

MR PRESIDENT: Honourable Members would you join me in reciting the Assembly Prayer

Prayer

Almighty God we humbly beseech Thee to vouchsafe Thy blessings upon this House, to direct and prosper our deliberations to the advancement of Thy glory and the true welfare of the people of Norfolk Island

Condolences

MR CHRISTIAN: Mr President, it is with regret that this House records the passing of Eileen Emily Leigh who died on the 11th June and Ronald Noel Bielenberg who died on the 16th June. Both these persons were visitors to the Island and in accordance with their families wishes they have been returned home. Mrs Leigh to Victoria and Mr Bielenberg to Queensland. To the families and friends of Mrs Leigh and Mr Bielenberg this House extends its deepest sympathies

MR PRESIDENT: Honourable Members as a mark of respect to the memory of the deceased I would ask you all to join me in standing in silence. Thank you Honourable Members

Presentation of Petitions

We move to Petitions. Are there any Petitions?

Giving of Notices

There being no Petitions we move to Notices? Are there any Notices which Members wish to give?

MR SANDERS: Mr President I give Notice that later on in this meeting I shall be seeking leave of the House to move a motion to the effect that the position of Minister for Finance be vacant

MR PRESIDENT: Thank you Mr Sanders. Are there any further Notices?

Questions Without Notice

We move them to Questions on Notice. Are there any Questions on Notice?

MR BENNETT: Yes Mr President. At the last meeting of the House I took two Questions on Notice that I propose to answer. Both questions Mr Chairman were from Mr Bates

MR PRESIDENT: Mr Bennett perhaps I could interrupt at this stage and advise Members of the discussion that you and I held in relation to these matters. During previous Assembly's the view has been taken that where a Question Without Notice is asked and a Minister is unable to answer it at the time and responds that he will take the Question on Notice, during the course of the last Assembly the view was taken that unless the Member then repeated that question as a question on notice for the following meeting there was no need to respond to it. In this Assembly a different view is being taken and that is that if a Minister says that he will take a Question on Notice it is regarded as an undertaking by the Minister to do something about coming up with an answer and bringing it forward to the meeting and that's what Mr Bennett is doing today

MR BUFFETT: Point of Order Mr President, I'm assuming that you're not passing over Questions Without Notice

MR PRESIDENT: There have at this stage been no Questions Without Notice

MR BENNETT: Mr President I just think that you might have hurried across that because I ...

MR PRESIDENT: No I take it that you are responding as a Question Without Notice to a Question that was given on the previous occasion and at this stage you are the only Member who has indicated that he has a Question Without Notice. If other Members do have them, they'll

be welcome to ask them

MR BENNETT: Thank you. Mr President, the question that Mr Bates asked in relation to the RPI was "According to Household Surveys in 1980, 17% of the average household income was spent on food. A similar survey in 1989 indicates that this has increased to 23%. Would the Minister advise the House if he considers this to be caused by an increase in food prices or a deterioration in the average household income?" Mr President, I took advantage of Mr Bill Houstein's involvement with the RPI to Norfolk Island and sought advise as to the correctness of the assertion and further to advise whether any factors such as the non-inclusion of some items may have had an impact to cause that percentage shift and in answer to the question Mr Bates question derives from a misinterpretation of the price index weights. The Household Surveys he speaks of were really Household Expenditure Surveys conducted for Price Index purposes but those Surveys Mr President sought no details about Householders incomes. The Survey results are not known on the Island. They've never been published. The Survey results were compiled and used by Mr Houstein. They did not show expenditure on food as a percentage of income, there is no available statistical information about average household income. The figures which Mr Bates quoted are approximations of the weights used in the Retail Price Index and as such have no relevance to the suppositions upon which he based his question. Mr Chairman if a supplementary question were to arise I would expand a little bit on that but for the moment that's the answer to the question that I took

MR SEMPLE: This is to Mr Sanders. In your Press Release published in the Norfolk Islander on Saturday the 27th June you stated "My only interest is the well being of the Island and I will pursue that interest using expertise from wherever I can draw it." In your last paragraph you said "The conduct of the Chairman, the Bureau and the Bureau staff will remain under my constant scrutiny. If the interests of any individual or group are placed ahead of the general best interests of the Island or its tourist industry, then again I will not hesitate in taking whatever steps are necessary to put the Bureau back in its proper place". From this, I take it that your concern is for the Tourist Industry overall and that the previous quotes didn't just relate to the Tourist Bureau and Board. The question that I put, is it true that Mr Robinson, Mr Brown and yourself have interests in an airline?

MR SANDERS: The answer to that is no

MR SEMPLE: Thank you. That answers the question. If I have another one to Mr Sanders? The herbicide Tordon, whilst effective in control of noxious plants as a cut stump treatment can also have effect on nearby native trees by being absorbed through the root systems where target and non target tree roots make contact. Is it correct that some time ago the ANPWS imported large quantities of Tordon and still intends to use this chemical even though native trees could be in jeopardy by its continued use. I believe that some time ago the ANPWS imported large quantities of Tordon to use as a ...

MR SANDERS: I wasn't aware of that Mr President

MR SEMPLE: Would you be able to...

MR SANDERS: Sure

MR SEMPLE: And I've got some photos here, I could table those

MR SANDERS: Perhaps if you could show me afterwards. Well whatever. I'm more than happy to look into it

MR BUFFETT: This is really a supplementary question in respect of the tordon question earlier Mr President. Is it possible, and I direct this to Mr Sanders who I understand has responsibility in the area, is it possible for the Government to prepare a recommended listing of sprays and herbicides and pesticides that may be recommended for use in the Island. In other words, it might give people in the community a guideline as to what are currently acceptable by whatever authority needs to be quoted, because there is quite a range of herbicides, pesticides etc that becomes available in the Island and elsewhere and imported and

some of them have been proven to be detrimental as has been illustrated by Mr Semple just this morning. It might give people some sort of assistance. Can the Minister undertake to do that?

MR SANDERS: Yes Mr President I can. My understanding is that Mr Neil Tavener was, I think I heard of a proposal that he was doing such a thing however I'll...

MR BUFFETT: Yes, further to that Mr President. If that is the case can publicity be given to where this list might be consulted?

MR SANDERS: I'll speak to Mr Tavener in the very near future

MR ROBINSON: Thank you Mr President. My first question is addressed to Mr King, the Minister for Works. Would you please explain for the sake of our listeners exactly what is happening in regard to the traffic islands on the Hospital corner?

MR KING: Thank you. Yes, Mr President, Members will be aware of course that those traffic islands in the nature of the sandbag arrangement were first placed several months ago as a decision of the previous Minister in an attempt to regulate traffic control or if you like, to check out the effectiveness of the sandbags in regulating traffic in the area. It was intended once a decision was reached on the effectiveness of that arrangement that a more permanent arrangement be put in place and that was to co-incide with the upgrading of the Taylors Road, Burnt Pine area. As Members may be aware, the programme of the Burnt Pine beautification and therefore the upgrading of Taylors Road has been put back several months due to one reason or another and I have recently taken a decision to put in place in the Grassy Road/Taylors Road intersection a more permanent arrangement so as to avoid the unsightly mess that results with the sandbags and I've also taken a decision to remove the sandbags which impeded the traffic turning left into Grassy Road from Taylors Road. They were in fact a very low cost semi permanent arrangement which will remain in place until such time as the Taylors Road/Burnt Pine programme is progressed further

MR ROBINSON: Thank you and does that apply to the grids on both sides of the road just down from Foodlands too?

MR KING: I understand the grids that you are talking about Mr Robinson, they are the ones presently below the current level of Taylors Road and they are surrounded by the white posts, are they the ones? with indicators on them? Mr President, I don't have any answer for those at the moment. Further work on those grids will have to wait until we progress the matter of Taylors Road upgrading. In the meantime I simply have to ask motorists to take care and there are posts surrounding those grids with light indicators on them so I can only hope that those post prove effective in keeping the traffic off those grids and at the appropriate time they will be more permanent and more secure grids put in place but at this time it's several months away

MR ROBINSON: My next question is addressed to Mr Sanders. How much longer will it be before the Building Board has another Member to bring it back to full strength?

MR SANDERS: Mr President, if I may, the resignation of Mrs Helen Sampson was the Chief Administrative Officer's appointment not one of mine so I could make a note to perhaps remind him

MR BATES: Mr President my first question is to the Minister for Finance and the question is, in view of the proven and potential dangers to fishermen and those visiting the Headstone rubbish tip, would the Minister investigate the possibility of installing a telephone and perhaps electricity at the tip?

MR BENNETT: Thank you Mr President. Yes, I appreciated the problem after Mr Bates drew it to my attention the other day that there was no telephone or electricity at the tip, certainly, as a matter of safety alone it would warrant a telephone and I do agree to have a look at it and arrive at some estimate of costs for putting a telephone down and or wiring for electricity and I'll let Mr Bates and the House know how I get on with that

MR BATES: Mr President, the next one is to yourself and the question is, at the previous meeting of this House, you advised that you had engaged Ernst and Young of Brisbane to undertake a review of accounting and reporting principles at the Hospital and of the Healthcare fund. Could you inform this House if Neil Summerson, the Managing Director of Ernest and Young Brisbane, who also did a report of the Tourist Bureau, was one of the persons involved in that review?

