New Zealand and Australia. I suppose every member around this table has heard that people, tourist, intended tourist coming to the Island are finding difficulty even in the down-turn in tourist of getting bookings and accommodation because a particular agency bulk-buying or bulkbooking. We also know that there is only certain apartments on the Island that are told by these agencies on the mainland that accommodation is available. We are also aware that high commissions are paid to certain agencies to gain this advantage, and in those areas I do believe we can set about correcting the situation and improving our economy on this particular course. Therefore I disagree completely that we should just continue with the

New Zealanders and Australians are going one way and we should also try to improve our situation and in the way I see it and I place this on the onus of the Tourist Board, they should make sure that these corrections are made to the tourist agencies in New Zealand and Australia that they have to correct this situation, therefore depriving Norfolk Island of the tourist who would like to come here. Because if they go down I have heard them say they go down, they have had terrible times to get bookings and trying to go somewhere else. This is a fact and the members around the table know this so the sooner we can come to grips with the minimal things as maybe described perhaps we would get more revenue in increased tourism.

MR. CHRISTIAN-BAILEY: Mr. Sanders.

MR. SANDERS: I would just like to point out to Mr. Jackson while he probably thinks our Tourist Board is magnificent I agree with him but one thing we cannot do is dictate to the Australian and New Zealand governments.

MISS BUFFETT: Could I ask the people concerned in tourism through you Mr. Acting Deputy President, with the promotional interest that has been taken in the tourist industry over the last few months, particularly since the extra $30,000 that was put over to promotions, had any negotiations been made with the airline companies and agencies who do these block bookings? I have to uphold what has been said just know in that at least half a dozen people I have spoken to over the last month, I don't know who I am addressing really, at least half a dozen people in the last month have voiced to me, some I met just by chance, tourist I have spoken to, and met, have said to me that they have had to accept accommodation in a certain place, they were not worried, they were enjoying it, but the fact of the matter was that areas were supposedly booked out and these are very good areas, I just think they should be closer communication between the agents and the Norfolk Island booking agency or the agents, I think should withdraw their block bookings from the airline sooner than they are doing because Norfolk Island is being sold as fully booked to so many placed, it is a very genuine...

MR. CHRISTIAN-BAILEY: I believe this is not relevant to the debate.

MISS BUFFETT: Well if it is a case of how do we improve thing Mr. Christian-Bailey and I have not done so I humbly apologise, thank you.

MR. CHRISTIAN-BAILEY: Mrs. Grey

MRS. GREY: The section we are addressing Mr. Acting Deputy President, No. 2 of the motion, the arguments based on the recently established fact that it is a source of external revenue an outside revenue which is begun to dry up, Australia, New Zealand probably the North American market as far as philatelic sales are concerned, we may still with the help of the airlines do something or see some improvement in our internal revenue, but there is not much time left for the year.

MR. HOWARD: I would like to support and agree with Mr. Jackson in what he said. I don't think the improvements of the kind that he is mentioning could be possible are really going to effect the Government's revenue significantly during the next five months, but I think the points he makes are sound. They are points that we looked
question that we, the Island is unbalanced, hurt by a few tourist places that get in league with a few agents at very high percents of commission and then tell potential travels here, sorry it is booked out.

I think that does happen and I think he is spot on in suggesting that we ought to try and fix it. I think we should, I don't think it is going to help our revenues in the next six months but I wanted to endorse and agree with his singling out of that as something that ought to be fixed, and it should be.

MR. SANDERS:
I support acknowledgement of paragraph two as it reads.

MR. CHRISTIAN-BAILEY:
Paragraph three, Honourable members.

MR. HOWARD:
The third clause proposes that the Assembly is of the opinion that the existence of a fund of savings from past years is essential to the Island's financial soundness and that the Administration's finances should be managed in a way so that the revenue fund at the end of this year will be not less than it was at the end of December. One of the questions we discussed with the Public Service officers and C.A.O. was the question of the Revenue Fund and how it should be used, and one of the points of view that the Public Service officers reported to us emphasised, was that so far as they could tell from our discussions up until then there was nothing wrong with the idea of drawing on the Revenue Fund at least up to a point where it was determined we should not go any further. Of course that is right, until you determine a point beyond which you decide you are not going to go, Revenue Fund is for use, it will fluctuate, it will be up some times and down some times, it has been plunging downward in the first half of this year, but this clause proposes is that for the first time we try to draw a line, at least a line for the rest of this financial year, it proposes, we say, Administration finances ought to be run in a way so that we don't go any further into the Revenue Fund by the end of the year, now it might be in the planning that flows on for dealing with this problem that an intelligent plan will say, we will need to draw a bit for the next couple of months and then we will recover that and replace that in the remaining couple of months. If that is the intelligent way to do it I think we ought to do it. The wording here is that we shouldn't at the end of this financial year, the end of June, we should not be worse off in the revenue fund that we are at the end of December. This I think would be the first time the Assembly has put a stop-order on some level of revenue fund. I believe the Revenue Fund, and it does not for this purpose it does not matter whether we are talking about a fund of a million-five at the beginning of the year or the available spendable money of a million at the beginning of the year, it all turns out to be the same thing. If you say the Revenue was a million-five the start of this financial year, it is now down to a million-two-hundred and fifty thousand. This clause, says, by the end of this year, by the end of June it wants to be a million-two hundred and fifty. Or if you take the other point of view and talking about spendable dollars and we start with a million and we are now seven-hundred and fifty, then the spendable dollars at the end want to be seven-hundred and fifty.

MR. CHRISTIAN-BAILEY:
Mrs. Grey

MRS. GREY:
I am having a little bit of trouble with this one Mr. Chairman. For example later on in the Notice Paper there is a Bill for an Act which authorises another ninety-five thousand from the Public Account of Norfolk Island. I am having difficulty in effect freezing that revenue fund, I have no objection to its
I agree with Mr. Howard it is virtually immaterial what the figure happens to be. Perhaps there is another way of looking at it, let us take it to a figure and propose that that motion be amended so the revenue fund at the end of the financial year will be not less than one million dollars or seven hundred and fifty thousand or eight hundred thousand or whatever. Very dubious about tying it like that.

MR. HOWARD: One of the problems of putting a specific figure in is that we do not yet have firm hard figures by the end of December. We have that sheet of financial indications which I believe are reliable but I cannot tell you exactly what is in the Revenue Fund at the 1st December, so we cannot translate that into a clear dollar figure.

MRS. GREY: Neither, on the same basis can you predict what other areas of expenditure in terms of emergency could be. I realise that this is not a law, we are stating that we are of the opinion, therefore it probably does not hold very much water in an argument but I still hesitate on those grounds.

MR. CHRISTIAN-BAILEY: Mr. Buffett

MR. BUFFETT: Mr. Acting Deputy President, I propose an amendment to this particular clause, clause 3. I propose that all words after 'Revenue Fund' be deleted and the following inserted. 'Is utilised to the best interest of the Norfolk Island economy.' So the clause now reads like this. 'The Assembly is of the opinion that the existence of a fund of savings from past years is essential to the Island's financial soundness and the Administration's finances should be managed in a way so that the Revenue Fund is utilised to the best interest of the Norfolk Island economy.' It could well be Mr. Acting Deputy President that the figure at 31 December is difficult to be managed just because you set that figure at that period of time. I think the real test of the use of the funds is not whether you have them stacked away somewhere but to what best interest in the overall of the economic situation of Norfolk Island are you using it. I think that is the real test, and I think an amendment such as I have proposed in fact gives emphasis to utilise it in that fashion. Not that you have got it stacked away in a money bag somewhere.

MR. HOWARD: The revenue fund is not just stacked away in a money bag. It has been earning us - up until very recently - fifteen, sixteen, seventeen percent interest which is an important part of our revenue. The estimate for this year's earnings on interest earned on the revenue fund was $250,000, that is a lot of money. It is not just tucked away in money bags it is working for us. Interest rates have dropped recently and it appears that currently we are able to get 12% maybe 13%, I have not checked in the last week or ten days, and in stead of 15% 16% 17%. There is some expectation that that rate may come back up again in March/April, but uncertain. The revenue fund is earning us money at a very handsome rate, it is providing us with revenue.

MR. BUFFETT: Mr. Acting Deputy President, yes it is working for us but as has been pointed out the interest rates have been dropping quite dramatically over the past few months, and if in fact one only has the avenue of gaining benefit from those funds from investment, in fact we are closing off any other options but by pursuing the motion I have if in fact that is the best way of utilising it, and there is no impediment to that, if in fact there are other ways of utilising such funds, then in fact they can be so utilised. It gives greater flexibility in the preservation of Norfolk Island's economic situation...
MR. HOWARD: If this clause is amended as Mr. Buffett proposes, the only real new option that it would open up to us, that I can see, is the option of going ahead and continuing to spend the revenue fund for current operating expenses. It does not prevent us from using the money in various ways for the benefit of the community and while I don't want to go forward and start depleting something that is to come later in this meeting, there is a proposal coming later which Mrs. Grey referred to that we allocate $95,000 from the revenue fund to help the Lighterage Service by a new crane. That is not spending $95,000 on current operating expenses, that would be a loan to the Lighterage Service which the Lighterage Service would pay back to the Administration and would meanwhile be paying 12% on it and the Lighterage Undertaking has done cost analyses that show that it can pay back that loan in ten years and pay 12% interest while raising the lighterage charges only a modest amount. I think that is good use of Government funds, I think we are getting 12% from a bank at the moment and we can get 12% from the Lighterage Service that we get double benefit by using the money in that way. Nothing in clause 3 as it stands prevents us from doing that kind of shifting of money from one use to a better use. As it stands, unamended it would prevent us from consuming more of the Revenue Fund in day-to-day operating expenses. I am fearful that the wording of Mr. Buffett's proposal of using the Revenue Fund for the best interest of the Norfolk Island economy, is open to so many interpretations in different points of view. One person might say, look the way to stimulate the economy is to give the whole Revenue Fund to the Public Service in a bonus and let them go out and spend it, that would create a great spending spree on the Island. The whole notion that the people who are so terribly amused by that thought has as a matter of fact been proposed by them in a different form. Both Mr. Jackson and Mr. Buffett have spoken about how money paid to the Public Service stimulates the economy and we must not withdraw any of that money, that is based on a notion that is so mistaken that it is pitiful. When we pay money to the Public Service and they spend that money about 60% in every dollar they spend goes straight off the Island. It goes to Japan to pay for the motor car, it goes to New Zealand to pay for food, it goes to Sydney to pay for clothes that have been imported, it goes straight off the Island. The idea of raising taxes to pay the Public Service more so that they can poor four-tenths of it into the economy, the idea of that helping the economy is just upside down thinking. You cannot take a dollar away from the public and give them 80% and say, aren't you lucky have we not stimulated your economy, that just does not work.

MR. JACKSON: I heard all the words that our Minister stated in this very Chamber when he was here through the year, and he clearly stated that the revenue is not our money it belong to the people, and answered Mr. Ward when he stated that we should make a gift to the economy with all our reserves was a lot of rubbish. But what I would say that the butcher, baker, grocery shops and other shops that are dependent on the spending within this Island to build their economy you withdraw any money away or freeze it, take it away from that economy, and they the ones that are going to feel the effect. After all the shops up there they are dependent - a lot of money being spent within the economy by the Public Service and others and you wittle that money away if you drain it away or siphon it away they will certainly feel the effect, and I cannot stress how much in the economy of what they are going through at the present to have them take less and depress the economy any lower. I do believe Mr. Chairman, that the amendment takes away the freeze and the riddled control because after all as it reads, and it is utilised to the best interest of the Norfolk
is spent into but the Finance Minister himself. I do believe a freeze, and a cut off point would be too ridged, it has to be some flexibility in this particular question. Here is a man who wants to put a complete seal on it, once we decide what revenue fund was at the 31 December that is what we intend to hold it by hook or crook. We will not spend one penny more. I can see Mr. Buffett's amendment that it will be in the best interest of the economy that money is spent along those lines.

MR. SANDERS: blown $250,000.

MR. JACKSON: Good on you Bill.

MR. SANDERS: That is more than enough out of the Revenue Fund. I don't believe that there should be any other hole to blow any of it at all. I support the thing as it reads.

MR. HOWARD: I agree with Mr. Sanders, I think that is more than enough. We should not talk about silly ideas but if we are talking about silly ideas of how the Revenue Fund can be used for the benefit of the Island as a whole - somebody suggested a few weeks ago a very clear definite way you can do that. Which is to divide it up amongst the 900 electors, give everybody his $800 share of it and then say to the Public Service, right oh boys it is all gone, now what do you want to do. You should not just give it to the Public Service that is not fair, if you are going to parcel it out, parcel it out to everybody, not just a few. I think that is a pretty silly idea, and I agree with Mr. Sanders, we have gone through $250,000 in half a year and I think that is more than enough.

MR. CHRISTIAN-BAILEY: Mr. Buffett.

MR. BUFFETT: Mr. Acting Deputy President, the proposal that I made was not intended to take away the potion at all which may have been some of the implications put on the matter. It is not the case at all, I can - it is absolutely obvious that great care need to be taken with the Fund and I don't think it needs to be shackled in an unnecessary way. I am disappointed that people are not willing to utilise the Fund in the best interest of the Norfolk Island economy because they are the exact words that the motion uses. I am also concerned Mr. Acting Deputy President of the various debates that have gone on during the afternoon where it seems that every opportunity is being made to sectionalise people, in the Public Service are and the private sector area. For example even the last two examples, although both of them were observed, they both related to doing something quite unforeseen and observe involving the Public Service. I really think it is way past the time where we entertain that sort of mentality. We have got to try and get along with that and in fact I earlier mentioned that we have been further along the track if we had tried to be obsberbed in a partnership arrangement. It is not only those 2 that I have mentioned there are other areas that we should be trying to get along the track and I think we would be better advised as a community and as an Assembly as a whole to try and rise above that situation.

MRS. GREY: Thank you Mr. Acting Deputy President, I would be inclined to reach some form of compromise if the final word in the amendment said 'community' - utilised to the best interest of the Norfolk Island community. Again I am hesitant about binding it.

MR. CHRISTIAN-BAILEY: Mr. Howard
MR. HOWARD: Mr. Jackson said that he felt that the amendment which Mr. Buffett proposed would take away the ridgid control and prevent a freeze and would eliminate there being a cut off point. I think those are exactly the things we need, I think it is time to say we now need rigid control we now want a freeze on that Revenue Fund, we now want a cut off date, and I think the amendment does away with those and leaves us in a soft and flexible situation, and I think we need a cut off point and I think we have had it myself. I would be happy to have a vote on the amendment.

MR. CHRISTIAN-BAILEY: There being no further debate the question is that the amendment ...

MR. BUFFETT: Could I just clarify please. I am quite happy to alter in line with the suggestion that has been made by Mrs. Grey, if she so wishes that. It would read 'is utilised to the best interest of the Norfolk Island community'. I had earlier said economy.

MR. SANDERS: By adding excluding salaries.

MR. GREY: I wish I could that is precisely what I want to say.

MR. CHRISTIAN-BAILEY: Aye

CLERK: No

MR. BUFFETT: Aye

CLERK: Mr. Howard

MR. HOWARD: No

CLERK: Mr. Christian-Bailey

MR. CHRISTIAN-BAILEY: No

CLERK: Mrs. Grey

MRS. GREY: Aye

CLERK: Mr. Quintal

MR. QUINTAL: No

CLERK: Miss Buffett

MISS BUFFETT: Aye

CLERK: Mr. Jackson

MR. JACKSON: Aye

CLERK: Mr. Sanders

MR. SANDERS: No
MR. CHRISTIAN-BAILEY: The voting is four four the amendment is lost.

MR. HOWARD: Almost all of this motion - the whole motion is a proposal that the Assembly express certain opinions. This one clause has some force in it. It says, that the Assembly directs the Executive Committee to take such actions as maybe necessary and to place before the Assembly such proposed legislation or resolutions as maybe necessary to increase revenues and reduce expenditures by a combined total of $212,000 from now until 30 June 1983. The $212,000 figure is simply a reflection of the rate of which we were losing money in the first half of the year $42,000 a month. There are, including February and this is 2 February, there are five months left in the financial year, five months times $42,000 is $212,000. It is an arbitrator figure, it is a straight multiplication of the rate at which we have been loosing up through December. The purpose of this clause is to put the Assembly’s pressure on the Executive Committee and to make the Assembly’s direction to the Executive Committee clear and known throughout the community. I would be glad to have that hard firm direction as one of the Executive Members from the Assembly, I think it would be help to the Executive Committee in discussions that will need to be held if the motion passes with the Public Service Board. Apart from this one clause the motion as a whole leaves the Executive Committee quite a lot of flexibility to develop better ideas, if better ideas can be developed to work out the timing of things in the way it is most intelligent and most effective, it gives the Executive Committee a reasonably free hand but it gives it a target, find $211,000 before the year is over. Stop the $42,000 a month loss, that is the point of this clause.

MR. CHRISTIAN-BAILEY: Mr. Sanders.

MR. SANDERS: I would like to suggest that after the words 'by a combined total of', the words should be 'in minimum of $212,000'. The $212,000 arbitratory figure that Mr. Howard has I have very considerable doubts that is even within cooeh of what is necessary to be saved. I would like the words to be added.

MR. CHRISTIAN-BAILEY: Is there any debate on the amendment?

MR. HOWARD: If the Assembly wants that I have no objection to it.

MR. CHRISTIAN-BAILEY: Further debate.

MISS BUFFETT: I am concern about a haphazard manner if it is not in cooeh - the haphazard manner of coming to decisions on such important matters - I am amazed.

MRS. GREY: The motion suggests that the Executive Member be requested to place proposed legislation or resolution as maybe necessary, before the Assembly. In other words we get another bite at the cake, with support or otherwise whatever proposals the Executive brings forward. I am inclined to agree with Mr. Sanders proposed amendment of a minimum of $212,000.

MR. CHRISTIAN-BAILEY: Mr. Buffett

MR. BUFFETT: Mr. Acting Deputy President I suppose when you say a minimum it gives more flexibility in fact whether that clause is at all relevant depends on some later clauses. I don't see at this stage that the amendment means a great deal.
MR CHRISTIAN-BAILEY There being no further debate the question is that the amendment to the motion be agreed to. Those in favour say aye.

Aye

Contrary no

I think the ayes have it.

MISS BUFFETT

I wish to record an abstention from that.

MR. CHRISTIAN-BAILEY

Sorry, Miss Buffett abstains.

Clause 5, Mr. Howard.

MR. HOWARD

Clause 5 begins the series of 5 recommended directions that the Executive Committee would be asked to pursue. The first has to do with savings that can possibly be made on capital expenditures that could be foregone. In the budget for the year as a whole the recommended capital expenditures were cut very heavily. There is not a lot left in capital expenditures that can be cut, this clause is a proposal that some of them in fact be cut. The recommendations are from the list that was included in the report that we received from the CAO and Branch Heads setting out a number of such capital expenditures that might be foregone. There appeared to be general acceptance in the discussion although no vote was taken and it was not clear and certainly does not bind anyone now that these particular capital expenditures would not seriously disadvantage the community if they were cut off. I will describe each of them a little bit.

First of all the Tanalith Plant. There have been some improvements made at the tanalith plant since the beginning of the year. I understand that a shower has been put in and a wash basin for washing hands has been put in, I think those have not been fully completed, I believe they are usable but I understand that the buildings have not been lined. There was to be a fence put around the tanalith plant because some tanalised timber had been walking off during the night. $3,900.00 of the allocation remains to be spent, it was suggested that we might stop it where it is for the time being and save the $3,900.

Secondly, it was suggested that we might not proceed with the installation of an incinerator at Headstone. The Senior Works Supervisor said in the course of discussions that he thought as matter of fact such an incinerator would create a considerable number of problems. If it were owned by one particular person it might function well and in that way if it were available for use by the public he thought it was leaning to serious problems of mis-use and people trying to burn things that would not burn and all sorts of complications and he thought it would be just as well not to go ahead with it.

Land valuations $4,000. The original request in this year's budget as I recall was for $8,000 or $9,000 to do that. That was reduced as part of an original attempt of savings down to $4,000. It is felt that on examination by the Branch Heads and the members of the Assembly that as a matter of fact $4,000 would not buy us much in the way of land valuations anyway so that could be foregone.

The $1,000 for further reorganisation for accounting systems it the amount of money that is left from the $20,000 which the Assembly authorised in the Expenditure Bill which has not been spent and I am happy to have that go back into kitty and remain available for spending.

The total of those is $19,900.00 of capital expenditure.
MR. QUINTAL: Mr. Chairman I do agree that the savings that has been mentioned $19,900 the saving is quite a sensible one, and I support number 5.

MRS. GREY: Thank you Mr. Chairman, what in effect that gives us a list of the things that I had called attention to at the debate on the quarterly figures. I will proceed to the next point which deals with the school bursaries and so on, we know from discussion with the Public Service Branch Heads that they brought forward or considered it was reasonable to make savings in those areas. Obviously it should be supported.

MR. JACKSON: Mr. Howard is completely right, no finances or very little finances made available to capital works and he has stated there is very little left so this will completely wipe the slate of any funds left for any special work for the rest of the year.

MR. CHRISTIAN-BAILEY: Thank you Mr. Jackson. Mr. Howard

MR. HOWARD: There is still some capital works, I cannot tell you what they are right now but this is not a wiping of the slate of everything on it.

MR. CHRISTIAN-BAILEY: Any further debate Honourable Members. We will move onto number six. Mr. Howard.

MR. HOWARD: Thank you. Number 6 deals with operating expenses. The current Expenditure Act gives the Administration $15,000 a fortnight in operating expenses. In the view of the C.A.O. and Branch Heads there was really not much in the way of significant savings that could be made below that amount. We have asked if they can't look to see if they can't find some way to save a bit on printing, phone calls or whatever and they have said, yes they will look but they did not have much hope that that would be cut much. Apart from that $15,000 a fortnight the principal remaining operating expenses was school bursaries. There was a request in budget preparation for the year that $40,000 - sorry $45,000 be allocated for bursaries, it was not made clear to the Assembly what the purpose of that very heavily increased was. Last year bursaries I think were on the order of $14,000 or $15,000 but the request for an increase up to $40,000 was granted even though the purpose of it was not made clear to us. I believe - and Mr. Buffett who is the Executive Member may correct me if I am wrong, I believe part of the reason for that $45,000 request was that there were in the works at the time of being developed some new education regulations which would have increased the level of bursaries substantially and the $40,000 reflected this hopeful for a new higher level. The proposal of clause six is that we don't increase bursaries much beyond what we are paid last year. About $17,000 will have been spent this year sticking to last year's scale of bursaries. The proposal is that we leave that $17,000 which has been committed already but that the remaining increase, the additional that we had hoped to make available $28,000 be cancelled for this year.

MR. CHRISTIAN-BAILEY: Thank you. Mr. Buffett

MR. BUFFETT: Mr. Acting Deputy President, the education situation is that there was legislative provisions pursued to quite extensively update the education legislation in the Island, the accompanying regulations, the accompanying regulations were those principally related to some bursary areas. The amount of moneys that have been allocated in previous years for purposes of scholarships and bursaries, vocational training and the like has in fact been
age, and plans were proposed in the amending legislation to take
account of that and provide some more meaningful figure for those who
would undertake higher education. One regrettable part is there has
been difficulty in pursuing some of the legislation and we are now
thrown back on the situation of probably needing to operate under the
existing legislation that maybe adjusting the payments that are to be
made within the existing legislation. I have earlier said this after-
noon that it is a great pity that we have to look to reducing an
allocation in one of the most important parts of moneys that we do
provide, and that is for education, for the youngest of the Island.
I cannot support a proposal in fact that tries to reduce that under
the earlier arrangement. I would propose an amendment to this
particular clause which would read that all words after 'no first
occuring' be deleted and the following inserted. I will read the
whole thing so that it is fitted in its proper context. 'The Assembly
is of the opinion that no reduction should be made in the already
authorised commitment for bursaries'. My purpose in that Mr. Acting
Deputy President is to try and preserve the amount of money that has
already been provided in the Supply Bill to proceed with the provision
of those educational scholarships, bursaries and the like.

MRS. GREY

I cannot help but be amazed at this, the
last time we debated this particular allocation in the House the
Executive Member for Education was not able to even answer the question
as to what the allocation is for and now he is protesting that because
it is not being used we wiped it off the slate. Are we suppose to sit
there and let it rot until the legislation is formalised. Thank you.

MR. HOWARD

My concern is that as Mr. Jackson observed
earlier on in this debate, what is being proposed here is a package of
things, they all fit together to achieve a particular total. There
has been no disagreement seriously with clause 4 which will, if the
motion is passed, direct the Executive to take such actions as is
necessary to find $212,000 between now and the end of the year. Clause
5, 6, 7, 8, and 9 outline ways of making savings or of increasing
revenue that altogether add up to $212,000 between now and the
end of the financial year. If it is thought that we should amend
this bursary question so that there be no reduction in the bursary
authorisation, we then have to add $28,000 some place else. I
honestly do not think we can find any more capital expenditure that we
can cancel sensibly, that means that the $28,000 has got to come
out of one of two principal places remaining in this motion, either
out of a bigger cut in the Public Service wages and salaries
allocation or out of the bigger tax on the public of Norfolk Island,
and I think if Mr. Buffett wants to remove the $28,000 he ought to
in fairness to tell us which of the other two he would like to find
that $28,000. It has got to be found.

MR. QUINTAL

Whilst I would not like to see a cut in
this figure of a reduction I would like to know or hear what Mr.
Buffett has to offer or anybody else, and where the $28,000 is going
to come from. That is the only thing that worries me but I am also
worried about the reduction.

MISS BUFFETT

It is probably only two months ago that that
figure was put up by the Executive Member for Administration, Education
and Health in the form of registrations and Mr. Howard rejected, just
another one of the 1983 realistic dollar value figures that has been
rejected by the Finance Minister. Thank you.

MR. CHRISTIAN-BAILEY

Mr. Buffett
MR. BUFFETT There have been questions about where have where are we going to get it, and that worries me that that has been said. The whole thing to be quite frank worries me. Miss Buffett has already mentioned that there had been earlier proposals in which moneys can be raised, fair ways to raise revenue. The example that has been quoted is the motor vehicle registration which would have raised something like $30,000. The whole thing worries me because when you look at number 9 you have this income tax arrangement which I find is a difficult situation to accept. It is all very well to say, well what do you propose let us be sure where the responsibility lies for the management for the finances of Norfolk Island. If it lies at this time with the Executive Member for Finance, it is alright for him to just go along and say, well what do you propose, it is up to him to come forward with a proposal that are acceptable in the best interest of Norfolk Island. Now where are they, they are not in this paper Mr. Acting Deputy President.