MR BROWN: I don't know whether Mr Summerson attended the Hospital. I haven't yet received a report from Ernst & Young

MR BATES: A supplementary question if I may Mr President. Is Neil Summerson, also the principal, or one of the principal persons involved in the liquidation of Norfolk Island Airlines group of companies of which you are or were a director?

MR BROWN: Mr Summerson is the Receiver/Manager of several of the companies

MR BATES: Another supplementary question Mr President. Do you see any breach of ethics in Neil Summerson accepting work from a principal of a company he's winding up?

MR BROWN: None at all, and I remind you again that the companies are in receivership, not in liquidation

MR ROBINSON: Yes I was just going to ask Mr Sanders, will you be making a statement on the affairs of the Tourist Bureau

MR SANDERS: The short answer to that Mr President is yes

MR CHRISTIAN: Mr President, to Mr Sanders. Is it a fact that a TEP has been employed at the Tourist Bureau recently and was the job advertised?

MR SANDERS: I am not aware of any TEP's employed at the Tourist Bureau

MR BATES: Mr Acting Deputy President, my next question is to the Minister for Tourism, Mr Sanders and the question is on what or whose authority did Mr Summerson carry out an audit of the Tourist Bureau

MR SANDERS: The short answer to that is mine. Oh, and this House

MR BATES: A further question if I may. In the event that Mr Summerson's legal authority according to the Ordinance is a Gazette Notice which was published on the 19th June, does the Minister consider the report signed by Mr Summerson and dated the 16th June, some three days earlier, to be legal?

MR SANDERS: The answer Mr Chairman is yes. The auditors were not refused admittance which means that in effect it was very legal

MR BATES: Supplementary question if I may to that Mr Acting Deputy President. In the event that the report does prove to be illegal does the Minister intend to refund to the Tourist Bureau the fee paid to Mr Summerson for his report

MR SANDERS: The answer to that is that it is not illegal. It is not a consideration

MR BATES: That may need to be checked. And the last question Mr Acting Deputy President, in his report, Mr Summerson refers to "oral instructions". Could the Minister inform this House if only oral instructions were given to Mr Summerson and if so, what were they?

MR SANDERS: They were oral instructions and they were given by me. Mr Chairman I'm making a statement about the total issue of the Tourist Bureau at the appropriate time

MR DEPUTY PRESIDENT: Yes, perhaps we could debate that then Mr Bates

MR BATES: Provided the answers to that question as to what

the instructions were in the report I don't mind Mr Acting Deputy President

MR SANDERS: I'm more than happy that in my statement if there is anything that doesn't satisfy Mr Bates that he be at liberty to ask

MR DEPUTY PRESIDENT: Yes, the statement can be noted and you can debate it at that time Mr Bates

MR SEMPLE: Thank you Mr Acting Deputy President. I address this question to Mr Brown, the Minister for Education. It would appear that ten teachers at the Norfolk Island Central School will be leaving at the end of this year. In view of the removal expenses involved, has consideration been given to extending the terms of appointment of some of these teachers before their transfers are submitted?

MR BROWN: Thank you Mr Acting Deputy President. The answer to that question is yes Mr Semple. I have had discussions with Mr Sanders in relation to the Immigration aspect of the question and I have consulted the Administration files in relation to the practise which has been adopted in the past and I have in fact this morning spoken with the Headmaster in order to ask him to provide me with details of the teachers who do wish to have their terms extended into next year. I expect to have that information during the course of this week but there are immigration as well as education considerations

MR SEMPLE: Again, I think Mr Brown it's to you. Maybe Mr Sanders. It's come to my notice that there are three houses in the DCA circle that are vacant. Who owns these houses and if it is the Administration what is being done to maintain these houses and grounds and to relet them?

MR BROWN: Mr Acting Deputy President I'm happy to answer that question. The houses, as I understand it, are now owned by the Administration and as I understand it were transferred to the Administration as part of the overall transfer of the Norfolk Island Airport. The question of maintaining the houses and of renting them is one that's handled by the public service and the gentleman in the public service that handles that is Mr Buffett and I am sure that the matter is being handled expeditiously by him

MR BATES: Mr Acting Deputy President I have a question for the Minister for Health and Education Mr Brown. At the last meeting of this Assembly I asked him a question about conflict in his role having civil and legal proceedings by and against the Administration. Am I to take it in order to get an answer to that I need to put it on notice. To formally place the question on notice or is the Minister in a position to respond

MR BROWN: Mr Acting Deputy President, I'm quite happy to respond. I thought that I had in fact responded on the previous occasion so I apologise if I had indicated that I would say something further today. On the previous occasion I indicated that it certainly is not my intention to take any part in discussions as to the process of the criminal law. As to the question of the civil law, I presume that Mr Bates is asking whether I am proposing to be involved on both sides of the fence. That is, to accept instructions from clients in relation to matters involving the Administration and certainly I do not propose to accept instructions from any clients in relation to matters which relates to the Administration. Mr Bates probably does also know that at this stage I don't in fact pursue the practise of law in Norfolk Island in any event

MR SEMPLE: Thank you Mr Acting Deputy President. I address this question to Mr King. Are you aware that buses picking up and setting down tourists near the Taylors Road/New Cascade Road intersection have been the cause of a number of very near accidents in the past? Do you intend to take immediate steps to eliminate this potential danger to both pedestrians and motorists

MR KING: Mr Acting Deputy President I understand and appreciate that there is some validity to this question. The matter has been raised before and I feel that within my responsibilities for Road

traffic and police matters I would certainly be prepared to take some steps towards removing that problem

MR SEMPLE: Thank you Mr Acting Deputy President. One final question to Mr King again. The current law in relation to the consumption of alcohol by minors I believe is inadequate. It would appear there is nothing in the Act for it to be unlawful for children to consume alcohol at private functions or in unlicensed areas except where it is a highway, street, road, lane, thoroughfare or footpath open to or used by the public. It's apparently quite legal for minors to consume alcohol on private land, not to mention reserve areas and parts of the common. Would you examine this situation and report on your findings to the next sitting of this House

MR KING: Mr Acting Deputy President I would be prepared to examine the situation but I think that Mr Semple should not overlook that there is also a role for parents to play in this matter. We are able to control certain areas within the Island but I don't think we can control the private functions of adults, nor the domestic situation of children who are undertaking drinking. I'll certainly look at it but I can't make any guarantees about bringing back something to the House on the next occasion but I will as soon as possible

MR BENNETT: Taking that other question from Mr Bates from last meeting Mr President, I propose now to answer that. Mr Acting Deputy President, at that meeting Mr Bates asked me if I would table at this meeting a summary of all costs associated with lobbyists, consultants, staff and Legislative Assembly Members, travel wages and any other costs such as referendums in connection with what Mr Bates described as "the voting issue in the Australian electorate". Mr Acting Deputy President I table a summary of those costs and make the following comments. The costs set down on the paper I just tabled total \$53,519 broken down as follows : general consultancies \$38,286; legal consultancies \$5,704; assembly and staff travel and subsistence \$7,883; referendums \$1,646. Mr President Members will note that the summary breaks these figures down in a more detailed way and they may be happy to take a copy of that at the appropriate time. Mr Bates also asked about wages. The work involved in ascertaining and analysing internal wage costs would be great and this exercise has not been done, however, two points can be made, first an estimate of wage costs amounts to \$6,500 based on a 20% of the relevant officials working time over an eight month period. Secondly, the work was done in addition to that official's other duties and no extra wage costs were incurred. Finally, Mr Acting Deputy President, I make mention of the fact that all of the above costs were met either from the 1991/92 appropriations or from the Island fund. No additional budgetary appropriation was necessary and no further costs are expected to be incurred

MR ACTING DEPUTY PRESIDENT: I believe Questions Without Notice is now over. Time has expired so we move on

Questions on Notice

MR ACTING DEPUTY PRESIDENT: Question on Notice Honourable Members, and I don't believe there are any.

Papers

MR ACTING DEPUTY PRESIDENT: We move on to Papers. Are there any Papers?

MR SANDERS: Mr Chairman, under sub-section 15(2) of the Norfolk Island Government Tourist Bureau Act 1980 I lay before the House copies of directions I have given to the Norfolk Island Government Tourist Bureau. I also Mr President have further ones. Mr Chairman, pursuant to paragraph 41(2)(a) of the Interpretation Ordinance 1979 I lay on the table of the House the Immigration Amendment No 2 Regulation 1992

MR ACTING DEPUTY PRESIDENT: Thank you Mr Sanders. Are there any more Papers

MR BENNETT: Thank you Mr President. I table the monthly financial indicators for May 1992 which simply show that income revenue is running at 98% of budget and expenditure 93%. I am conscious that in a fortnights time we'll have another one for the month of June and in

fact that will complete the year and I'll have more to say about it at that time

MR ACTING DEPUTY PRESIDENT: We are still on Papers. Are there any more Papers?