MR. HOWARD I am not going to pull Mr. Buffett's chestnut out of the fire, I want to make it clear to him and everybody else, that the responsibility for Finance on this Island, right now at 5.35pm on 2 February, the responsibility for finance for Norfolk Island lies around this table. I am subject to your direction. I have put a set of proposals you are in charge, we are all in charge we all bear the responsibility and I am sorry but if it is not good enough for Mr. Buffett to say, well Ed Howard tell us how to do it, he has any idea how we can do it, lets hear from him. It has got to be done.

MR. BUFFETT I suppose to some extent that might be right Mr. Acting Deputy President because in fact Mr. Howard did make his proposals to this House and regrettably they were accepted. We find ourselves in this difficulty situation which has been earlier described and we are still describing this afternoon. It is chaos and it has been led, we have been led there by the Executive Member for Finance. It is a good thing that he has acknowledged that maybe he should relinquish some of that responsibility.

MR. HOWARD We try to address ourselves to the problem.

MR. CHRISTIAN-BAILEY Mrs. Grey - no. There being no further debate the question is that the motion be agreed.

MR. QUINTAL Those in favour say aye.

MR. CHRISTIAN-BAILEY The question is that the amendment to the motion be agreed. The amendment reads, 'all words after no first occurring be deleted and the following inserted, reduction should be made in the already authorised commitment for bursaries'. Clause 6 will read 'the Assembly is of the opinion that no reduction should be made in the already authorised commitment for bursaries'.

Those in favour say aye.

Aye

Contrary, no

No

CLERK Clerk call the House

CLERK Mr. Buffett

MR. BUFFETT Aye
MR. HOWARD

NO

CLERK

Mr. Christian-Bailey

MR. CHRISTIAN-BAILEY

NO

CLERK

Mrs. Grey

MRS. GREY

NO

CLERK

Mr. Quintal

MR. QUINTAL

AYE

CLERK

Miss Buffett

MISS BUFFETT

AYE

CLERK

Mr. Jackson

MR. JACKSON

AYE

CLERK

Mr. Sanders

MR. SANDERS

NO

MR. CHRISTIAN-BAILEY

The vote is four four - the amendment is lost.

Clause No. 7 Mr. Howard

MR. HOWARD

Clause 7 is the one that proposes that the amount of money authorised for Administration wages and salaries should be reduced by a certain amount. I have to go back again to what I said when the budget for the year was being debated. I said that the budget requests had been cut in every way that I could see without touching peoples' pockets, and that I hoped that would be enough to balance the budget for the year. Through no-ones fault that I can see in the Administration or Assembly, our revenues have fallen far short of what we hoped they would be. I have to commend the C.A.O., Public Service, Public Service Board for living within the expenditure levels that the Assembly authorised. It has not been easy for them, they have done exactly what they were asked to do. Through no-ones fault we are now in trouble and I think we have to get our way out of trouble and I don't think any longer we can cut expenditure without touching some peoples pockets. The clause reads: that the Assembly is of the opinion that funds previously authorised for payment of Administration wages and salaries should be reduced by $61,600. That amount of money is the left-over in this whole program of things. This program of cuts and revenue raising, that is proposed in the motion, proposed cutting all capital expenditure that could be cut without serious damage, it proposed cutting all operative expenses that could be seen that would be significant. It proposed imposing a new tax on the people of the Island which is the last item, and we shall come to that later, and putting all of those things together it left a certain amount to be found, the amount was $61,600, if we are to save $212,000 in the remainder of the year. The clause goes on: the Assembly recognises that it is the responsibility of the Public Service Board to determine how such savings can be made with greatest fairness to members of the Public Service and with least disadvantages to public services. I would like to comment on that sentence.

I think it is almost certain that in reducing the amount of money available for wages and salaries, even by a
the public. I think that probably is inevitable. I will hope that those can be minimum—those reductions in service, but I think we have to recognise that the Public Service is there to provide a service to the community and they require to be paid. They require reasonable operating expenses, reasonable conditions and equipment and so on, and we cannot expect those services without paying for those things. I think we have to expect those services will be decreased in some way. Secondly I would like to make the comment that the Assembly has no intelligent way of saying exactly how much money should be found. It would have been possible, and this was discussed earlier on among a number of members of the Assembly, it would be possible for us to be considering today an amendment to the Public Expenditure Act that simply cut out $61,6000 on an equal fortnightly basis for the rest of the year. In an informal and preliminary discussion that we had with the Administrator he said that looking at the matter as they had in the Public Service Board he did not want to make any comments really, he wanted to talk with members of the Board first and he said that would be meeting with them yesterday. He said, if you were to impose a rigid cut fortnight by fortnight he said, I don't remember his exact words, but I think he said, unjust and unmanageable, and I think that is probably right, I think it would be unjust and unmanageable. I think there are probably much more intelligent ways of going about it and I think it is up to the Public Service Board to try to determine what those ways are. The clause goes on—the Assembly hopes that the Public Service Board will be able to make prompt arrangements for consultation with members of the Public Service so that their views can be considered by the Board in reaching its decisions. There are many ways in which one might go about reducing wages and salaries by $61,600 in the rest of the year. For example, it would be theoretically possible to do it by introducing a 10.6% reduction in all public servant salaries and wages starting with the next pay period which begins on—I think the 10th of this month. That would be one way of doing it. People in the Public Service might feel that that would be unfair, they might feel that no you should have not have across the board percentage reduction. They might feel it would be fair for example if you took a higher percent from the better paid people and effected the lower levels of salaries less on the grounds that those people have to live on tighter budgets and that they should be given some consideration on that ground and that the people on higher salaries can better afford to forego more of their income. It might be felt in the Public Service that seniority ought to apply. If there must be a cut that it should be the tag-end charlies that have to go. Perhaps they might say, dismiss the casual and temporary employees, nevermind who they are they are not permanent so dismiss them. On the other hand many people in the Public Service might feel that is not fair, few people should not bear the brunt of the whole thing, let us all share a bit, let us share it around, in any event there are many ways that one could go about making a saving of this kind. It is not for us to say what that method should be. I think that if the Assembly adopts this resolution it will be for the Public Service Board to make that determination. I hope that they will take into account the wishes of the members of the Public Service, this asks, this expresses the hope that that can be done very promptly.

MR. BUFFETT

Mr. Acting Deputy President, this clause really has so many question marks and uncertainties attached to it, that it is really difficult to know where to start. One can accept that cuts in expenditure are to be made that this area that we are talking about also needs to be examined along with all the others. When examining the cuts for capital works, that is another area, I am aware that opinion was sought as to whether the Tanalith Plant, Land Valuations, that had been earlier addressed this afternoon, could be
Some earlier proposed cut, such as, water protective measures were not cut after assessment of the effect of such costs. Now no such examination of the effect of reducing services to the community by the funds to be available for wages and salaries, no information has yet been assessed. It has not been tackeld in the same way as those other areas that were considered for cuts. Not it may be that essential health services maybe effected, maybe police work, what cuts will be made in services to the community we just don't know, we are asked to make a decision blindly, and that is not competent and practical government. It may turn out that such a reduction can be made without reductions and acceptable reductions in the quality and quantit of service to the community and if that is the case what is the difficulty in letting this be known so that we can take a reasoned decision. I propose an amendment to this particular clause, it reads this 'All the words after opinion be deleted and the following inserted That funds authorised for payment of Administration wages and salaries be examined by the Public Service Board with a view to bringing forward recommendations for economies.' That puts this matter in a light in which it is equally examined and in the same manner as other reductions have been examined and the effect, can be clearly considered by all members of this House. It has been clearly said earlier that the Public Service Board is responsible to manage the work force of public servants and that is entirely correct. We of course as members of this Assembly need to be sure that we are satisfied with the product, the service that is provided and the quality of service and quantity of service. Until we know in fact what service will be provided for such cuts I think it is an irresponsible decision to take.

MRS GREY

I have some doubts about whether or not what is proposed in this part of the motion is a practical solution to the long term problem that we face and I am not certain about the legality of the action that we propose. There is provision in the Public Service Ordinance, section 21 it has already been alluded to which states that an officer should be paid a salary at such a rate and shall receive such increments of salary as the Board determines. Now I as a non-executive of this Assembly had no communication, line of communication with the Public Service Board whatsoever. In a conversation with Mr. Howard this morning he said that the Administrato in an informal discussion had expressed a lot of concern and a lot of reservations. Mr. Buffett confirmed that this afternoon here in the House where he expressed the opinion also of the Administrator's thought that he was having some problems with the practicalities. There is no doubt in my mind that what we are talking about is a renegotiation of contract and it seems to me that the scale of salaries and wages being paid to the Public Service now have been determined by the Public Service Board and any change to that structure must be made by the Public Service Board. The Government allocates the money to be used for the purpose and this House allocated that money on 30 June 1982. Nothing short of another law can change that, what we are looking at here is not a piece of legislation it is an expression of an Assembly's opinion, the Assembly's opinion and I see it as being nothing more nor less than the opening gambit of what will become a series of discussion between the executives and the Public Service Board recognising that it is a suggestion, a starting point an ideal, I am prepared to support it, and what I ask for is immediate consultation and discussion with the Public Service Board. Expert opinion must be sought to ascertain what is legally possible. We also await the Touche Ross report, and I must take the opportunity to register disappointment that the amendments to the Public Service Ordinance which would have given another two - hopefully objective unbiased members of that body have not been finalised. Thank you Mr. Chairman.
MR. CHRISTIAN-BAILEY We are debating the amendment to the motion

MRS GREY I realise that Mr. Chairman

MR. HOWARD I am afraid the amendment is from my view point too soft and ineffective. I also really think it is asking something of the Public Service Board that we should not ask people with a responsibility. It implies that if they look around they might be able to find some economies and I think they have already done that. I think they have already looked around to see what economies can be found. I think the Public Service Board is convinced that the Administration is right now running in an economical way, I don't think they feel it is running in a sloppy spend-thrift throw money around way. I think it is too soft and in effect simply to say too them, can you find any savings. The Public Service Board has acknowledged that the understandings and relationships between the Public Service Board and the Assembly have improved out of sight in the past year. We have had a lot of contact with them and there is much more seeing eye to eye on some basic things now than there was a year ago. One of the things on which we see eye to eye is that the Chairman of the Public Service Board has told us in correspondence which has been circulated to all members that the Board recognises the fact - the Board insists on the fact that it alone has the right to determine what salaries are. We recognise that we do not quarrel with that but the Chairman went on to say that the Public Service Board recognises that the Assembly has the right to over-rule any determination made by the Public Service Board, that has been agreed and understood, that is in writing. I think it is our responsibility to give the Public Service Board, if we are talking about money a crisp clear guideline, I don't think we should say can you find some saving, I think we should say, we need $61,600 can you please find it. That gives them a target to work with, that gives them a pressure that has been put on them by the Assembly, it gives them a goal at what they can try to accomplish. It is perfectly imagineable that the Public Service Board examines the situation and talks with the Executive Committee, that the Public Service Board will say, look you cannot take that much out of the Public Service in the rest of this year without damaging this Island seriously. They maybe able to say that is so that the Executive Committee will say, yes they agree. We will then have to come back to the Assembly and say hear is what we have been told and we are inclined to agree, but until we give them a target until we say that is the amount of money we need from you they have nothing to work with, except a vague idea of a wish for economy.

MR. BUFFETT If in fact a clear crisp guideline is desired by Mr. Howard I am happy to amend my amendment, so that the figure of $61,600 is so reflected in it. For example, the funds authorised for payment of Administration wages and salaries be examined by the Public Service Board with a view to bringing forward a recommendation for economies to the extent of $61,600. My real point in my argument about this Mr. Acting Deputy President is that I want to know the result, the effect of services to the Norfolk Island Community to the public if we are in fact not putting money to that extent in a given area.

MR. SANDERS Mr. Chairman it appears to me that everybody is missing the whole point of our ability to pay. If we have already lost a half a million dollars I think the time of consideration is long gone. All of these things should have been pretty obvious to everybody else, particularly the Accounts Department who we get our figures from. A constant loss was obvious in the Public Service Ordinance when the Public Service Board determines wages and salaries it also part of the Ordinance says, it is with the ability to pay.
MR. BUFFETT

Mr. Acting Deputy President, the matter of
ability to pay has been raised on a number of occasions. There is the
ability to pay, if in fact there is proper management. I have already
referred to the throwing away of $430,000 by the restructuring of the
customs arrangements, I have already referred to $30,000 being tossed
away in the motor vehicle registration situation. If it is properly
managed you in fact could have the ability to pay.

MISS BUFFETT

Mr. Buffett has just said almost what I wish
to say once more but to say the words we don't have the money to pay,
or there is the inability to pay is an outright untruth. If you were
to, if the Executive Member for Finance were to expect me to say, to
put my voting consent to a motion or a motion at all which expects to
say to the Government, to the Administration workers, that we can't
pay you by so and so because we want to have a million and something
in the bank. To me that is not right and crippling the community with
all of this lack of circulation as I have mentioned before. It is un
untruth to say we are not able to pay and again I reiterate that we
should have had the funds to pay. Thank you.