MR BENNETT: Mr President I table the approved budget for the Government Business Enterprises and move that the paper be noted

MR ACTING DEPUTY PRESIDENT: The question is that the Paper be noted

MR BENNETT: Mr President it's not usual for the House to formally deal with the Government Business Enterprises in with its budget debate but I thought it would be quite appropriate for the approved budget to be tabled and there are people in the community I guess that are interested in it. At the budget meeting in the last fortnight or so I did mention that, at that time, I hadn't completed the budget's for the GBE's and that there was quite some work yet to be done. I did mention at that time that all the Government Business Enterprises were trading profitably but that didn't stop be examining fairly closely expenditure in each of those areas and Members when they make the comparison between that approved budget and the original budget estimates will find that there are some expenditure cuts in almost each of the undertakings.f Expenditure cuts not that will constrain them in their activities but simply an exercise in seeing whether we can control some of these smaller items. I did mention at that meeting that most of the GBE's were cash starved but I had some concern about that in respect to the Government taking a greater dividend out of the funds then would be reasonable in the circumstances.f Members will be aware, and will note again, that in the approved budget I did not increase the level of dividend that had been included as part of the revenue in the revenue fund. I was tempted in one or two instances to reduce the level of dividend so that the cash starved GBE's could feel a bit more comfortable. Just to briefly sum up for Members and perhaps for the listeners, there are seven of the undertakings included in that budget, Telecom with an income of \$m2.2 and a recurrent expenditure of \$m1.36 will this year in 1992/93 expect to have income in excess of expenditure of \$838,000. Now a fair slice of that comes to the Revenue Fund. Members will be aware that there is a Management Fee of \$90,000 plus a dividend of \$517,000. In respect to Electricity out of income of \$m1.62 there is expected expenditure of \$m1.48 and they will have income in excess of expenditure of \$142,000; Lighterage much the same as the previous year income of \$297,000, recurrent expenditure of \$261,000 leaving an excess of \$36,000 in that undertaking. The Liquor Bond on sales of \$m2.5 expects to return a net profit which will be passed to the revenue fund of \$736,000. The Post Services, Members will be aware by studying the first draft that the Postal Operations had a fairly dramatic turnaround in the 1991/92 year and from an estimated deficit at that time of around \$80,000 they turned in or expect to turn in a situation of income in excess of expenditure of about \$88,000, a turnaround of some \$160,000 and in this financial year of 1992/93 on estimated income of \$762,000 and expenditure of \$676,000 they expect to have income in excess of expenditure of around about the same \$82,000. In the Water Assurance Mr Acting Deputy President on estimated income entirely from effluent disposal charges of \$190,000 and estimated expenditure of \$99,000 it will have income in excess of expenditure of about \$90,000 and it is proposed that all of that be applied to further reticulation in that area and the last GBE to be covered is the airport and on estimated income of \$m1.2 expenditure of \$m1.1 the income in excess of expenditure is expected to be \$83,000. Now that might not seem a great deal for that undertaking but Members should be aware that there is a depreciation figure of \$600,000 in the expenditure list or recurrent expenditure list and that is in fact the money that goes into the sinking fund for further work. That's all I have to say on that Mr Acting Deputy President

MR ACTING DEPUTY PRESIDENT: The question is that the Paper be noted. Is there any further debate?

MR KING: Mr Acting Deputy President, I am pleased to hear what Geoff has had to say for these reasons. It is an initiative to table the undertakings budgets for the year and it's important since those undertakings represent some, I think, in the order of 50% of the Island's or the Administration's revenue base and for far too long, as I mentioned at the previous meeting, far too much emphasis has been placed

at budget time on the revenue fund and I believe that Mr Bennett is heading in the right direction in giving the undertakings perhaps more attention than they have previously or recently been given, thank you

MR ACTING DEPUTY PRESIDENT: The question is that the Paper be noted. Is there any further debate? There being no further debate I put the question

QUESTION PUT

Statements

MR ACTING DEPUTY PRESIDENT: We now move on to Statements. Are there any Statements of an official nature

MR SANDERS: Thank you. I would like to make one with regard to the Tourist Bureau. Mr Chairman, I wish to refer to decisions I have recently made in respect to that Tourist Bureau. As Members are aware, I have previously expressed some concern that financial statements for the Bureau had not been completed since 1989. Accordingly the activities of the Bureau, during a period when it was allocated, this is a three year period Mr Chairman, some \$941,400 of public monies, that's nearly a million dollars Mr Chairman, were incapable of being properly audited. The view I have expressed was that this situation was totally unacceptable to the community and represented gross mismanagement by the former Government. With this background and following the General Election and my commission as Minister for tourism, I appointed an interim auditor and requested a limited examination of the Bureau's accounting systems and controls. Additionally Mr Chairman, in view of what I regarded as unsatisfactory answers to questions raised by me during the Fifth Assembly, I asked the auditors to give some attention to the area of travel advances and expense reimbursements.

Mr President, Mr Chairman, that audit report was issued on 15 June and I think that most Members have had an opportunity to look at it. Because of the content of that report I had not proposed at that stage to make it a public document by tabling it. The report is scathing in its comments and it is also helpful in pointing out the deficiencies of the Tourist Bureau Act which, without doubt, contributed to this sorry state of affairs - for example the Act does not specify the form of any accounting records to be maintained by the Bureau, nor does it specify the accounting policies to be adopted. These deficiencies must be addressed.

Mr Chairman, I accepted that it was my duty to deal firmly and swiftly with the audit results. Consequently on 17 June I issued an instruction to the Tourist Bureau to terminate the services of its executive officer.

I believed then, as I do now, that the management practices of the executive officer fell considerably short of even basic standards. Those practices, even though they should have been oversights and corrected by the chairman of the bureau, were inexcusable of any senior executive. Mr Chairman, the Tourist Bureau subsequently declined to give effect to my instruction leaving me with no alternative but to dismiss the Bureau on the 17th of this month. On the 18th June, this month, I appointed new members to the Bureau - Mr Milton Bradley, Mrs Joy Evans, Mr Steve Horton and Mr John Brown. I again issued an instruction to the new Bureau to dismiss the executive officer. This was carried out on 19 June. Mr Chairman I should emphasise that the new Bureau only holds office until the end of June. Accordingly, I need to give some urgent thought to who will constitute the Bureau from 1st July. I need some assistance with this and I am open to suggestion. The basic criteria I look for is proven expertise not only in the tourist industry but in financial management and common sense. The Bureau receives vast amounts of public monies and is fully accountable to me. I am fully accountable to the community and I will not be placed in a position where criticism can be directed to me as it rightly can be against the former Government. Mr Chairman, I reject the criticism that has been levelled at me in recent days about the composition of the new Bureau. I have used the criteria I mentioned earlier in the proper exercise of my executive duties. My only interest is the well being of the Island and I will pursue that interest using expertise from wherever I can draw it. The appointment of a Chairman to the Bureau is a matter for members of the Bureau to decide among themselves - not one in which I involve myself. The conduct of the Chairman, the Bureau and the Bureau staff will remain under my constant scrutiny. If the interests of any individual or group are placed ahead of the general best interests of the tourist industry, then again I will not hesitate in taking whatever steps are necessary to put the Bureau back on its proper course. Mr Chairman I had hoped to keep this whole matter low key but the determination of the dismissed executive officer and the Bureau members to go public has left me with little option but to read some of the remarks in the report and to let the public know that the executive officer's contract was due to expire on the 30th June which is tomorrow. The dismissed members in their wisdom cancelled his old contract and issued a new contract which has no expiry date other than

two months notice either way. This was done after the date of the election and after it was known who was going to be the new Executive Officer. I obviously did not approve. Mr Chairman I'm just going to mention a few highlights in the report which will allow the public perhaps some idea of why I have acted in the manner that I have

MR ACTING DEPUTY PRESIDENT: Mr Sanders you are moving that the Statement be noted in so doing, are you?

MR SANDERS: I so move

MR ACTING DEPUTY PRESIDENT: The question is that the Statement be noted. Carry on

MR SANDERS: In the summary of the findings, I'll just read bits and pieces rather than the whole lot. "The Bureau and its members have failed to implement appropriate policies and procedures to ensure that all payments by the Bureau are properly authorised. In particular the Board appears to have delegated all financial responsibilities to the Executive Officer and have not implemented any procedures to exercise control over his expenditure." Another one is "the Bureau's procedures and controls are inadequate to enable us to determine whether all expenditure in this area has been in respect of bona fide Bureau business and do not meet the standards of accountability which is reasonable to expect of a Government agency and the major reasons are. Vouchers are not retained or presented to support amounts reimbursed to officers and employees. The executive officer authorises his own reimbursements. Members of the board frequently resign blank cheques". At this stage Mr Chairman I would like to point out that when the auditors arrived at the Bureau that there were sixteen signed blank cheques from the Chairman of the Board and when I requested that they be removed, he declined. Or said, that he didn't want them to think that they didn't trust him. In the last few days there has been another five blank cheques signed by the Chairman of the Board and they were for a trust account. That's not my idea of a real trust. The Bureau expenditure is not separately authorised or ratified by the Board with some minor exceptions. The results of the audit of the Bureau for the year ended the 30th June 1989 were only reported to the Minister on the 1st May 1992, section 18(3) of the Act requires that the result of the audit should be reported to the Minister at least once in each year. The Bureau has not implemented appropriate procedures to ensure that all payments by the Bureau are properly authorised. Although officers of the Bureau together with its employees and certain Board Members undertake considerable amounts of travel in the course of Bureau's business no formal policy appears to have been adopted and documented in respect of the payment of travel allowance and reimbursement of out of pocket expenses generally. It is very interesting to note, that there's a list of the year ended 30 June 1991 and the period from the 1st July until the 9th June 1992. Out of a total of \$26,000 in the year ended 30 June 1991 the Executive Officer spent on travel alone, excluding any airfares \$19,320. In the period ended the 9th June 1992 out of a figure of \$27,393, that's eleven months, not twelve months, the Executive Officer without airfares has spent \$18,507. In the case of the executive officer there are no independent authorisation or verification of his expense claims. This is of particular significance as we have discovered that members of the Bureau frequently resign cheques. This means that the control of requiring two cheque signatories is completely ineffective. The Executive Officer is therefore in a position whereby he does not have to account for his expenses to any third party except in the case of an external audit. There is generally very little documentation to support the expenses paid by the Bureau in respect of travel allowance and other reimbursements in a number of cases, the executive officer has paid himself significant sums in respect of round sum travel allowances, entertainment allowances, car hire and other expenditure but do not provide vouchers to support these expenses. As a result of the practise of paying round sum allowances and the lack of review of the executive officers payments by the members of the Board the Bureau has been exposed to significant of defalcation. The Executive Officer has made several payments to his wife and other family members during the period of our investigation. No documentary evidence was available to support this expenditure although in discussion with Mr Ken Nobbs the Bureau's Chairman, he indicated that he was aware of these payments and that they were legitimate. A round sum allowance of \$20 per day paid to the executive's wife in respect to taxi fares while in Brisbane assisting with an exhibition. No dockets