MR. JACKSON

Mr. Chairman this clause 7 is the major
clause of this issue, that is being the base of the argument leading
up to the other clauses that we have dealt with. It concerns me of
what I have mentioned previously of cut in services. Mr. Howard has
indicated that there may have to be cut in services, does that mean the
services that I described earlier in the afternoon, are we to maintain
education, health, welfare and all the other services that I mentioned
in cutting these services, because if we depress these services, some
of these services are retained functions, and we may find ourselves in
the situation where we get down to a situation where we cannot maintain
retained functions. Well certainly any retained functions that we
might not be able to finance I am certain the Australian Government
would be interested in, they will be interested in to see our
capability of financing and maintaining this Island let alone some of
the retained functions that we cannot service. So this is the concern
that I show in my earlier debate, can we continue with health,
education and welfare. If there is a situation what Mr. Howard says
and may I say I must dwell on both amendment and the clause, for
purpose of debate, I consider this asking the Public Service Board,
well here is the money you get on with it, you do whatever you can,
you do best what you can, I consider this a political decision. I
take it further, it is duck-shoving the issue. Mr. Howard stated
awhile ago that the Public Service Board met yesterday, surely it was
time all day yesterday up to this afternoon to say to the Public
Service Board, well what say we have some discussions about this
particular clause and have your views on it in line with what the
amendments have been put forward by Mr. Buffett. Clause 9 will be a
contentious issue in this motion also. Now it has been proposed that
a 10.6 reduction or any other way that they, the Public Service Board
may decide how they go about this. The Public Service will find
themselves in a situation where they find themselves being cut by 10%
if that is the way the Board sees it because the onus has been put on
the Board, and find themselves, in number 9 they are about to be paying
double, a levy that has been proposed in the form of a tax. Once again
a political decision should be coming from this Government. We have
had the Welsh report, we have had the Scott report, the Touche report
is not completed yet. Much play was made of the Scott report, yes we
are going to get stuck into the Public Service over this report, but
what happened, what happened, some of the Scott report recommended
upgrading some of the positions and it is quite clear in debate in
that perhaps someone will come along with a report that this Assembly is going to accept. Well there is two reports that have gone by the Board already - the Welsh report and Scott report. In fairness to all and I believe we should be dealing with this in fairness not in an obsessed way, in fairness the Touch report has not been brought forward and in fairness the Public Service Board should be invited for their comments and recommendation on this particular cat. I will support Mrs Grey in that direction where she said they should be given the opportunity and surely a discussion can take place because I am doubtful whether this meeting this afternoon will be completed with all the business that is on the Notice Paper, and surely between now and if we have to adjourn after the Executive Members having discussion with the Public Service Board a further debate can be taken on this issue.

MR. CHRISTIAN-BAILEY

Further debate Honourable Members. Mr. Howard

MR. HOWARD

Mr. Jackson has twice expressed concern that maybe we would be jeopardising the social welfare, health and police. No reduction is proposed in social welfare of any kind in any of this motion. I don't know whether police costs can be reduced or not, that is something that the Commonwealth has to do, that is something that the Administrator is in charge of if it is certainly something that he can examine for them. Health costs, the Hospital Board is a separate body to the Administration, this proposes no cuts in hospital wages. It would perhaps affect the Government Medical Officers, I don't know yet, we have just employed two medical officers on new fresh contracts and I have serious doubts whether we have a proper position to say to them, sorry know that you have arrived we are going to cut you a certain amount. I think any reduction in their salaries would need to be with their acceptance or their voluntary to do it. I don't know how that is going to work out - I think the whole question of how a reduction of this kind can be handled is a very difficult question. I think it needs to be looked at by the Public Service Board - I totally accept Mrs. Greys thought that there should be the earliest possible consultation with the Public Service Board. We are talking to Mr. Buffett's amendment at the moment and again I think it is too soft even with the addition of the amount of money involved. I think that improve his amendment substantially, I am bound to say that. It still has a very foggy soft series of words that says as follows. The Assembly is of the opinion that funds authorised for payment of Administration wages and salaries be examined by the Public Service Board with a view to bringing forward recommendations. I think we need to give them a crisper target than that, if he were willing to eliminate some of those soft words and make it read, for example, that funds authorised for payment of Admin wages and salaries be examined by the Public Service Board with a view to economies to the extent of $61,600 by the end of the year, I think I could wear that. I think, there are too many foggy words, too much delaying, too much discussion, too much - well let us meet again next week, and all of a sudden the year is going to be gone and nothing will have been done. I think we need to put the pressure on. I will be very sorry to have the amendment drop out the last two sentences of the clause as it stands. The first one recognises that it is the Public Service Board's responsibility. The second one hopes that the Public Service Board will make prompt arrangements for a consultation with the Public Service. I don't know why Mr. Buffett will want to cut those two out. I think they are healthy and they help the cause. What I am proposing is an amendment to Mr. Buffett's amendment so that it would read - That the first sentence of the clause be amended by deleting all words after opinion and inserting the following quote, that funds authorised for payment of Administration wages and salaries be examined by the Public Service Board with a view to economies of $61,600 between now and
MR. BUFFETT  

I think that is getting towards some agreement Mr. Acting President. For my part there is one piece that is still missing that I want to know the results of their examination, in other words, I want to know the effect of what the $61,600 is going to be, that is my real point from the beginning and if we can add some words that in fact brings that about I am happy with the amendments to the amendment.

MR. HOWARD  

If I could make a comment on Mr. Buffett's remaining uncertainty. I think it is covered in the one firm clause in this whole motion which is, that the Assembly directs the executive to take such actions as will be necessary and to place before the Assembly such proposed legislation or resolutions as may be necessary. I think that unquestionably the Executive Committee must consult with the Public Service Board and I am certain that will be done as a matter of urgency. I think it is clearly understood that the Executive must come back to this House and tell the members what is happening. I think part of telling them what is happening must include the comments of the Public Service Board as to what affect certain cuts will have.

MR. BUFFETT  

Well let us state it then.

MISS BUFFETT  

Mr. Acting Deputy President why are we this far without having consulted the Public Service Board on this matter?

MR. HOWARD  

What Miss Buffett says is so, we have not consulted the Public Service Board and we should now. It seems clear that it is up to the Assembly to decide whether it wants to do something or not. It cannot direct the Public Service Board to do anything. The Public Service Board is its own master. I think the Public Service Board quite properly would take the view, look Assembly make up your mind and decide what you want to do and tell us what you have decided and we will do what we think is right. I think it is up to us to make the first clear definite move, I think that is what this motion is all about.

MR. CHRISTIAN-BAILEY  

Further debate Honourable Members.

MR. SANDERS  

now?

MR. HOWARD  

Mr. Buffett is working on some wordings still

MR. BUFFETT President.

Let us try this if I may Mr. Acting Deputy

MR. CHRISTIAN-BAILEY  

Yes.

MR. BUFFETT  

The Assembly is of the opinion that funds authorised for payment of Administration wages and salaries be examined by the Public Service Board with a view to economies to the extent of $61,000 for the five months to the end of this financial year, and the result of this examination be advised to the Legislative Assembly. Then you continue you with the two existing sentences in that particular motion.

MR. HOWARD  

I am happy with that.

MR. CHRISTIAN-BAILEY  

Further debate

MR. SANDERS  

The only thing it concerns me, the longer it drags out the $61,600 becomes more unobtainable.
MR BUFFETT: Could I just clarify for expediency and practicalities I am happy to put all of those words into one motion so that we have not got two or three amendments to amendments, if that is acceptable of course to members.

MR. CHRISTIAN-BAILEY: Would you read the motion please Mr. Buffett?

MR. BUFFETT: The motion now reads Mr. Acting Deputy President.

"The Assembly is of the opinion that funds authorised for payment of Administration wages and salaries be examined by the Public Service Board with a view to economies to the extent of $61,600 for the five months to the end of this financial year and the result of this examination be advised to the Legislative Assembly". It continues on with the remaining sentences, do you wish me to read that also, I think it is clear.

MR. HOWARD: I see one little tiny difficulty in the way it stands. As it is now it says the Assembly is of the opinion that funds authorised and so forth be examined by. Should be examined by or the Assembly asks that funds authorised for payment of wages be examined by, does that suit you, the Assembly asks.

MR. BUFFETT: You are really getting down to try and argue about nothing now.

MR. HOWARD: I don't feel strongly about it.

MR. CHRISTIAN-BAILEY: There being no further debate the question is that the motion be agreed. Those in favour say aye.

Aye

Contrary no.

Abstentions

MR. SANDERS: I abstain

MR. CHRISTIAN-BAILEY: Mr. Sanders abstains.

Clause 8, Mr. Howard.

MR. HOWARD: Clause 8 is that the Assembly resolves that Assembly members should accept voluntary reduction in their remuneration, calculated in the same manner as will apply to members of the Public Service. We will have no way of knowing what changes may apply to members of the Public Service until the Public Service Board makes its determinations. My belief is that whatever those determinations are they should apply equally to us. I point out that there are a number of people in the Administration who are in very low wages, I instance the most of the announcers on the radio station. Now if the Public Service Board says that there will be no reductions in any salaries below a certain level and if they don't ask the largely volunteer radio announcers to take any cut then I don't think MLA's should take one either. On the other hand if the Public Service Board decides that everybody, high or low, tiny, large should take the same cut I think we should stand up and take the same treatment that they feel is proper for the Public Service. They will be considering very modest part-time salaries along with larger full time salaries.

MR. SANDERS: Thank you Mr. Chairman. I oppose, I disagree with Mr. Howard's statement on that one. The MLA's the non-executive members get so close to nothing that even to suggest that there be any cut is ridiculous. I would like that word Assembly members. to
MR. BUFFETT: I am of the view that if reductions need to be made then it should equally apply to members of the Legislative Assembly.

MR. QUINTAL: Yes, I would agree with Mr. Buffett. Actually as Mr. Sanders said we are getting very little, next to nothing and next to nothing is so close to being nothing it does not matter one way or the other to me.

MR. JACKSON: Payments always concern me as far as Assembly members are concerned and I have stated my reason on a number of occasions. The last time there was a percentage deduction and it was done by a form that was sent out by Mr. Howard as Finance Minister requesting that we did not accept a remuneration payment. I was reluctant to sign it but I eventually did, and doing so I checked up and found out myself what percentage of my total salary I am handing back into revenue. I found out that I was paying 6.6% of my total salary back in revenue, so I wonder what other members are paying. Now Mr. Howard is the Finance Minister and should know this, what percentage is other members are paying back into the revenue fund out of their total salary.

MR. HOWARD: I don't think there is anyway that you could, you could probably make a guess if you spent a lot of time trying to make an estimated guess.

MR. JACKSON: I found out very easy what I am paying back for example, whether you conveyed any property that year and whether you had to pay convancing fees.

MR. HOWARD: I don't know what you included, I don't know how many motor vehicles you run and how much Assembly salary, and this is for my remuneration, this is my

MR. HOWARD: How do you pay into the revenue fund.

MR. JACKSON: I pay it back, I signed the form that so much is to be deducted out.

MR. HOWARD: That contribution you mean.

MR. JACKSON: Yes, and I found that I am paying back 6.6%

of my total Assembly pay back in revenue.

MR. HOWARD: I am sorry I mis-understood the question. The answer is that that same percentage applied to all.

MR. JACKSON: All who

MR. HOWARD: All members of the Assembly, executive and non-executive. Same percentage reduction for all.

MR. JACKSON: Could you find that out?

MR. HOWARD: I know that, that is the answer
MR. HOWARD I am certain of that.

MR. JACKSON All right.

MISS BUFFETT If the members are paying 6.6% of their allowance back in at $3,500 how can you be paying the - are you paying the same percent over all of your, are you paying it out of your executive as well, or just out of your membership allowance.

MR. HOWARD What we are talking about is the fact that the Public Service, the Remuneration Tribunal in Australia made new determinations in what, September or something last year which if we had accepted them would have given everybody substantial rises. I may have to go back and correct what I have just told Mr. Jackson. The Remuneration Tribunal said, here are our new determinations, this went up so much that went up so much. From memory they proposed the most substantial increases for the President and Executive Member for Health. What we resolved was that we would all stay on our existing level of salaries and we would not take any of the rise that the Remuneration Tribunal offered. So what we did was stick with what we were getting and not take a rise that had been determined for us. What that percentage was, I can calculate it, I can figure it out but I cannot do it right now, it is easily done. Those determinations are a matter of record and I think they were sent to all members.

MISS BUFFETT In actual fact neither did members take a rise because this figure has remained through both Assemblys and we still pay back in as well. We signed the paper we did not accept the rise, number one, and then we pay back in as well, so this is what

MR. HOWARD No, the paying back in that you do keeps you from getting the rise, that is all it does.

MISS BUFFETT Well I would like to know what the situation is with the Executive Members as well.

MR. HOWARD I think all members have copies of that determination and in it is clear, and if it is not I can dig the figures out.

MISS BUFFETT We don't have copies of what you decide to hand back in either.

MR. HOWARD You are most welcome to that.

MR. BUFFETT I can confirm Mr. Acting Deputy President that the rises that were made in respect of my office are paid back into the consolidated revenue in respect of the most recent determination whenever that was.

MR. CHRISTIAN-BaILEY Thank you. Further debate members.

Clause 9. Mr. Howard

MR. HOWARD Thank you. The last clause is that the Assembly is of the opinion that a new form of tax designed to replace the Public Works Levy and designed to yield $125,000 per half year should be enacted as promptly as possible. The Assembly believes the that tax should be designed to fall progressively less heavily on lower incomes than on higher incomes and should be as simple as possible to minimise inconvenience and administrative expense. There is a long history to this one.
Mr. Sanders some months ago introduced a bill for a tax of this sort to raise money for water protection purposes. He withdrew that motion after several months, it was not voted on. Realising the financial situation confronting us realising that we had to find more revenue of some kind, when I first began thinking about how more revenue might be raised I was of the conclusion that no more taxes should be put on residents at all. As we studied the problem and as we talked with the CAO and the Public Service branch heads, I was gradually swung around to a different view. I finally began to realise that the problem was serious enough so that it could not all be cut from expenses. I realise that we would have to put a tax on someone. You can put a tax on tourist or on residents and my talking with Assembly members I found a very strong antagonism to the idea of putting any more taxes on tourists. That meant that the tax would have to be put on residents. We have heard for a long time around the Assembly table that the idea in a fair tax those who earn more ought to pay more. I thought that was on Norfolk Island an unachievable idea because I had the view that an income tax on Norfolk Island would be so complicated to police, administer and collect that it would chew up most of what it raised in administrative expenses. Again I have been persuaded by the discussions of the last couple of weeks to think otherwise, and I think there is a possibility for a tax that would fall less heavily on lower income earners that would raise the amount of money that we need in a way that would be fair. I have got to say that the idea of calling what I have in mind here an income tax is a terrible misdescription. Let me describe roughly the kind of tax that I have in mind, I have in mind that it would be a public works levy. I have in mind that it would be more like the old public works levy than the present public works levy. I have in mind that it would have the following main features. First of all the maximum payment that anybody would be asked to make would be $315.00 twice a year, $630.00 a year and that would apply only to people whose incomes are $18,000 or over. Now the idea of calling an income tax is not consistent with what income tax means in the rest of the world. Secondly the idea is that it would fall less heavily on lower income earners, in other words instead of having to pay the standard $315.00 twice a year someone who earn not less than $18,000 would be able to say I don't earn $18,000 I am in this lower bracket and he would pay progressively lower taxes down to a level of $10,000 a year of earnings and that person would pay $50.00 twice a year. That is only $50.00 more for him than the present works levy. So the amount of tax in relation to how much a person earns would not be a substantial amount, it would not be nothing like what is thought of as an income tax. It would not be an income tax because the consideration of income would simply be one of allowing lower people to get increasing deductions from the standard taxes. Lastly of all the kind of tax that I have in mind, would restore one again the ability for some one who feels that can't spare the cash to do some small amount of community work instead and to work out in his services the value of the tax that he owes. It might amount to two or three hours a month. I don't know why Mr. Jackson... There was a problem with the old public works levy which was regarded by some people in Australia as a forced labour law, this is exactly the reserve this is opportunity for employment. It simply places a tax on people, but it would say that if you wish to be employed by the Administration at a reasonably lower wage per hour, and you would prefer to do that which you would employ you and you can earn up to the amount of your tax. I have not talked with the Legal Adviser about it or the Legislative Draftsman and there may be holes in it but I believe it would work and I believe it would be fair, and I believe it would end up with a tax system which the wealthiest people on the Island would be paying $315.00 twice a year where people on the lowest income would be either paying nothing or they would be
Any way that is the kind of tax I have in mind and that may give some detail. It was originally Bill Sanders' idea and I would expect that he would be the one who would be putting such a recommendation, in the form of legislation to the Assembly. He may have somewhat different ideas to mine but that is the sort of thing I had in mind.

MISS BUFFETT  Could I ask one question, whether the Executive Member for Finance is thinking in terms of expenditure whether he could afford to buy in some light-weight muttlicks for the next six months please.

MR JACkSON  After all that Mr. Chairman we finish up on clause 9 as the joke of the motion. Firstly I am serious when I don't like to discuss this motion because the facts are not there. Mr. Howard has given an outline of what he proposes and what I have gathered in the notes I have taken here, there is not that one that I can comment as authority on as it is laid down in a proper form or detailed manner, once again those large income earners on the Island will be laughing their head off to think that over $18,000 odd they will just pay the maximum. But look at the others, look at the others that would pay the blunt of it, the salary earners, the salary earners who they know - like Administration, B.P.'s where salaries are well known that the Manager knows what everyone draws turn a page in the Accounts section and you know what everyone is paid, they will be billed the lot. But once again, similar to Mr. Sanders' motion that was before the House previously we will have to take the word of many others of what they earn so therefore it is a levy of tax, call it what you like, but will only benefit the wealthy people. Until it is laid down in front of me in detail form I cannot support this.

MR. BUFFETT  Mr. Acting Deputy President, I would like to know how the income will be in fact authenticated in this particular scheme that has been outlined.

MR. CHRISTIAN-BaILEY  Mr. Sanders

MR. SANDERS  The theory that is behind the thing is that the Social Service Ordinance would be used to implement it. It is not the onus on the Government to prove that you earn it, if you don't want to pay the top bracket you have to prove that you don't.

MR. BUFFETT  So people in the lower bracket may have to keep books showing the income, expenditure and the like.

MR. SANDERS  All that is required is to do with the statutory declaration that they don't earn it and there will be a fine of $2,000 if they lie.

MRS GREY  What Mr. Sanders is said would work for a couple of years, if we are lucky and then we are into the full process of investigations and setting up very complex and investigatory boards and goodness knows what all, it is a claim that has often been made that a taxation structure for Norfolk Island is not on. It is going to cost a great deal more to police it than it is, than we reap in benefits. I am concerned about the remainder of this year, I am not so concerned about the next financial year because in the course of our discussion we, with members of the Public Service a number of possibilities have come to light for the raising of revenue. However, if no alternative can be found
quickly to raise - for argument sake a $100,000 - I would be prepared to support a one off levy if it was absolutely necessary. I would like to see a revision of the Public Works Call but apart from that I would see further amounts of revenue being raised indirectly not in this direct fashion apart from a revision of the public works call and the possibility of a one off levy to see it through to the end of this financial year.

MR BUFFETT  Mr. Acting Deputy President, I really don't see, first of all the detail about this proposal, tax, is quite sketchy. I find it difficult to believe that people would ask this Assembly to make a decision whether or not they would wish to support an income tax arrangement without having further finite details of how it is to be managed to be organised, how it is to apply to individuals, to companies, or whatever in the Island. It is really a situation as being designed, as I pointed out in this motion, to raise something like $125,000 in this financial year. I don't want to be too repetitive to point out that there were other ways available during the year which were in fact where not utilised. Putting that aside it is really interesting the number of suggestions since this particular proposal has been made public within the Island, that is, in only the last few days it has been significant that there have been a number of people in all works of life in the community who in fact have expressed dismay that such an arrangement is proposed. Firstly it is not seen as workable from the first stage, but secondly has been pointed out by Mrs. Grey in a given period of time it will become so clogged up and unwieldy that it would just not work. I am inclined to say the words that I said earlier, that there is really no simply income tax system. Regrettably the policing, organisation and arrangement of it tends to snow-ball and that is just a fact of life in all countries of the world which I have been able to research and as far as opinion I can say - informed opinion I have been able to gain, that about this particular matter some of the proposals mentioned to me since this particular taxation arrangement has been proposed has been a number. Two of them I will mention. One has been in fact that in fact the existing public works call should be raised in lieu of trying to turn it into an income. That is an arrangement has been mentioned to me by a number of people. Another revenue raising method is a transaction tax. You will realise that when people buy and sell land on Norfolk Island, when they register it, they are required to pay a certain percentage of the purchase price which is presently 7%, and that goes into the public purse. There is no such arrangement on businesses when they change hands in the Island and members will know that a number of businesses, not all businesses in fact the seller of the business usually departs from the Island and so he or she disposes of his business and the money for which they receive - consideration they receive usually leaves the Island and the thought is that maybe a certain percentage, a light percentage such as the levy on transfer of land maybe equal applicable in the transfer of businesses. That may earn some money. Those funds in fact would go aside the Island. It is not a matter of preventing it from turning over in the community, it would retain a small percentage for the community. There are a couple of suggestions that have been mentioned to me by members of the community, I am not commenting either way upon them at this time but in this environment I think it is wise to put such thoughts into the ring.

To come back to the original motion, I must try and be realistic and I come to the same answer, there is no simple income tax, and I don't think this will turn out to be simple.
MR. SANDERS  Mr. Buffett has repeatedly says on the social services system that it is almost full proof on giving out money, I cannot see how there is going to be hassels when exactly the same one is used to receive it. There has always been discussions about how money should be raised on charging company fees or what-have-you but I find it fascinating that those who bring it up are those that are not involved in it. It seems to me that the system is - let us raise the money so long it is the other guy who pays. So long as you don't have to contribute yourself, and I think it is high-time everybody around this table and on this Island got it through their damn thick skull that if they wish to live in a place as nice as Norfolk Island then they are going to have to contribute. The other guy is not the guy to be policed all the time, it is now time that they all started paying something themselves. You will notice those who have always mentioned that there should be a flat rate increase on the Public Service Levy. This is beaut and the fellows that are down here earning $300 and $400 a week to raise it from $50 to $100 is not even a night out. You do that for some of the lower paid persons around town and that is a whole weeks salary. It is so unrealistic. Thank you.

MRS GREY  What this section of the motion is asking us to do is to agree in principle with the proposed legislation and I think that is very funny because a couple of the times the Commonwealth Legislative Committee has asked for similar support on things and it has been refused, let us have a look at the legislation and let us see. In fact I am having a lot of difficulty with number 9 - if I have to vote on the whole blessed thing it is going to be extremely difficult. There is a lot of resistant to this particular clause. Until now there has been some basic agreement around the table, it would be a shame to lose the motion to which most of us have agreed for the sake of one clause.

MR HOWARD  I think it is possible to amend the clause in a way that takes into account what Mrs. Grey is talking about. I take your point completely that this asks for an endorsement in principle and it still has not been worked out. I think as a first amendment I would proposes that the word 'enacted' that this thing should be enacted, but should say 'proposed to the Legislative Assembly'. I think that it makes it clear that it is a proposal that would be brought to the Assembly and debated and it would either stand or fall. It might also take into account some of the things that Mr. Buffett has been talking about, if the earlier words in the motion were amended and I will propose this, - to say - the Assembly is of the opinion that a few form of tax, such as a revised public works levy and designed to yield a $125,000 per half year should be proposed to the Legislative Assembly as promptly as possible -. That would leave it more open so that anyone on the Assembly can come forward with different tax ideas that might be shared, fair or easier to collect or most sensible than this and have the best one of all brought to the Assembly.

MR. BUFFETT  Can I float another suggestion, it is following the lines that Mr. Howard has just suggested now. Could I propose instead of being adamant about this particular scheme, can we say, the Assembly is of the opinion that a new revenue raising methods, including a revised public works levy designed to yield $125,000 per half year should be proposed.

MR SANDERS  We should put in there - designed so that the other person pays and we don't.
MISS BUFFETT  Can I suggest something to Mr. Buffett please with that, Mr. Acting Deputy President, do you mind me saying it. Instead of new taxes, works levy, why don't you use existing the existing method of tax levy and be it just to be upgraded the works levy.

MR. BUFFETT  Mr. Acting Deputy President, I am not trying to oppose what Mr. Howard has mentioned in respect of revision of the public works levy, what I am trying to do is open the door a bit wider for any other suggestions about revenue raising methods, whether they be new or old, new or existing I am not trying to be fussed about that. I am trying to widen the door a bit so that any form of proposal, I have already expressed to this House this afternoon Mr. Acting Deputy President that I have had a number of suggestions from interested people in the community and if worded this way it will allow those proposals to be fed in also to be equally considered. I am quite happy to still talk about that same figure if that is helpful to the matter.

MR CHRISTIAN-BAILEY  Thankyou Mr. Buffett. Mrs. Grey

MRS GREY:  I think I am prepared to support what Mr. Buffett is proposing other than that there is a fairly simple one here which would retain the existing words. The Assembly is of the opinion that a form of public works levy designed to yield a $125,000 per half year should be proposed as promptly as possible. Eliminating words and changing one.

MR. BUFFETT  If I might just mention that that particular motion just confined you to one particular method.

MRS GREY  It has not said that, I can see that, that is one I concur to what you are proposing. If that is difficult - it is only an opinion, I am not talking about a piece of legislation yet.

MISS BUFFETT  No that is the trouble - yet.

MR HOWARD  One of the advantages of building the thing on the public works levy is that it falls due in May - no seriously anything of this kind has to be carefully thought out. There is an existing public works levy that will fall due in May if we can improve it, upgrade it, make it the job we have now and April to do it and we can do it intelligently. If we are talking about some other transaction tax or something every week that we put it off we lose more possible income. Doing it through the public works levy takes some of the heat off. However having said that I am happy to adopt what I think is Mr. Buffett's proposal and I think the widest possible way of amending all proposal to say - The Assembly is of the opinion that proposals for imposts designed to yield $125,000 for half year should be introduced in the Assembly as promptly as possible. It states the amount of money, it makes it clear that it is to be imposts whether they are fees, taxes or how ever they are levies however it is styled, it is calling for that to be done as promptly as possible. That is enough for me I certainly don't think the clause stands or falls on the progressive idea of giving lower income earners progressively less tax burden, I happen to think there is justice in that and if it can be done, fine. We can discuss that when the proposal comes before the House. I don't think it has to be in this House.
MRS GREY  We could assume again on that basis that if we use the existing public works levy that the same system for exemptions could be used. To the Executive Member for comment.

MR. HOWARD  Yes I am still thinking about that and it gets complicated. I think the existing system for exemptions would not apply across the Board for example in the present arrangement anyone over 65 does not pay the works levy and that is a reflection of the fact that it used to be a works call and elderly people were not asked to work. If it becomes a tax that in someway related to income then I don't think there should be a 65 exclusion, I think a wealthy. I think if it is a little tax I think a wealthy person over 65 should pay. Anyway all I am saying is that the existing exemptions in the public works levy don't automatically transfer.

MISS BUFFETT  You exclude a lot of retired people who come in over 65 who don't.

MR. HOWARD  Well if they well to do people I don't think they should be excused from some nominal tax.

MISS BUFFETT  That is what I am saying.

MR. CHRISTIAN-BAILEY  The amendment. Mr. Howard would you read the amendment.

MR. HOWARD  The clause as amended would read. The Assembly is of the opinion that proposals for imposts designed to yield $125,000 per half year should be introduced in the Legislative Assembly as promptly as possible. That is all it says.