were available for this. In one case, a payment of \$37.50 was made to the executive officer's wife in respect to a lunch with a Mr Andrew Helman. No invoices were available to support this expenditure and it is not clear whether the executive officer's wife is authorised to incur such expenditure on behalf of the Bureau. During the course of our investigations we noted that in one case the executive officer's wife was overpaid by a some of \$30 as a result of an error in a calculation of the total hours worked by her. The cheque requisition had been authorised by the executive officer. In one case it was noted that the executive officer had claimed a per diem allowance of \$200 although it appeared from the relevant hotel invoice that his accommodation for that night had been provided free of charge. We noticed that when vouchers were available in the majority of cases the accommodation costs incurred totalled no more than \$90 per night. As a round sum allowance of \$200 per day was claimed a total of \$110 per day remained to cover out of costs. We believe that the actual level of expenses incurred would generally have been considerably less than \$110 per day. The nature of the expenses which were intended to be included in the per diem allowance is unclear. In many cases the executive officer as well as receiving a per diem allowance of \$200 per day has received additional reimbursements for phone calls and faxes, entertaining and car hire. The executive officers contract of employment does not state that he is entitled to an expense account. It is unclear therefore whether he is entitled to incur expenditure such as entertaining on behalf of the Bureau. In one case the executive officer had been paid an allowance of \$100 per night for a period of three days while he was on a promotional cruise. We understand from discussions with the executive officer that the actual expenses incurred by him during the cruise would have been considerably less than \$100 per day but that any surplus funds would have been held over and used on a later occasion for entertaining. It is not possible for us to verify whether these sums have been used for bona fide purposes of the Bureau's business. On one trip to Brisbane, the Gold Coast and Auckland the executive officer claimed a round sum allowance for a total of 28 days. The total of 28 days, the exhibitions to which the Bureau was being represented only accounted for 17 days although some time would have been spent setting up stalls and planning. No documentation exists to account for the executive officer's time during the days where there was no actual exhibition. Stock takes of goods for resale of books, videos, postcards are only carried annually. The suppliers invoices are not checked to ensure that they are arithmetically correct. The Bureau's petty cash float is accessible to all staff accordingly should a difference arise it would not be possible to assign responsibility. Mr Chairman, the report just goes on and on and on. That was up to page 10. There's recommendations that there is actually 19 pages in total. Because of the stir that is trying to be created by some people, I notice in here that we received just a few minutes before entering this House today that there was a letter signed by George Smith. If that wasn't written by Mr Ed Howard I'll eat my hat. There will be a copy of this report in the library for any members of the public who wishes to read it and I will see that that's done today. For the time being, thank you Mr Chairman

MR ACTING DEPUTY PRESIDENT: Thank you Mr Sanders. The question is that the Statement be noted. Any debate Honourable Members?

MR KING: I was a little surprised Mr Acting Deputy President. I have spent some sleepless hours Mr Acting President considering this matter and considering matters which may or may not be raised during the latter part of this meeting. It's easy for any person to remove themselves from the burdon of having to analyse a situation. From having to decide on a course of action or from having to implement your decisions. It appears to be far easier to simply criticise. There have been many executive members of the Norfolk Island Government over many years who have made decisions without any analysis. Many more have simply failed to take any decision at all finding it easier to simply hide from the facts and do nothing, so there are two extremes of executives Mr Acting Deputy President. One who ignores the responsibilities placed on him by his constitutents and does nothing and one who attempts to measure up to his responsibilities and takes prompt, firm decisions. Mr Sanders fits the profile of the latter. He is what he is. He is what 35% of the electorate acknowledge him to be and it's true that in some circumstances Mr Sanders is precipitate, confrontational, hasty and pigheaded. He was all of these things in dealing with this situation. He was, what he is. But that alone,

doesn't justify the actions that he has taken. But let's look again at some of the facts. Mr Sanders has been troubled for some time about travel allowance payments within the bureau. Answers to questions asked in the House in the previous Assembly were considered by him to be unsatisfactory. There was an election, Mr Sanders was successful, he assumed executive responsibility for tourism. He quite properly sought an audit of the Bureau. He received the results, considered them and took his decisions. Although the audit justified Mr Sanders belief that answers to questions asked of the previous Minister for Tourism were unsatisfactory, clearly, this is where the trouble started. No-one in this House can question Mr Sanders right to seek an audit of the Bureau.

That is a normal business practise and one which appeared to be long overdue but because it was an unusual occurrence at the bureau and it happened close after an election the community concluded that something was dreadfully wrong at the Bureau and rumours abounded. Mr Sanders cannot be held responsible for rumours which arose out of these circumstances. Nevertheless, having received his audit report, Mr Sanders set out to correct what he saw as an unsatisfactory situation although, and I emphasise Mr President, the audit report found NO evidence of misappropriation or dishonesty. It did highlight shortcomings both in the area of procedures and in the law under which the bureau operated, but let's pause here for a time Mr Acting Deputy President to examine why this situation has arisen. The Tourist Bureau very closely followed practices which had been in place for many years. There was little or no guidance from the Government on what was expected from it and it was provided with a law that was clearly inadequate for its accounting purposes. No formal policies or procedures were adopted in certain areas and in the absence of any criticism or proper guidance, practises which were previously satisfactory remained unchanged. Accountability became the catchword but regretfully, like many other things in Norfolk Island we remain behind the times and the laws and procedures were not changed to reflect this new community expectations and standards. The Tourist Bureau and its executive officer continued to operate under the old style thinking but clearly within, an albeit outdated, law. Where was the proper guidance Mr Acting Deputy President.

There was none. Where was the initiative from the Government to change laws and procedures to reflect modern thinking and standards. There was none. Where was the wisdom of our legislators under whose eyes the Bureau operated. There was none. I suggest that you Mr Acting Deputy President must take some of the blame for this. Mr Brown must take some of the blame for this. Mr Buffett. Mr Christian. Mr Sanders. Perhaps to a lesser extent Mr Bates and Mr Bennett from their earlier exposure to these things which leaves Lester and I unscathed. You all failed to properly equip the Tourist Bureau to do its job. You allowed the Bureau to follow practices which had been overtaken by changes in community attitude and now the proverbial has hit the fan. Whether this whole exercise was a witchhunt or not may never be clear. I doubt that it was.

I saw an executive member doing his job. I saw a Tourist Bureau doing its job. I don't believe that Mr Sanders intended the matter to be an open debate. In fact, it is quite clear to me that the matter was opened publicly by the previous Chairman and executive officer. That may have been prompted in part by a desire to dispel rumours which had gained momentum in the community. Rumours for which Mr Sanders cannot be held responsible. The end result of all this Mr President cannot be changed.

The final wash is that the former Bureau is no more. The executive officer is no more his contract having been terminated, his secretary has been made redundant. None of these terminations have been for reasons of financial misconduct. Others around this table would likely have wanted to achieve the same result but undoubtedly would have gone about things differently. It is regrettable that in the handling of this affair some words of an intimidatory nature were used. Perhaps they were born out of frustration. It is regrettable that Mr Sanders commented to the local press that the Police may become involved. I think those words were ill considered. It remains only, I believe, Mr Acting Deputy President, for this Assembly to learn what we can from an untidy and unhappy situation. Thank you

MR ACTING DEPUTY PRESIDENT: Thank you Mr King. The question is that the Statement be noted. Any further debate?