MR. CHRISTIAN-BAILEY  Further debate honourable members.

MISS BUFFETT  Could you read it again please.

MR. HOWARD  Yes.

The Assembly is of the opinion that proposals for imposts designed to yield $125,000 per half year should be introduced in the Legislative Assembly as promptly as possible. It does not say what they must be it does not say the Assembly has to approve them.

MR. JACKSON  Even across the board everyone pays the same as I am concerned on a particular issue number 9 - it is too cloudy it is not enough known about it. I just cannot sit here and listen to proposal where we are going to give further taxes on people without having the full facts before us. That is not responsible government.

MR. HOWARD  Decisions would be made by this Assembly when clear proposals were put before it and not before.

MR. CHRISTIAN-BAILEY  Any further debate.

There being no further debate the question is that Mr. Howard's amendment be agreed. Those in favour say aye

Aye

Contrary no

No

Clerk call the House

CLERK  Mr. Buffett
Mr. Howard

Aye

Mr. Christian-Bailey

Aye

Mrs. Grey

Aye

Mr. Quintal

Aye

Miss Buffett

No

Mr. Jackson

No

Mr. Sanders

Aye

The ayes - 5 and nos - 3. The amendment to the .... Is there any further debate on the whole motion.

Mr. Chairman I want to make a closing few remarks. In the discussions we had with the CAO and senior public service officers, a question was asked - how long will the squeeze last? You can put that same question another way by asking how long will it be till we can get back to the way things were? Now if that means getting back to a time when the Public Service and services it provides are steadily expanding and improving and requiring more funds the answer is that we can get to such a time whenever we can begin earning enough outside revenue. Again to make it possible without undue tax burdens on the community. Norfolk Island was able to do that for a long string of years and we should set our sights on achieving it once again. We can do it by protecting our revenue fund so that it earns every increasing interest instead of us having to pay interest on debts as most countries do. We can do it protecting and building tourism by giving visitors the most pleasant holiday experience on the tidiest and friendliest island for the lowest practical cost. We can do it by protecting and building our philatelic revenue, by issuing a conservative number of stamps making sure they are genuinely based on Norfolk Island itself and Norfolk Island's true postal needs and by servicing collectors and potential collectors as well as we can, we can do it by building new sources of revenue and insisting that the Commonwealth allows us to develop all sorts of sources which reasonably should be available to us. How soon we can do it, that depends on how hard we work and how hard we work together. If we each go his own way joking for personal advantage we will all loose and so will Norfolk. Together working for Norfolk's advantage we can make the Island as fine as it has been and more. I commend the motion.

Further debate.
There being no further debate, the question is that the motion as amended by agreed. Those in favour say aye

Aye

Contrary no

Clerk call the House

Mr. Buffett

No

Mr. Howard

Aye

Mr. Christian-Bailey

Aye

Mrs Grey

Aye

Mr. Quintal

Aye

Miss Buffett

No

Mr. Jackson

No

Mr. Sanders

Aye

Mr. Christian-Bailey

The ayes - 5 the nos - 3. The motion is

Mr. Buffett

Mr. Acting Deputy President this House adjourn until Wednesday week, 16th of this month at 2.00 in the afternoon.

Mr. Christian-Bailey

Suspended

Mr. Buffett

Suspended.

Mr. Christian-Bailey

The question is that the House suspends until Wednesday 16 of February at 2.00pm.

Any debate.

The ayes have it.
MR PRESIDENT: Honourable Members, we resume this sitting, which was a suspended sitting of a fortnight ago, the 2nd of February. Before we go any further those Members who have not already taken their coats off and would wish to do so, please feel free to do so. The weather is quite warm this afternoon. We pick up the programme Honourable Members after notice No. 2 where in fact I have a message from His Honour the Administrator in respect of the Public Account Expenditure Bill No. 2 of 1982/1983. In accordance with the requirements of section 25 of the Norfolk Island Act 1979 the Administrator recommends the making of the attached Bill entitled "An Act to Authorise Additional Expenditure from the Public Account of Norfolk Island for the Service of the Financial Year ending the 30th June 1983 and to amend the Public Account Expenditure Act 1982/83, dated the 2nd day of February 1983. R.E. Trebilco, Administrator". I also wish to advise the House that the Business Committee has met in accordance with Standing Orders and declared under No. 158 that the Public Account Expenditure Bill No. 2 of 1983, that I have just referred to, is an urgent Bill. Notice No. 3, Mr Howard.

MR HOWARD: Thank you. I present the Public Account Expenditure Bill No. 2 of 1982/83 and I move that the Bill be agreed to in principle. Copies of the Bill have been circulated to Members. This is a Bill for the spending of $95,000. It has to do with the purchase of a new crane for the lighterage undertaking. It may seem strange in a time of great financial stringency that we are proposing to spend $95,000 on a new crane. The proposal has been very carefully examined and I think it makes entirely good sense. The essence of the proposal is that the Administration lend to the lighterage undertaking $95,000 at 12% annual interest to be paid back over a period of ten years. To which the lighterage undertaking will add I believe 12,000 of its own savings from past years and will buy a new kato crane imported from Japan to replace the two aging Allan cranes that are now in use. The $95,000 that the Bill proposes that we lend to the lighterage undertaking would come from our revenue fund and it would reduce by that amount the available spendable cash we have but it would not reduce the value of the revenue fund because instead of that amount of cash in the revenue fund we would have a loan from the lighterage undertaking payable back to us over ten years and earning at 12% about what we can get if we invest the cash in the banks now. I think I would like if he would be willing, to ask Mr Buffett as the executive Member responsible for lighterage to talk to the desirability of buying the new crane. I commend the Bill and recommend that it be agreed to in principle.

MR BUFFETT: Thank you Mr Acting Deputy President. The lighterage undertaking presently has two older cranes. One was purchased new in 1967, the other second hand in 1979. Both are now old and really unable to be overhauled as production ceased in 1969 and parts are no longer available. The cranes are mounted on Leyland manufactured prime movers and Leyland has advised that parts for these prime movers are also no longer available with some very few exceptions. There have been difficulties developing with these cranes and despite the best maintenance attention possible being given it isn't really possible to keep them going for a great deal of time longer and the Lighterage Manager has also expressed his extreme concern of the conditions of these cranes. So in essence we need to purchase a new crane.
need one are indisputable. The groundwork of price, size, model and supplier and so on have been completed over a period of some six months so there has been extensive examination of both second hand and new cranes and we have looked at the major brands that are available. The crane that has been selected is that that has been referred to by Mr Howard. A kato crane, the full detail is a Kato crane NK 160B2 and it is available through Duncombe Bay Garage at a cost of some $87,000 FOB Yokohama, Japan. The crane has a sixteen ton lifting capacity and is available importantly, with the free sluicing facility which is important to us for the safe unloading of freight from moving lighters. The price also includes spare parts, the pack that is valued at something like $2,500 which are parts recommended by the supplier most likely to require replacement in the first five years of operation. This bill basically recommends that we purchase this crane and the spare parts and of course approve expenditure to cover freight, insurance lightage and so on. Mr Howard has also made mention of the method of funding for this particular purchase. In other words, $95,000 from the revenue fund plus an additional amount of $13,000 which is from the lightage undertaking itself.

Mr Howard has also mentioned the desirability of making these funds available from the revenue fund which is our kitty in effect at terms of something like 12% to be repaid with that interest over the period of approximately 10 years. What is inherent in this is that there will be a rise in the lightage undertaking service and it is estimated that this may be in the vicinity of something like $2.00 per tonne. The one thing that I need to emphasize to Honourable Members is that the lightage undertaking with this purchase will be able to continue to carry out the work of unloading cargo in Norfolk Island in safety and the importance of the lightage operation and the absence of the deep water harbour or other means of cargo discharge really is something that I don't need to dwell upon. It is well known to all members. The responsibility of the Administration for the discharge of cargo and the responsibility to provide a high level of safety and working conditions for the employees is also something that I stress to Honourable Members. That provides some detail of the crane Mr Acting Deputy President, and some of the reasons behind its recommendation for purchase and it reinforces the detail mentioned by Mr Howard in respect of the provision of funds and where these funds will come from to make this available.

MR. QUINTAL: Could I through you, ask Mr. Buffett one question please, and the question is Is consideration being given to the handling of containers by this crane?

MR. BUFFETT: Mr. Acting Deputy President, I think I mentioned that the crane has a 16 ton lifting capacity. If containers are of a size and of a weight that can be brought in by lightage and lifted within that arrangement, then yes they can be accommodated. I think the normal pattern of containers does exceed the size as well as the lifting capacity but that is not a question that I can really state categorically at this time. Our lightage service is not one that is geared to total containerisation.
MR. HOWARD: A couple of more points if I may. I think the projected rise in lighterage fees will be $2.20 not close to $2.00 but I think $2.20 is the estimated rise that will be needed to pay off the loan and pay off the interest. I wanted to express some words of thanks to a couple of groups of people involved in this thing. First of all to the maintenance mechanics in the Works Depot who have kept the Ellen Cranes going with a great deal of hard work. They've carried them further than we reasonably could have expected them to be carried and I think we owe them thanks for stretching the use of the old cranes as far as they have. Secondly, I'd like to mention the professionalism and the orderliness of the proposal that was put to the Executive Committee by the Administration, setting out the facts and putting the case that a crane should be a new crane should be bought. That was well done and it certainly made our decision a lot easier.

MR. JACKSON: Mr. Chairman. This new crane will be a wonderful contribution to the lighterage undertaking. It will greatly assist in the safe working conditions and the efficient operation of the lighterage undertaking and I fully support the Bill.

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

Question - put
Motion agreed to unanimously

MR ACTING DEPUTY PRESIDENT: Is is the wish of the House to dispense with the detail stage.

House agreed unanimously

MR HOWARD: Mr Chairman. May I move that the Bill be agreed to.

Question - put
Motion agreed unanimously

PUBLIC ACCOUNT EXPENDITURE BILL
(NO 3) 1982-1983

MR ACTING DEPUTY PRESIDENT: I have received a message from the Office of the Administrator which I would like to read. "In accordance with the requirements of the Norfolk Island Act 1979 the Administrator recommends the making of the attached Bill entitled 'An Act to amend the Public Account Expenditure Act 1982-83' signed R.E. Trebilco, Administrator". I wish to inform the House that the Business Committee has met and declared in accordance with Standing Orders 158 that the Public Account Expenditure Bill (No. 3) 1982-83 is an urgent Bill.

MR HOWARD: Mr Chairman I ask leave of the House to present a Bill for an Act to amend the Public Account Expenditure Act 1982-83.
House grants leave

MR HOWARD: I present the Public Account Expenditure Bill (No. 3) 1982-83. The Bill has been circulated to Members and I move that it be agreed to in principle.

MR ACTING DEPUTY PRESIDENT: Debate. Mr Howard

MR HOWARD: Thank you Mr Chairman. On February 2nd at our meeting two weeks ago the Assembly passed a resolution containing nine clauses setting out a plan to move promptly and firmly to correct the very heavy drain on our revenue fund that has been experienced in the first half of this financial year. The plan included means of increasing some revenues and reducing some expenditures. Clause seven of that resolution that was passed two weeks ago was agreed by the House on Mr Buffett's motion to be amended and once it had been amended it was supported by the Assembly with seven members voting in favour and one abstaining. Clause seven of that resolution as it was amended and agreed read as follows - "The Assembly is of the opinion that funds authorised for payment of Administration wages and salaries be examined by the Public Service Board with a view to economies to the extent of $62,600 for the five months to the end of this financial year and the result of this examination be advised to the legislative Assembly. The Assembly recognises that it is the responsibility of the Public Service Board to determine how such savings can be made with greatest fairness to the members of the Public Service and with least disadvantage to public services. The Assembly hopes that the Public Service Board will be able to make prompt arrangements for consultation with Members of the Public Service so that their views can be considered by the Board in reaching its decisions. Since the passing of that resolution the Public Service Board immediately began meeting intensively to examine that Clause and has informed the Executive Committee that the savings that were sought by the Assembly can be achieved without serious detriment to public services. Correspondence between the Executive Committee and the Public Service Board on this matter has been published in last Saturdays Norfolk Islander and is public knowledge. The Public Service Board's letter to the Executive Committee of last Friday said in part as follows "legal advice from Canberra indicates that an option based on voluntary participation by staff to accept reduced working hours through applications for special leave without pay equalling in total a 10% reduction in salaries would not be seen to be in contravention of the Wages Pause Act. Such a system; the Board continues; could be effected flexibly by supervisers and Branch Heads and while achieving the desired financial savings could be administratively managed to respond flexibly to varying workloads and public demands. In effect, the continuity of public service would be unbroken throughout the range of services but from time to time the Manning levels of the work force would drop to enable the special leave to be taken in the least disruptive times. The Executive Committee and the Public Service Board met later on Friday after we had received that letter to discuss the suitability of a reply that the Executive Committee was proposing to give back to the Public Service Board and that reply which was discussed with the Public Service Board and which was thought to be suitable included a couple of paragraphs that
One was this is the Executive Committee replying to the Public Service Board. "The Committee believes that the view put by the Board in its letter of 11 February 1983 is leading toward a fair and workable solution to the problems facing us all". And again the Executive Committee said "The Legislation proposed for introduction in the Legislative Assembly on 16 February appears to us to dovetail with and complement the Board's proposed course of action. Should the Board have any suggestions that might allow the proposed legislation to be improved we would be receptive to them. Yesterday I spoke with the Chairman of the Public Service Board who said that all Members of the Board had considered the proposed legislation, that is, the Bill that I have just introduced, and that they had no improvements to recommend to it. In concluding my introductory remarks on this I want to make three particular points. First of all I want to make it clear that I have no pleasure in proposing this legislation. It is disagreeable, but I recommend it because I believe that it is necessary legislation for the future soundness of the Island. I am certain no member here will have any pleasure in supporting it but I hope you will support it because it is necessary. Secondly the way that Norfolk Island responds to financial difficulty is a measure of whether the Island is competent to govern itself. There have been very deep feelings and personal interests and real strain involved in facing up to this situation. In this time of trial the Norfolk Governmental system that was established in 1979 has in fact functioned the way it was hoped that it would. I want to pay particular respect to the way the Public Service Board has functioned and the way the Assembly and the Executive Committee have functioned. Lastly I want to say to all members of the public service who will be personally affected that the members of the Legislative Assembly will be sharing fully and equally with you in the reductions. We resolved that without amendment two weeks ago. I commend the Bill.

MR BUFFETT:

Mr Acting Deputy President, this is an unusual bill in some ways. It is the first I recall being presented to this House to actually withhold expenditure whereas such Bills normally seek authorisation of expenditure. The Bill proposes to reduce the amount earlier supplied for salaries and wages by $61,600 and that basically represents a 10% reduction in the overall allocation for the balance of this financial year that is, the year to the 30th June of 1983. The first question to be asked when considering this Bill is, what will be the effect of this reduced allocation and of course the first response that that draws is that it lowers the amount that can be paid to the Public Service and the Public Service Board is examining the effect of this proposal and particular ways of implementing it. And this is the main thrust. In other words, reducing the amount to the Public Service. It is the main thrust and seen as the main issue by many but in fact it is more than that as I see it. A clouded financial position has been promoted to make this a greater issue than I consider it is. And regrettably, it has been reduced to a public service bashing exercise and people are regretfully being pushed into taking sides in that issue and some people think it all stops there, but of course it does not. Allow me Mr Acting Deputy President to explain the composition of the group of people we are talking about. They number some 136 people. At the last census there are about 770 households on the island. These people are permanently living in Norfolk Island. They are
not transients. They have permanent plans, contribute permanently to community activities and have permanent placement of their funds within the community. These people are included amongst those who build or extend homes, buy household articles and goods, have children and buy for them, and spend their money on activities within the community. To some extent this does contrast with the private sector which at present includes over 500 itinerant workers. If in fact there have been reductions of a meaningful nature in the resident work force in the private sector I would ask the Executive Member who is responsible for immigration to give an account of his exercise of such responsibility in ensuring that residents are not out of work or in reduced work whilst temporary entry permits persons continue to be processed and approved to come into the Island and take work. Really, Mr Actina Deputa President, at a time of financial hesitancy within the community the Government really should be promoting some measure of confidence in the Island's ability and it should be countering hesitancy, arresting the contagious attitudes of doom and gloom and promoting positiveness in the basic services that are part of the community. Really, anyone who thinks that money put out on public service salaries is only that and nothing more really has tunnel vision and are blind to the wider parameters. This in fact is money injected into the community, it turns over in the Island, in shops, businesses, supermarkets, clubs and more, and really in the times we presently find ourselves, this turnover is needed more than ever. The body of people we're talking about is quite a large body in this small island's context. It's probably the largest group of any sort here and you can imagine therefore, that a reduction in moneys allocated will have widespread effect in the community. What we really are dealing with is with people and with families and the community. We're not only dealing with a set of books and balance sheets. Now if we find ourselves that we need to take such a step of financial reduction, it really should be carried out progressively, taking account of natural attrition and the like, and if such a course is contemplated then full detail of any curtailment of services to the community must be clearly explained and in this manner a reduction is better handled by the employer, better absorbed by the employees and by the community at large in the context that I've earlier explained as I see these things effecting the community, and in fact the community would not have added factors giving pigs and troughs in expenditure and financial patterns but would give a more even graph to the overall island situation. You might well say, Mr. Acting Deputy President that we can't wait, we'll go broke, we haven't any money. Well if you do believe that, you will have been the victim of indoctrination. Certainly we need to tighten our belts but we need to do with care and think it all out carefully and handle it with care, not in an iron fist ed impatient manner. I have already explained to this house Mr. Acting Deputy President when we last met, that is on the 2nd February that we had 1.5M dollars in kitty at the beginning of the year, i.e. the financial year. We have incurred a loss of something like $254,000 in the first six months and I've explained that I see that as a result of incompetent planning and management, but despite this, we still have about 1.25M in
in kitty, and that's really not going broke. But now, in addition to all that, we still have a considerable capacity to raise further funds. Let me just quote two of them to you as examples. Realistic fees for services is an example, a realistic public works levy based upon the value of a day's work which was the original concept of the call. Now these two examples have been available to us in this financial year but in fact they've not been used. In the first that I've mentioned, that is realistic fees for services, we in fact had a motion in this House by Mr. Howard which turned away some $30,000 in revenue, that is in the motor vehicle registration proposal. In examining further the public works levy, the Legislative Draftsman has already drafted a Bill which proposes an updated public works levy at something like $250.00 per male person and $150.00 for females with usual arrangements for exemptions for non-working females and deductions for dependents. The amount is aimed to relate to five days in which people work which is the period of the call, but that Bill has not even been presented today and it's an arrangement which is only updating the present arrangements, not introducing new and controversial methods of funding. This particular levy arrangement has the capacity to raise $200,000. The present expected amount for the May call is something like $23,000 so if we just examine that one example, we could have a net gain of something like $177,000. The combined total, the motion of 2nd February determined that should be saved is $272,000. Now $177,000 is a very great measure of that. It's also an impost that is shared equally by private and public sector but instead of this, the Executive Member has presented another Bill which in fact fosters the policies of devisiveness. What I'm illustrating to you Mr. Acting Deputy President is that there has been no objective effort to find the monies by realistic assessment. We have had subjective examination with some considerable content of pet likes and dislikes. If this had been done with proper planning and management and preparation of the budget for example, we would not have been forced to snap and sound emergency decisions such as proposed at the last sitting by unsatisfactory income tax arrangements. Let me put it in a nutshell what I have said to date. Firstly, we continue to have respectable reserve funds, and secondly, we have the opportunities to raise additional funds. This Bill that is before us proposes a negative attitude towards the overall well-being of the community. It seeks to prevent the circulation of $61,600 in the community's economy in the next five months. I might say it's only part of the withholding of funds because earlier decisions have withheld something like another $50,000. The disadvantages to the community outweigh the advantages of keeping, i.e., storing up the $61,600 in the public purse. In these times, that money should be out circulating in the community and for those reasons, Mr. Acting Deputy President I cannot support the Bill.

MR. HOWARD: I'm flabbergasted. Two weeks ago when we were discussing this very matter, Mr. Buffett proposed amendments to what had been proposed and his amended wording which was agreed to by the rest of the Assembly was that the Assembly is of the opinion that funds authorised for payment of Administration wages and salaries be examined by the Public Service Board with a view to economy is to the extent of $61,600 for the five months to the end
made a fantastic discovery that the Legislative Draftsman has prepared a Bill for a revised Public Works levy which would raise a large share of the money that's necessary to correct the situation. Well that's because Bill Sanders and I talked to the Legislative Draftsman and had him draft it, that's why that was done. Mr. Buffett may think he's discovered it, he may be heartbroken that I'm not introducing it today, it doesn't need to be introduced today, the next public works call is in May. It's clear that when you increase any tax by that amount, you want to look at it very very carefully. There is no advantage to introducing it today, there's no need to introduce it today but that kind of a tax raising levy was part of the 9 point programme that the Assembly approved two weeks ago. Point number 9. Again as I recall having been modified by amendments suggested by Mr. Buffett "The Assembly is of the opinion that proposals for impost designed to yield $125,000 should be introduced into the Legislative Assembly as promptly as possible". That's coming, that's another part of the programme. This Bill that I've just introduced is not standing on it's own, it's part of a several part programme involving the reduction of capital expenditure, the reduction of operating expenditures, the reduction in amounts available for administration wages which Mr. Buffett agreed to two weeks ago, which he proposed the wording of two weeks ago. It includes a forthcoming tax Bill. We're in a bad economic situation, we need to straighten it out, we need to do something about it. I'm sorry to see harsh words and mud slinging and stirring being introduced on this Bill which doesn't give anyone any joy, as I said, I think it's a necessary Bill, but I've got to say once again that when Mr. Buffett says that our financial situation is the result of, let me look at my notes, what did he say - "incompetent planning and management". Almost all the drop in revenue is a reduction below expectations in our revenue from Philatelic. Bad planning and management. The Philatelic programme is planned about a year ahead. The results of Philatelic sales in the first half of this financial year are the result of planning done when Mr. Buffett was the Executive Member responsible for Philatelic. Bad planning and management? Maybe so. I don't think so. I think we've been caught in an adverse economic situation that's effecting the whole world practically. It's effecting strongly the two principle places that we draw our tourists from - Australia and New Zealand. I think we're being effected by something that is very widespread. I don't think the finger of blame can be pointed except for not very noble political reasons at any person on Norfolk Island. I could blame the Revenue Manager if I wanted to for poor planning in Philatelic, I'm not going to do that. I think he estimated as honestly and intelligently as he could. The original estimate for philatelic revenue in this current year was about $1,400,000 and when we first began to put pressure on the former Chief Administrative Officer to balance his budget, his proposed budget, one of the first things he did was to estimate Philatelic revenue up even higher, he added another $200,000 to it. Magic. And in the estimates that were finally approved by this Assembly, the Philatelic revenue was brought back down to what seemed a reasonable $1,200,000 a drop of $200,000 below last year's level. Inadequate planning and management? I don't think so, I think it was a prudent move to make more conservative what appeared to be flagging and unwarranted estimates of revenue being made by the
even the conservative marked down revenue has been overoptimistic. Bad Planning? Why didn't Mr Buffett who had intimate knowledge of how philatelic had been planned a year ago, why didn't he tell us last June that we were planning for too much philatelic revenue, why didn't he tell us then, look I know about this, I can see what's going to happen, we had better scale that down. Why didn't he tell us then. I am sorry and troubled that a Bill which is in my Bill is a disagreeable necessity in the proper management of the Island's affair is being seized on as an occasion for political trumpeting. I regret that. I am trying to tell people what the facts are. I am trying to express myself as honestly as I can and I am not having shots at anybody. If Mr Buffett opposes the Bill, let him oppose the Bill.

MISS BUFFETT: Thank you Mr Acting Deputy President. I am interested at how many times bad planning has been questioned by Mr Howard who consistently refuses to accept other proposals. Mr Acting Deputy President, I wholeheartedly condemn this entire unnecessary piece of legislation and I deplore the entire principle of its undesirable existence. For nearly twelve months the Executive Member responsible for Finance has blatantly refused all reasonable and just proposals to keep revenue on a current dollar value level and he has stubbornly refused to adopt publicly acceptable reasonable and just proposed methods to increase revenue. Instead of producing this ill gotten bill to reduce expenditure in an area which will directly lower the standard of living of a large portion of the Norfolk Islanders and their families who have lived here for generations, the Executive Member responsible should have presented us with a bill proposing amongst other suggestions previously refuted the reversal of such financial blunders as the Customs Amendment Bill which must have undoubtedly cost the public purse almost half the first six monthly shortfall. As far back as my debate on the Customs Amendment Bill 1982 I stressed that the main point of issue to me at the time was that additional revenue would have to be raised in order to replace the huge fall in revenue that would be resultant from reduced customs duty on tourist orientated purchases. That reduction being quite apart from the massive customs reductions in liquor and cigarettes. Another ridiculous blunder, and fancy even thinking, let alone suggesting that tourist would fly 1,000 miles to come here just because of cigarettes and liquor were cheaper then their normal retail outlets but heaps dearer than their home port duty free shops. In the same debate I went on to mention as have indeed others since then, that the Public Works Levy be updated to a realistic 1982/83 wage figure allowing the same percentage levyable for women and the same percentage deductible for dependants. The family man would still claim exemptions at the same percentage as before and as the traditional fair Norfolk Island method of meeting financial requirements acceptable to the community since the early days of Pitcairn settlement of this Island. A very conservative estimate of $120,000 would have been raised for the first half year in that area alone. I also recommended that the Motor Vehicle Registration be proportionally upgraded to a realistic current dollar value stating that an estimated $30,000 would most likely be realised in that field, and again, acceptable to the public. The situation is so
ludicrous that the Executive Member responsible for Finance had earlier proposed a levy for an annual fee for each licenced unit and suggested .50c. When I proposed the same levy at .20c the Executive Member chose not to accept that any levy be imposed. This negative financial policy being pursued by the Executive Member for Finance and all who support him, is destructive to the whole basis of the Norfolk Island economy. There is no legitimate nor just reason for having forced such a false situation even after all these efforts to suppress the national income, depress the economy and oppress the public servants this Island economy is still very financially and undisputably afloat and 1983 promises to be a hive of activity helped along by the special flights of 737 aircraft to cope with the Rotary Convention so admirably organised by our local Rotarians. Why otherwise would the airlines be so keenly striving to gain link routes to here. Where else is there such equal idyllic contentment for them to share. 1982 was predicted to be a quiet until after the upgrading of the airport and new aircraft started operating. We still had $15,000 tourists and many successful financial years in our business sector. This Public Account Expenditure Bill aimed at reducing the cash flow into the community can only cripple this hitherto co-operative little community. All the local shopkeepers know how proud and supportive the Island people are of their resident business community, especially of those shopkeepers who over the years have done their utmost to please both local and visitor alike with the highest possible standard of service and commodity, no better customer and no better advertisement than a satisfied local. If they have to withdraw their support which they will if this bill goes through, the business community will be gravely affected. Some of them are already as a result of the dialogue leading up to the proposed bill. The standard of living will fall, but one thing is for sure, Mr Acting Deputy President. We will still be here and I say as far as I go, all ucklun pilli down tight... and I do not support the Bill.