MR SANDERS: Mr Chairman I forgot to table the document which I said I was going to table. I so table

MR BATES: Mr Acting Deputy President, I'm not certain that

we are going to get a chance to debate this further later or not but I think Mr King has summed up the situation quite adequately or quite well but there are some difficulties that have arisen out of this issue and I'll just run through them briefly. One is the motion in the House at the last meeting where, when I agreed to the motion I clearly understood that we were talking about Ernst and Young in Auckland and knowing Graeme Emerson personally I approved that motion thinking that Graeme Emerson would be the person doing the audit. He's been involved before, he is the Government Auditor. I'm sure the Minister was aware that Members of his staff were visiting the Island now, they are here at the moment, they were due to come when all this happened to do some work at the Tourist Bureau. The report that's been quoted on the table today from Ernst and Young, the Minister's read quite a few extracts from it and it concerns me when I look on the first page and scope of our work they say "compliance with the adequacy of the Norfolk Island Government Tourist Bureau 1980, referred to as the Act". I believe Mr President that the auditors had no authority to carry out their audit. If they read the Act they should have realised that. The Act clearly states and I'll quote from the Act "the executive member shall in accordance with the resolution of the Legislative Assembly by notice in the Gazette appoint a person to be auditor for the purposes of this Act". Now if the scope of Ernst and Young's work was to look at the Ordinance they must have realised that until that Gazette Notice came out on the 19th June they had no business entering the Tourist Bureau. I wonder if they were pushed in their with some degree of urgency because this report, they moved in on the 11th, it was out on the 15th. A lot of it was drafted on the 15th, this letter was signed on the 16th a few days later. The problems I see, I'm glad the Minister mentioned the Act itself, he mentioned the accounting inadequacies of the Act, I think there is more to that. I think we must now be aware that there is too much power placed in the power of one man. We must look at that aspect of the Act and make sure that these things come before the Assembly. I think what has happened there have been personal hurt to many well meaning persons on the Bureau and also the executive officer. How must his family feel when they hear the words that have even been said in this Chamber here this morning. It must be very embarrassing to say the least. He has not had the chance to defend himself and nor have the members of the Bureau. There's nothing in the report that says anything other than perhaps neglect and lack of controls to work under. There's no suggestion of dishonesty so I think we need to look very clearly at this concept Mr Acting Deputy President thank you

MR BENNETT: Thank you Mr Acting Deputy President. Mr President for me sitting here this is a sensitive matter and I am going to say what I have to say, notwithstanding that I am an executive. I'm not a member of a particular group of executives or otherwise. I was elected first and foremost as a Member of the Assembly and my duties are firstly to the Assembly and secondly to my executive office and I think that that gives me the right to say things that I think that may in my own opinion be appropriate or inappropriate actions by any member of the Assembly, be he an executive or otherwise and I feel that I should have that right to do it without being threatened with any retaliatory action. It's been seen in recent days, or said to me that I interfere too much in other's portfolios and perhaps unwittingly I do, so in this debate I want to deal myself out of the particular portfolio and not discuss the actions of Mr Sanders has taken for these reasons. I accept that as Minister he has wide powers vested in him by virtue of the Norfolk Island Government Tourist Bureau Act and I accept that these powers permit him to take whatever action, that is, lawful action by direction that he chooses and the only requirement at law is for him to table a copy of such directions that he makes in the House. I accept that the community deserves proper and responsible accounting for its funds, I accept that certain events and practises at the Norfolk Island Government Tourist Bureau disturbed for concerned Mr Sanders, in fact, disturbed and concerned many members of the Assembly and I accept that Mr Sanders initial concerns were sufficient to have warranted a formal inquiry into certain aspects. I have no difficulty with that. As I said I accept that as an executive member he has a job to do and if in his judgement the job that he had to do required the dismissing of the Board and the executive officer well then that's his right to do so. My only difficulty is that in the course of carrying out his actions there may have been some intimidatory words or actions by executive members. Mr Acting Deputy President I was disturbed when I read one side of the argument, not the argument of the Statement, which purported that certain

things were said and I thought that first of all that I disapprove of that kind of action if it was true, but I don't know whether it was true or not and it worries me that such accusations or allegations can be made against Members of this House and should be just left hanging. I think that it does no good to the honour of this House to have such allegations hanging. It surely behoves us to decide whether there in fact is any basis of fact to them. On the basis that I could not determine that the statements made were true or untrue my leanings then were towards the formation of a Select Committee to examine those questions. I remind Members again that the allegations are serious. If I were either of the two executive members I would be deeply offended by it if there was no truth to them and I think that if there is any foundation of truth to them then I think it behoves this House to have something to say about it. Sensitive or otherwise I don't think that, as Mr King said, there are awesome responsibilities put on Members of the Assembly as there are executive members and they should not shirk from their responsibilities that they have to their constituents and if sufficient constituents raise the concerns then it behoves that Member to also raise the issue in this place. I said that my first course would have been wanting to know whether there was any foundation or fact. I couldn't and the second course was for me to consider forming a, or causing to be formed a Select Committee to examine that. I do have a motion to that effect but I do want to let other members have some debate on the matter before I should take that course. Thank you Mr Acting Deputy President

MR ACTING DEPUTY PRESIDENT: The question is that the Statement be noted. Any further debate Gentlemen?

MR BROWN: Thank you Mr Acting Deputy President. I'm rather amazed at the extent of the interference which some people seek to impose on Mr Sanders handling of his portfolio. I agree with everything Michael King has said. Mike and I enjoy a drink together but we've never been known for being people of the same view but I accept everything that he said today. Mr Bates expressed surprise that Mr Sanders had chosen to use personnel of Ernst and Young's Brisbane office to carry out work at the Tourist Bureau. He said that Ernst and Young's Auckland office were coming here at the end of June and why couldn't it all wait til then. Well the very words of the report give you the answer to that. Mr Sanders had significant concerns. He had an ability to have those concerns addressed quickly and he did so. He should not be criticised for that. I had significant concerns about the Hospital. I wasn't interested in waiting til the end of June to address those concerns and I used Ernst and Young's Brisbane office for that purpose. Sure. I know who they are. Neil Summerson of Ernst and Young's office is indeed the Receiver Manager of some companies of which I'm a director. As such you would hardly expect us to be friends. He and I are on very much opposite sides of the fence but I do respect his ability and he had every qualification to have his staff provide the work that was done for Mr Sanders and to have his staff provide the work that was done for me in my executive area. I think it is a fact that all of us knew that Mr Sanders proposed to use Ernst and Young through their Brisbane office for that one limited job and then to appoint Ernst and Young's Auckland partner Mr Emerson as the auditor to actually complete the audit of the accounts for the financial year. Mr Sanders made that plain to many people on a number of occasions. I'm sure you can all trot off to the CAO and find copies of the correspondence from Mr Sanders to the CAO to satisfy yourselves about that and with little doubt over the course of the next few days you will see a Gazette Notice in which Mr Sanders does exactly that. Mr Summerson's role having been finished Mr Emerson's role will take over. I don't wonder about the urgency which existed. I fully support Mr Sanders for having the guts to get stuck into the problem a problem which successive Ministers in the past have wanted to ignore. Let's look at just one aspect of that. Let's look at the questions that were asked of the previous Minister in the last Assembly. On a number of occasions he was asked the details of the mechanism by which travelling allowances were paid to staff at the Bureau and the Bureau members. Many of you will recall that an answer was eventually given and the Minister assured the House that what happened was that upon return to Norfolk Island the particular staff member or Bureau, that is Board, Member submitted a claim for actual expenses. That's what he said. You can all consult the Hansard and find it. I didn't bother to find it for today. But lo and behold, at six minutes to ten this morning, six minutes before this meeting commenced quite a lengthy letter was delivered from that former Minister and in it he says in part, "the system for paying travel

allowance as mentioned in the Summerson report is one that was inherited from previous Boards and I feel that it is unfair for Lisle Snell to be criticised for continuing it". This fact needs to be remembered. The system had been in use for many years. Now that's the same person who sat here as a Minister and told us that the system was totally different. He told us that the system was you make a claim for your actual expenses. That really is amazing. Did he deliberately mislead the House or did he simply not know. I prefer to think that he simply didn't know. But that comes into some question if you look through the various vouchers and payment records at the Tourist Bureau because there you will find in one of them a sum of \$1,000 paid to that self same gentleman being per diem travelling allowance paid in advance of travel. And nowhere have I yet seen in the records a reconciliation of that even upon his return. Even if it were the case that upon someone's return he said I have received this many dollars and here are my actual expenses and here is the cheque back for the difference, I could understand it. But I didn't see that happen. Mr Bates suggested that people would be hurt. That their feelings would be hurt. I agree with him. If I'd been running something that was in that kind of a mess and it became public I'd be hurt that I hadn't managed to get it fixed up before it became public but the fact is it wasn't Bill Sanders that made it public. The people that made it public were the former Minister. If the former Minister had spent one tenth as much time in his duties while he was the Minister as he seems to have spent in the time since he ceased to be the Minister perhaps we wouldn't have this problem in front of us now. But the former Minister's been very active. He's been lobbying the various members and he's delivered letters and he's rung them and he's invited.. he's summonsed them to meetings. He's summonsed them to meetings of the bureau, himself, the executive officer, or the ex executive officer, and he thought that it was time that the Assembly Members turned up too. But as I said, this things become public because of the former Minister. It's become public because of the former Chairman of the Bureau and it's become public because of the former executive officer himself. So let's not try to blame Bill Sanders for that. It is true that Ernst and Young in writing this report have done just what they were asked to do. They weren't asked to recommend whether someone should be dismissed or not. They weren't asked to make a finding as to whether money was missing or not. They were asked to look at the system and to make a report in the nature of that which has been made. I don't think it is open to any of us to sit here and say there has definately been no money disappear. I don't think we can say that at all. I don't think we can say that money was stolen either. I think what we've got to acknowledge is the records were so damn bad that you couldn't tell. That's really what this report says. Geoff Bennett has said that he has a difficulty in that there may have been intimidatory words or actions taken. I understand that the former executive officer circulated a letter perhaps over the course of the weekend to all of the members of the House bar Mr Sanders and myself. He chose not to provide copies to Mr Sanders and myself and at this stage I still don't have a copy but I understand that it suggests that I threatened him. Certainly after discussing with my executive colleagues the situation before he was terminated when Mr Sanders brought the problem to the attention of the executives in a spirit of consultation, something he wasn't obliged to do, I suggested that as a friend of Lisle's I wouldn't mind going and talking to him, and I did that. I thought I was a friend of his. I'd still like to think that I am. And I thought that it was very much in Lisle's best interests to simply resign. I said to him Lisle, why don't you just resign. If you resign the whole thing will probably be let rest. But if you don't resign and you are forced to be sacked the Minister may well have no option but to pursue the matter further and if he feels that money is missing to pursue that money. Now if that's seen as threatening so be it. I don't actually take the view that it is. I see it as laying down the facts. Perhaps brutally but laying down the facts. Geoff has said that if he were either Bill or myself he would be very offended by some of the words that Lisle has apparently put in his letter. Well, Bill Sanders and I have been down here a few years now. We were first elected at the end of January in 1982. I've been here for all of that time and Bill's been here for the overwhelming majority of that time. I've had better people then Lisle say nasty things about me during that time Mr Acting Deputy President. Batesie along here, he's been an expert at it. But he and I have never had any trouble having a drink. We've never had any trouble sitting down and having a yarn and I certainly haven't been offended by anything that he's said to me. As far as I'm concerned it's water off a ducks back. Plenty of people outside the Assembly over the

years have said nasty things about me too. I like to think I haven't gone home and cried about it. Perhaps my back has become a little teflon coated over the years Mr Acting Deputy President and I take no notice of them. I ignore them like the Bible tells me to and I simply take a view that they can't help it if they are stupid. Let's have a look at some of the things that did occur at the Bureau and let's have a look at some of the things that have come to light since. Let me give you one. Today, a letter to the Minister. "Further to our investigations into the financial position of the Bureau we advise the following: 1. as at today's date the debtors and creditors position indicates an overspending of the Bureau's 91/92 budget of just over \$28,000." They've spent just over \$28,000 more than they were given and it's not yet able to be said that that is the end of it. It's not yet known how many more bills will come out of the woodwork. There hasn't been a purchase order system. There hasn't been a system of recording just what expenses have been incurred. Now that's pretty serious. That's pretty slack. Some of that overspending has come about by the Bureau spending money on what it called "recoverable" items. And the practise seems to have been, when you spend money on a recoverable item that you ask the Administration to cop that bill on the basis that one day they'll get the money back. Let me tell you about two such recoverable items. You may recall that questions were asked of the previous Minister in relation to a tourist group from New Zealand who had booked through a local firm by the name of Brenda Lee tours and whose funds were thought to have been lost when that firm closed. The previous Minister assured the House that the Tourist Bureau would not be recompensing that group out of Government funds. But the fact is Honourable Members. They did. They wrote a cheque out but they were able to make it look not too bad by calling it "recoverable" expenditure. Now when asked what was the form of the recoverability of this it was suggested that Air New Zealand would recover it from Brenda Lee Tours. Now that's a fairly amazing feat. But worst still, at the time this cheque was drawn on the basis of discussions which I'm informed have been held with Air New Zealand in quite recent days, it was well known that the funds were simply not going to be paid by Air New Zealand to the Bureau and were not recoverable from anywhere else, yet in total breach of a firm statement made by the Minister in this House a cheque for a significant number of dollars was drawn. You will recall that the Tourist Bureau was keenly involved in promoting the concept of cruise ships visiting Norfolk Island. You might also remember that I was quite opposed to it. I had a view that the damage done by one cruise boat full of disappointed people who couldn't land was going to be far greater than the good that would be done if a boat managed to. The Bureau incurred a debt of something like \$6,000 in having the Administration make alterations to lighters to enable people to be brought from these cruise ships to the shore in the Government lighters. \$6,000 of Government money. And you know what they called it. They called it "recoverable" expenditure so it didn't have to be brought to account. Why was it recoverable. Well they said the shipping company was going to pay for it so the new board members have in recent days been in touch with the shipping company to find out when this recoverable cheque can be expected to be received. And the shipping company laughed. They laughed. They said we wanted to bring them ashore in our own boats. We've got our own boats on board. No. That one wasn't recoverable either. The Bureau at different times, seemed to me, the previous Bureau, to be of some very firm views. They seemed to be of the very firm view that there should be a carrier other than the Ansett organisation from Australia. They seemed to be of a very firm view that they should promote the concept of people booking direct with Norfolk Island rather than using the wholesalers who right up to the present day provide, perhaps, 85% of the visitors who come to Norfolk Island, and although I've disclosed an interest in wholesaling operations before, I'll do so again to be prudent. You will all be aware that I am a Director of a company which operates wholesale and retail travel agencies specialising in package tours particularly to Norfolk and Lord Howe Island. Those offices trading under the name Pacific Unlimited Holidays and Norfolk Island Booking Centre and being situated in each of Brisbane, Sydney and Melbourne, so I'm a Director of those offices although I perhaps should also add that the shares in them are controlled by Neil Summerson as Receiver/Manager of the various Norfolk Airlines Companies. But the bureau seems to me to be somewhat antagonistic to the wholesalers and I raised the question with them many times and was assured that I was wrong. I'm told by the new Chairman of the Bureau that the files at the bureau disclose that the bureau has in fact in New Zealand actively been involved in attempting to wholesale to Norfolk Island. Now I haven't yet looked at that, there may turn out to

be some error but if that turns out to be the case it is absolutely outrageous. 85% or more of our visitors come through wholesalers and if that is the case there we are out to actively shaft them. There have been numerous instances of the Bureau advertising but instead of advertising in conjunction with others, instead of saying to the Wholesalers "we're going to have a radio campaign in New Zealand, you might like to tag onto the end of this and run some ads yourselves", it seems to have been the case that they simply weren't told. It seems to have been the case that when you look at the press advertisements endeavours were very definitely being made to have people on the mainland contact the Norfolk Island Government Tourist Bureau in Norfolk Island to book their Norfolk Island holiday. That to me is a symptom of a Board, of a Bureau that was very much off the rails. It's not the reason that Mr Sanders took the action that he took but to me it is a symptom of a Bureau that really had long ago lost all of its direction. There are many aspects of this Ernest & Young report which are very concerning and must be very concerning to all of you. While some action has already been taken by Mr Sanders there's considerable further action that he will need to take. He will clearly need to look at the recommendations that have been made in the report. He will clearly need to look to ensure that if he adopts those recommendations he will in fact overcome all of the problems. If they don't overcome all of the problems he needs to take further action to do so and I'm pleased that someone has at last been prepared to recognise that the Norfolk Island Government Tourist Bureau has the benefit of very significant amounts of the public's funds.

Until now, people haven't cared too much about it. When Geoff Bennett was previously Minister for Tourism, he had to face up to the nightmare of accounts from the 1982/83 year right through to 1987/88 not having been finalised. The legislation in sections 18 and 19 clearly requires that there be annual accounts. It clearly requires that they be audited.

It clearly requires that they be provided to the House and yet when Geoff Bennett took the chair for a long period there had been no such accounts. And in March of 1989 Geoff managed to table accounts for the years 82/83, 83/84, 84/85, 85/86, and 87/88. Six financial years. He tabled them all on the one day. I don't think that Geoff did get to the stage of 88/89 accounts because an election occurred in May of 89 and that's when a new Minister was appointed. I think it was the 1st of May this year that the auditor completed his report to George Smith in respect of the accounts for the year ended June 89. Three years later. And I think it would be fair to say when you look at that report that it was somewhat critical. Somewhat critical but the first of May 1992 was a little bit late for George to do much about it. Bill Sanders will now need to do something to ensure that accounts for the subsequent years are quickly finalised and audited. I can understand Brian's view that people may have been hurt and offended by all of this. And I'm very sorry that Lisle and the others involved chose to tough it out and create what trouble they could rather than to simply adhere to the direction that Bill had given quite lawfully as an executive. Had they accepted Bill's position as executive, none of this would have been necessary. Bill could have gone about quietly fixing it and people wouldn't have been offended. As I say, it's not Bill Sanders fault that they are offended.

I think it is a travesty of justice if Bill is criticised for having the guts to get up and do his job properly. Thank you Mr Acting Deputy President

MR BENNETT: Thank you Mr Acting Deputy President. I thought that I had made it clear in what I said that I was distancing myself from the actions of the executive member in his portfolio responsibilities and if I didn't make myself clear I will make it clear again. I said that I accept that the Minister had wide powers vested on him by virtue of the Act. I also said that I accepted that these powers permit him to do lots and lots of things. I also said that I accept that what the community thought or deserved proper and responsible accounting and that certain events had upset Mr Sanders and I accepted that these concerns caused Mr Sanders to get on with the Report. I'm not making a criticism of that at all. I'm simply wanting to focus, and so far you are not accepting that I want to focus, on some intimidating behaviour that went on. I want to.. it is in the matter of the words that were used or purported to be used when the resignation was being sought by the executive officer. I'm not interested in debating all the other stuff because I think Mr Sanders had a role to play, he had a job to do, he chose to do it his way and got on to do it. But where I think that we, well my concern is about, is the threatening nature of the conversation with the executive officer in an attempt to get him to resign. I mean, at no point in the first

discussion does it mention anything about the option of any of the executives ...