MR BROWN: Thank you Mr Acting Deputy President. Every employer has a moral duty to his employees to provide satisfactory wages and conditions and we too have that moral duty. The question of wage levels will however be separately considered when we consider the recommendations of the Touche Ross report. Today we are looking at another duty. A far wider duty. A duty toward all of the community, both the present community and the future community. A duty to wisely manage the affairs of this Island and to plan for its future. We should not waste our resources and resources include financial resources. This Bill is an expression of that management. We cannot spend what we haven't got. Our reserves are there for the benefit of the whole community, not to be spent on one small section of it. This Bill, in fact, with all respect to what some members have already said, demonstrates that this Legislative Assembly does not have tunnel vision and that it intends to promote a clear measure of confidence in the community. Some members have talked of the capacity to raise funds, they have mentioned what they call realistic fees for services and increase in public works levy. Thos members may have forgotten that there are many people in this community who are on fixed incomes. No-one comes along and gives them an increase. And if we can't give them something extra for any extra money we're charging them, then we simply should not increase our charges. To no small extent this world
increased in order to pay wage earners more. It's my belief that pay increases should only come as a result in increases in productivity and suggestions such as those that have been put by a few members to this House today would lead us to nothing but financial disaster. Some members have been critical of the 6% flat customs duty. It has been easy for them to make wild accusations but they've not produced figures to back up those accusations. If they have figures available, those figures should be produced, however, if there are not figures to back up those accusations, then a very sincere apology is owed to the Executive Member for Finance. It's my observation that the 6% duty has been very successful. The volume of tax free goods being taken from Norfolk Island by our tourists has increased substantially since this duty change. It is my observation that the majority of the members of the business community have done the right thing in relation to the duty change and I find it somewhat insulting to them that such indecent suggestions be made about this change. It is regrettable that this Bill has had to be brought forward but we should not attempt to dodge unfortunate and regrettable things. We've got a duty to face up to it and do the right thing. I intend to do that. I intend to support it.

MRS. GREY: Thank you Mr. Chairman.
Let's just remind ourselves that we spent about three to four hours at the last sitting of the House I thought thrashing this out and I'm rather surprised that we virtually have to go through it all again, and there's been a great flurry of suggestions, all based on the assumption that the whole community should be taxed to support the Government and what hangs from it and that's just not acceptable to me. We live for the next few months within our income as far as I'm concerned. To vote no on the Bill would seem to me to indicate a refusal to accept that we've got finance problems and I take the opportunity to reiterate. I don't foresee difficulty for Norfolk in the future and in fact, some of the suggestions that are coming forward are ones well worthy of consideration in the long term. However, the problem exists today. The motion takes some action to alleviate the immediate problem. The long-term solution just isn't available to us at the moment and it'll take some time to get the wheels in motion. heavens, we all know that and I can only hope that the Government is working towards the provision of appropriate legislation and revision of regulations or whatever else is necessary. Policy revisions. Mr. Buffet's already mentioned natural attrition. There are other suggestions which have been made during our discussions in the past few weeks. I hope that somebody is starting to do something about those the somebody being the Government. To vote yes on this particular issue is to acknowledge that we have a problem and that something has to be done quickly. In supporting the motion, I support a principle. I've often during the past weeks disagreed with the method of approach to the problem, however, in this instance to vote against the Bill would be to prolong the agony. I intend to support it Mr. Chairman, thank you.

MR. SANDERS: Thank you Mr. Chairman. It appears...
Not just to 136 persons. Mr. Buffett if he claims that everything is just hunky dory on Norfolk Island, should pull his head out of the sand and look at the world trends in Australia and New Zealand and note that there is indeed a recession. He should also be aware that the island revenue comes from Tourism, figures on tourism tabled in this house at the last meeting shows a decline in excess of over 5,000 tourists in the last calendar year. If these people aren't coming here, if they are not buying the goods, then obviously the duty is not going to be a returnable item. By spending our reserves on public service wages does not put as Mr. Buffett says, this money back into circulation, it divides it very very carefully into 136 pockets. Miss Buffett appears to talk as a financial expert. I've yet to see any signs of her personal ability on financial or managerial ability on any matter at all. Most persons on this island who have many ideas on how to raise revenue, they all have these ideas carefully worked out so long as it's not them that's paying. It's always the other person that has to pay. Miss Buffett could perhaps look at Hansard of just recently when as Mr. Buffett so rightly said that we lost $30,000 because this House would not approve an increase in registration. Miss Buffett was one of the ones that voted against that. Miss Buffett also voted against duty on food, perhaps it is because Miss Buffett was going to herself have to contribute. They're not prepared to pay, just so long as everybody else pays. I support this motion. It's about time everybody got their damn heads out of the sand and got into it.

MISS BUFFETT: Thank you Mr. Acting Deputy President. If I could just come in with one short reply to ease Mr. - to clear Mr. Sanders' comment on my lack of managerial or any other abilities for that matter, possibly, one great difference is though I don't pocket all that I make, I share with others. Thank you.

MR. BUFFETT: Mr. Acting Deputy President. I would just like to make a couple of clarifying comments so that words are not taken out of context and misunderstood. There was an earlier suggestion that I in fact had made a fantastic discovery. Such was not my claim at all Mr. Acting Deputy President, I gave clear indications that it had been something that had been raised in the area of the Legislative Draftsman and Mr. Howard had mentioned that he had spoken in that direction and so had Mr. Sanders. The point I was making and I make it again if in fact it has been lost and it is this, that there is a method of gaining fair income for the public purse of Norfolk Island and if there is fair income to be raised from that quarter, then there is no real reason to be making unnecessary cuts in other parts. In some of the other comments that have been made, there were words to indicate that some management arrangements were better than I had described. People are entitled to those opinions but we do have the undisputable fact that presentation of a balanced budget was proclaimed and in the first six months we lost $254,000. I won't go on much further about the loss in the $130,000 in the Customs Bill area, that has also been mentioned in another context and there were calls for production of figures. I just
make mention the figures were quoted to all members of the Legislative Assembly at a meeting at which to my knowledge we were all there and they were made by Officers responsible to the Executive Member for Finance. I don't know what other backing I need to have to bring such figures forward. It has been mentioned that we are spending unnecessary funds in a given area and the public service in this particular connection of the Bill that is in front of us has been singled out to the extent of $61,600. In fact, in another area, we have been suffering a considerable decline but we have placed $110,000 and that is the area of tourism. The area of tourism which is the basic economic unit in this island. It's really a question if we have spent $110,000 in this area of tourism, why are our figures continuing to fall when in fact, reports show that there are rising figures in other South Pacific areas of tourist destinations. This needs to be a serious examination also. Maybe we should have cut in that area if in fact it is not producing the goods.

MR. JACKSON: Mr. Deputy President. I don't think it was the intention of anyone including myself to come to this Meeting and let mud fly. What is quite apparent in a statement that Mr. Brown made regarding tabling figures concerning the difference between the 6% in food and the reduction on booze and cigarettes was given at an official meeting and Mr. Brown to my knowledge was not at that meeting. If he had been there, then he would have learnt the facts instead of criticising the member in the way that he did and I see this Bill in going ahead with this proposition without further examining other means of raising revenue only means that Mr. Howard is determined to go ahead and cut salaries within the public service by 10%. Clause 9 of his lengthy motion in the House a fortnight ago proposed certain methods of raising revenue. I described that method and I'll describe it again as a slap happy method of coming in with a proposition in Clause 9 of that motion in proposing a very important part of the Government's responsibility to the community talking off his head without tabling any forms to say well this is how we're going to go about it. I may add now that of course I oppose this Bill as I am certain Mr. Howard has deliberately created a false interpretation of the actual financial situation of the island. The accounting firm of Hungerford Hancock and Ogner engaged by Mr. Howard to audit the Administration books this audit revealed that as of 30th June, last year, revenue stood at $1,529,029. The $254,000 drawn from the revenue fund in the first six months, still leaves the fund in a very healthy situation. Now has Mr. Howard taken into account tourist activities for the rest of the financial year up to the end of June where revenue was certainly increased over the last six months of this year, with the successful Gun Club Tournament just completed, 400 Rotarians arriving in April, the commencement of the F28 jet service, also commencing in April, the Bounty Bowling Tournament commencing in early May and the Anniversary Bounty Day in June. Now all these activities are all revenue raising and fund raising to the community. We say an extract from the first December Hansard where Mr. Howard was talking quite differently.
This extract from hansard, Mr. Howard was quoting on the Road Traffic Bill and he said "I think that we're asking the people of the public service to hold down their spending, to hang on and get by on the income that they are earning now. Now this is a complete different story today, he's saying in December, some two months ago "you hang on to what income you're earning now". Today he's saying "I'll present a Bill to cut it by 10%. Now what a quick turn around. Therefore, I appeal to Mr. Howard and those members who intend supporting this Bill, to reconsider and think as to what effect the withdrawing of this money out of circulation would have on the community. As further reduction in the Administration expenditure will only aggravate and hasten further decline on the overall private sector of the island. And once again, I do not support the Bill.

MR. QUINTAL: Mr. Deputy President. We spent most of the afternoon two weeks ago discussing this matter. I wish that Mr. Jackson would withdraw that rude remark. He's always interjecting and I think it's about time he stopped because I won't put up with it. If other members are going to put up with it I won't. Can I go ahead please? We all know that we have a problem in finance and if anyone cannot see that, well they're not looking very far. I do not like the idea of this kind of attack because in my opinion it is a thin edge of the wedge for a income tax system which I don't agree with but I do agree that we must find money in a hurry and I don't intend to say very much but there has not been the proposition in my opinion that has come forward and if we're going to wait around for a better proposition then this one will be arguing and we'll be carrying on for so long until it's not funny and I did think I would not support the Bill but I must through listening to the others, I must support the Bill and that's all I wish to say.

MR. HOWARD: Mr. Buffett wanted to clarify a couple of things so there wouldn't be any misunderstanding. One thing that he wanted to clarify was that I had proclaimed a balanced budget last June. If you would go back to what I recited to him from hansard two weeks ago, he will find once again that I proclaimed no such thing. I said I hoped we could break even. I said if revenues comes in the way we hoped that they would, it wouldn't be necessary to touch anyone's pocket. I said "if things get worse, we may have to". I didn't proclaim a balanced budget I said "I hoped the budget would squeak through". It hasn't, things have been worse than we hoped. We now have to do what I said back in June we would have to do. Secondly, he makes a big fuss about the Customs figures, this wonderful figure of $130,000. He said that the figures had been quoted to all members of the Assembly and he said "I don't know what other backing I need". Well I think he needs a lot more backing. Figures were not quoted to members of the Assembly. We were given one raw figure, $130,000 which is what we would have made on the old customs schedule. I asked at the time for detailed figures as to what the imports were of various categories of goods. Those figures are still kept so that I could do some calculations myself and find out what had happened. Those figures have not been forthcoming. I presume because the Revenue Manager went off on leave and I'm sure he hasn't yet got to it. If Mr. Buffett has figures, plural, I'd like to see them - I haven't seen them yet. I've heard one figure of $130,000. I'd like to point out that that one bald figure on the
AYES, 6
Mr. Howard
Mr. Brown
Mr. Christian-Baily
Mrs. Gray
Mr. Quintal
Mr. Sanders

NOES, 3
Mr. Buffett
Miss Buffett
Mr. Jackson

The Bill was agreed to.

NOTICE NO. 4 - PROTECTION OF NORFOLK ISLAND PINES

MISS BUFFETT: Thank you Mr. Acting Deputy President. I seek leave to move the motion appearing on the Notice Paper as No. 4 in its amended form. I had proposed the motion in one wording but I found an improvement has been desirable so I seek leave to move the motion in the amended form.

MR. ACTING DEPUTY PRESIDENT: Is leave granted Honourable Members. I think the ayes have it.

MISS BUFFETT: Thank you. In that case, I move that this House, being of the opinion that continued existence of a healthy stock of Norfolk Island pines on the island is important, asks the Executive Member to introduce into the House legislation which will require that in future, when an established and viable pine is felled, three viable pines are planted nearby in appropriate cattle proofed places. Thank you. Mr. Acting Deputy President, I stand amongst many people who recognize that we are the guardians of a unique island, the preservation of which requires continued vigilance. Norfolk is losing its grandeur in many of the hitherto scenic places which once were characterised by the growth of stately pines. The dying stumps leave an uncharacteristic desolate bareness of landscape which offer no substitute for the glistening pine-topped skyline that transforms a sunset into a breathtakingly unforgettable experience unique to Norfolk Island. Indeed, any time of the day and moonlit night, it is uniquely enhanced by the presence of this god-given attribute. These protective pines, not only enhance the entire scene and serve as a windbreak, shade and shelter for man and animal, they also house the white terns which gracefully hover among the trees, producing indescribably serenity so soothing as to lure numerous visitors repeatedly back here and indeed, provoke the absent islanders unendurable homesickness. The density and positioning of the pines contribute a vital role in the climatic influences as has been recognized and documented by eminent conservators. Admittedly, there are plenty of pines in certain areas, but it has become urgently necessary to introduce measures that will ensure the replacement of pines on freehold as well as leasehold and reserved land. Vast expanses which have been laid bare as a result of felling over accumulated years and owners who have not recognized the necessity to replace the removed trees, should be especially tended. I feel