MR BROWN: Point of Order Mr Acting Deputy President. If Mr Bennett is in fact referring to the discussion between myself and Lisle then what he has to say relates to me not to Bill Sanders and it is not relevant to the current debate

MR ACTING DEPUTY PRESIDENT: Yes. That being the case the question is of course that the Statement be noted. It's Mr Sanders statement that we are discussing here

MR BENNETT: Mr Acting Deputy President I draw your attention to the fact that the words I'm referring to were words that says, purported to have said by Mr Brown "the Minister has instructed me". That Minister is obviously the Minister of Tourism so it is very relevant I suggest

MR BROWN: I will quite happily tell you that I didn't use the words "the Minister has instructed me". I went to speak with Lisle as I said earlier, as a man who I thought was a friend of mine. I went off my own bat and the words I used were mine. You can't hang Bill for the words I used

MR BENNETT: Well I wasn't intending to do and this is where Mr Brown, Mr Acting Deputy President, has endeavoured to turn what I'm saying into an attack on Mr Sanders specifically. I'm simply drawing attention to two sets of words made in a letter. I am disturbed at the content of them. I wish to goodness that were not true. I would love to know whether they were not true. Mr Brown has suggested just now that he did say words to that effect. Whatever. But it's not.. Mr Sanders didn't say those words. Mr Brown did. And my concern is that we have to go the hard yards in the Assembly. The executive members have a tough job to do and there are always tough decisions to take but I don't think that anybody in the community or in this House would expect the tough actions to go beyond what might be interpreted as good behaviour and you know, I mean, I would be delighted to know that all of that was nonsense but at the moment it is hanging like a cloud over this Assembly. This Assembly ought not to be tarnished by any doubt at all and it ought to go about getting it cleared up. If in fact the substance of the two particular allegations have some substance of fact then the question of the select committee option I've got doesn't really hold up because it really suggests that there was some foundation of fact and I would be wanting to simply say that I for one would disapprove of any Member of this Assembly or any executive taking any heavy handed or intimidating behaviour in order to get a decision or reach an end. They had an option available to them, section 9b was available to the, section 9a or 9b of the contract, so there was plenty of opportunity to deal with that particular part of the problem without perhaps intimidating the executive officer, and that's my sole concern and Mr Brown might say I'm levelling it at Mr Sanders or at them both, whatever, if the cap fits I guess wear it

MR CHRISTIAN: Mr Acting Deputy President as the Tourist Bureau has been operating for twelve years, and it appears from the report and from other investigations that the procedures of this last Board and officers of the Board are no different to those of previous Boards and officers. If Mr Sanders was the Minister previously why did he not change procedures then. I can find no sign of dishonesty from any of these officers or board members and believe that the aspersions made by the Minister are totally uncalled for. I agree that procedures and accounting systems need to be revised but do not support the heavy handed action that was taken and do not think it was necessary. I feel that further investigation should be done and I intend to support the motion that Mr Bennett has forshadowed

MR BUFFETT: Thank you Mr Acting Deputy President. You know, really listening around the table you'll all know that this matter is becoming a matter of some complexity and some difficulty. It's obviously developed into a significant emotional situation both within this House and indeed within the community. But difficult those it may be, this sort of debate does need to happen so that the factors associated with this overall difficulty can be brought forward and people can evaluate the situation. I certainly would hope that that evaluation would be done

objectively and with a balanced mind and dispassionately. There are a number of things which this issue seems to be about although obviously many will place their own emphasis and I'm not too sure that I want to place an emphasis at this moment but certainly these are the sort of issues that we are talking about. We certainly are talking about a report from Ernst & Young and about its components. We are talking about auditors conducting a review and how that was undertaken. We are talking about a Minister directing a board to dismiss its executive officer. We are talking about a Minister deciding to dismiss and dismissing the entirety of the Tourist board. We are talking about a debate about contractual arrangements with the executive officer and there have been comments about all of these actions. We have heard some of the comments from members individually. We have had Mr Sanders' statement in the newspaper of last Saturday the 27th June and he has repeated that statement if not word for word I think probably in basic substance when he spoke to us here this morning. Now of course there are others who have had their statements and I would want to just equally put on the table these statements too so that their perceptions may be equally taken into account, into this difficult situation. This is a statement which is in the form of a letter which has come to me as a Member of the Assembly and I see it as being distributed to other members and it is from Mr Lisle Snell who is the former executive Officer of the Tourist Bureau earlier that we have discussed, and I will read this then I'll put it on the table so we will know what it says, and it says "I am writing to ask if you will assist in correcting an injustice which can only be corrected by the Members of the Legislative Assembly. My reputation has been unfairly smeared by actions that have been taken by two members of the Assembly, W W Sanders and J T Brown. Their actions have probably not been lawful, unlawful I'm sorry, and so it appears I am not able to ask the Courts to rectify the injustice. However, their actions are the result of the use of powers which are within the control of the Assembly.

I believe the Assembly Membership may wish to enquire into this situation and take such steps as may be considered fit and proper. It was not unjust for the board of the Government Tourist Bureau to terminate my contract as executive officer of the Bureau. That right and my right to resign were at all times a normal and accepted part of my contract of employment. The injustice is not that Mrs Jackie Pye and I were dismissed but that we were dismissed like criminals. Mr Sanders and Mr Brown have shown plainly that they consider me to have been dishonest and the manner of my and Mrs Pye's dismissal have been seen by the entire community as evidence that we must have been guilty of misconduct. Let me state exactly how Mr Sanders and Mr Brown have marked me as "guilty" and there are a number of points made and I will enumerate them -

1. when Mr Sanders became Minister for Tourism he appeared to believe that there had been misuse of Tourist Bureau travel and expense funds. Rumours began circulating in the community that over \$100,000 of funds were said to be "missing"

2. Approximately two weeks ago Mr Sanders assigned Ernest & Young (Brisbane) to make an immediate examination of Bureau finances with particular emphasis on "detailed investigation into the uses of the Bureau's funds in respect of travel advances and expense reimbursements"

3. On the 16th June Mr Sanders informed the Chairman of the Tourist Bureau board that he had received a draft report of Ernst & Young's investigation and that it revealed facts which required my employment as executive officer to be terminated immediately. Mr Sanders said he would give me the opportunity to resign if the Chairman could obtain my resignation by 4.00 pm the next day. Mr Sanders said if I refused to resign he would issue a direction to the board to dismiss me. The Chairman told me about this the following day. I told him that I was not guilty of any misconduct and had no intention of resigning

4. On the 17th June the Chairman had then received a copy of the final formal report of Ernst & Young Brisbane. Seeing that it did not contain any evidence of dishonest conduct he recommended to Mr Sanders that there should be a meeting to discuss the matter including Mr Sanders, the Board and myself. Mr Sanders said that there was no room for debate or discussion. He issued a direction that I was to be dismissed immediately. The Board declined to do this without first having a discussion with Mr Sanders, saying, and I quote "we do not believe that the action required in your Direction has been properly considered and if carried out may have unwarranted and harmful effects". Mr Sanders thereupon dismissed the entire Board of the Tourist Bureau

5. The next day, the 18th June Mr Brown visited my home and tried to persuade me to resign. He gave me until 3.00 pm to do so. Shortly after 2.00 pm I left a message at Mr Brown's office that I would simply let

matters take their course. Mr Brown telephoned me some fifteen minutes later. He said in an angry and threatening way "the Minister has instructed me to tell you that if you do not resign he will sue you for every cent that is missing from the bureau". I told Mr Brown that there was no money missing from the bureau.

6. Sometime around midday on the 19th June Mr Brown and Mr Steven Horton appeared at the Tourist Bureau office. They wished to see Mrs Pye. They stated that they were members of the newly appointed Tourist Bureau Board Mr Horton being the new Chairman. They informed Mrs Pye that her position in the Bureau had been declared redundant. They told her she had 30 minutes to clear out of the office and be gone.

7. Shortly before 2 pm on the 19th June Mr Brown and Mr Horton appeared at the Bureau office wishing to see me. They informed me that the newly appointed Board was carrying out the direction from Mr Sanders and that I was dismissed and required to leave immediately. In my contract of employment the 9th paragraph concerns termination. It is in two parts, part a and part b. Part a concerns dismissal for misconduct. Part b concerns termination of the contract where there has been no misconduct. Mr Brown said "you will note the board chose to use section b. Certainly the Board would hope that that is the way the matter will rest but in the event that is not the case, well hopefully the fact that the Board chose to use that section will be of some assistance." This is a quotation from a tape recording that I made of the discussion which Mr Brown and Mr Horton agreed I could do. There was an unmistakable meaning to Mr Brown's words which was that the Board could have dismissed me for misconduct but chose not to do so supposedly out of consideration for me

8. Following Mrs Pye's and my dismissal a police investigation was commenced. The Police called us separately into the police station. It was apparent that both of us were under suspicion of stealing documents from the Bureau office. We were not told whether any charge had been laid or what the supposedly missing documents were thought to be. There is a saying that if enough mud is thrown, some sticks. I believe this has happened to Mrs Pye and to me and perhaps to the dismissed members of the Tourist Bureau Board. It is absolutely and utterly unjust. As executive Officer of the tourist bureau I conducted myself totally within the policies laid down by the Board and I did my best to manage the Bureau's affairs economically and efficiently. Any hint or suggestion that I was dishonest is offensive and unwarranted. In support of that statement I would like you to consider two simple facts and there are two paragraphs which addresses this. Ernst and Young were assigned to investigate suspected dishonesty and the use of Bureau funds. They did so. There is not one word in their entire report that reveals dishonesty of any kind. Their report concludes with some 27 recommendations over some six pages of the report. Not a single one of these recommendations suggests that any funds were misappropriated or that any recovery action of any kind is needed or that any charges should be brought against anyone or that any additional investigation is needed. It may be thought that travel expenses were loosely controlled under my management. The Ernst and Young report certainly contains that innuendo very strongly. It is absolutely misleading in that regard since my appointment in June 1990 I have cut the Bureau's expenses far below that they had previously been. In the financial year ended the 30th June 90 before I became involved travel allowances and reimbursements totalled \$48,980. In the current financial year 91/92, total travel allowances and reimbursements through the 9th June as audited by Ernst and Young in their investigation were \$27,393. This is a reduction of some \$20,000 or some 41% below the level that prevailed in the Bureau prior to my management. Surely these facts do not warrant my being treated like a criminal. It is not for me to say what the Legislative Assembly membership should or should not do about this unfortunate situation. Over the years the Legislative Assembly has earned a reputation for using its powers fairly. I hope you will make it your concern to protect and further that reputation. And it's signed L D Snell.

Mr Acting Deputy President on going through the process of putting as many things on the table in line with others about this matter and that is a letter which obviously puts the side of the executive officer, of the former executive officer of the tourist bureau and in this process of looking at this overall picture I think we fairly must do that, look at all of the factors that are in front of us. Now earlier in the meeting there was a reference to a letter from Mr Smith, Mr George Smith, the former Minister who had responsibility in this area and I too put this one on the table. I'll read this. Norfolk Island Government Tourist Bureau. The Norfolk Island Government Bureau Act has been in place for

over twelve years. It was passed in 1980. Since that time there have been many people appointed voluntarily to what has been called the Tourist Board. There have been many managers of the Bureau as well as executive officers and consultants. There have been quite a few Ministers, Duncan McIntyre, John Brown, Bill Sanders, Phil Page, Geoff Bennett, myself that is, Mr Smith, and today Bill Sanders is again Minister. The Bureau has changed in many ways since its early days, particularly with its relocation to new premises and the much stronger role it has played. No., I've misread that. And the much stronger role it has played these days. Of its many roles its main function being promoting Norfolk Island, that function is to tell people where Norfolk Island is, how to get here, what are Norfolk Island's attractions and why Norfolk Island is a good place for a holiday. It has other roles which are, one, greeting passengers when they arrive, two, taking the departure tax when they leave, three, providing information to them during their stay, four, doing their bookings for them, five, taking their complaints, six, giving assistance where they need it and seven, generally acting as Norfolk Island's local public relations officer. At one stage there were three people doing what one person is required to do today in the role of executive officer. Ian Kenny's Board brought this about four years ago as a cost saving exercise. The first executive officer appointed at that time was Barry Shiplock. At that time there were two officers, the VIB and the Tourist Bureau. These were combined in 1989 with the relocation of the Bureau premises to where they are now. Throughout all these years and major structure changes, the accounting systems appear to have been a problem as you can see from the Crown Solicitors report attached. For example, it was only in May 1989 that the audit reports since 82 were tabled. Nobody seemed to be able to get financial statements or audits done and even in my time I was not able to get the 1988/89 audit report until May this year. See the attached report from auditor Kathy O'Sullivan. In 1990 the dismissed Board members in their first year of office engaged Ed Howard to try and help sort out the financial tangles so that they could get things on an even keel. See attached paper from Media Pacific. Ed presented the Board with the financial statements for 89/90 and with the assistance of Ed Howard the Administration members Barry Wilson and Steven Matthews and Ernst and Young of Auckland, the Administration's auditors, a solution 6 accounting package was purchased and implemented and in 1991 financial statements were finally able to be produced from the computer by the executive officer Lisle Snell. The financial statement for 90 and 91 were forwarded to the Bureau's auditor at that time, that's Mr Donaldson. A copy of my letter to Donaldson is attached. As a result of Media Pacific's recommendations Lisle Snell implemented new procedures to account for purchases etc. Prior to Lisle's term of office there appeared to be non. See Ed Howard's report. The Bureau staff were pleased to finally get some semblance of an accounting system going but still needed the audit from 89 for that auditor's recommendations to find out any other changes that needed to be made. The system of paying travel allowance as mentioned in the Summerson report is one that was inherited from previous Boards and I feel it is unfair for Lisle Snell to be criticised for continuing it. The fact needs to be remembered, the system has been in use for many years. One can look at this report from Summerson and say, shock horror, what have they been doing. But what such a report fails to point out is the honesty and integrity of the Norfolk Islanders involved here. In Australia, particularly Queensland, there could be a case for an auditor to suspect everyone in a company or agency when they audit their books, but Norfolk Island's not like that. These are decent people with pride and a strong sense of responsibility to do the right thing for their Island. Norfolk Island. That's what they were about. They're not people looking for a way to cheat the system. Trying to make a buck out of the government. They are dedicated, honest, trusting Norfolk Islander's who spend so much of their personal time at great personal cost to themselves, quietly taking all abuse that Board's always get but with one common united goal. To do the best within their ability to look after Norfolk Island. For what. For all to be sacked. All the world is looking for these attributes which are alive and well on Norfolk Island. And to question them is unforgiveable. And I continue to read this letter from Mr George Smith. Why was Summerson only to report on the two years Lise was executive officer? Why not the years before him. Why was the Auckland based branch of Ernst and Young not used as they were expecting to be? Why the urgency over travel allowance payments that have been handled the same way for many years and were based on Administration procedures. Why did the report nit pick. eg. the executive officers' wife's employment. The precedent was set with Marcus

Tilley's wife with a "No better place" brochure. I doubt that that was ever mentioned in the report. Why oral instructions? What were those instructions? Why change auditors again after two weeks? Why single out travel allowance over other bureau finances, some \$27,000 out of \$400,000 odd. It's a small percentage of the total Bureau funds. Why was somebody with over 70% of the hotel accommodation appointed to the new Bureau since the dismissal of Lisle Snell? Has the newly appointed Chairman employed a TEP to work in the Bureau without the position being advertised? Why haven't Assembly members requested a collective meeting with anybody that was involved in the Bureau to discuss this matter? Why should members of the dismissed Bureau have to be the ones chasing Members trying to defend their actions and the final paragraph, are members planning to commission an enquiry into this whole affair. If not, why not? Norfolk Islanders' reputation are at stage here. Yours sincerely George Smith.

That's a further document I put on the table Mr Acting Deputy President in this whole matter of hearing what is to be said about the overall situation. I've not finished. Can I now just come back to those various points that I made at the beginning which really are those that I said, that these are the factors that we are on about here this morning. The report of accountability. I think it must be said that the report has highlighted a number of things that obviously need to be tightened, adjusted and remedied and they range from maybe adjustment in legislation to some methods of management that need to be pursued within the Tourist Bureau area. There is a question of about the auditors. I've got to say that I was confused. We last Sitting pursued a motion which appointed auditors for this particular body and I've got to say that it was quite clear in my mind that the auditors we were appointing were those who were already established as the government's auditors and have been coming to the Administration offices for a number of years. Certainly the name Ernst and Young has been honoured, but in fact it has not been the individual people, it has been people from quite a separate office right across the water than actually went into the Bureau and conducted this particular part of the audit. It has been said that this was made clear.

Well I've got to say that it was not made clear in this House that that was the way it was intended although it may have been made clear to some Members of the Assembly, maybe in the executive area and I would accept that that is the situation but I would have thought that if it was the intention to do as was done, that that would have been explained when the motion was promoted in this House appointing Ernst and Young as auditors equally for the tourist bureau. There is a further question that probably needs to be looked at in some way in that I gather that the auditors, that is, the Brisbane people were in the Tourist Bureau offices commencing to conduct such a review on the day that we passed the motion. I would say that is that was the case then the matter of their appointment whilst it might have been foreshadowed was certainly not formalised and so I do question as to whether they did have real substance to have commenced that arrangements at that time. I think, somebody said, maybe it was Mr Sanders, that their progress in doing so was not resisted by the Board and maybe that gave them some licence. I think it probably might have been thought that they were properly appointed but I don't know about that. I'm just trying to highlight that I think that area should be clarified. The other area was about the Minister directing the Board to dismiss its executive officer. I have some queries to raise as to whether that is a proper direction of the executive member. The legislation in respect of the Tourist Board and its executive officer provides that the board, not the executive member, appoints and has dealings with the executive officer of the Tourist Board or Tourist Bureau. It also provides, that is, this Act that the executive member, that is the Minister may issue directions in respect of the Tourist Bureau area but I would think that Directions within that provision would not in fact override a legislative provision given to the Board itself. But that's a matter that may bear some debate and examination. About the Minister dismissing the Board, I have a few queries in my mind about this particular matter. The Minister clearly took that action because he considered that they didn't action his earlier direction to dismiss the executive officer. I've already mentioned that there is a query about that, but that aside, for having read the various correspondence that's been floating around and we've all seen those in the last week, it did appear to me that the Board in fact didn't decline, but it did ask for some discussion upon the matter. Mr Sanders may be able to elaborate on that but if in fact that is the case and the Board was seeking to discuss the matter so that whatever is to be pursued could be pursued properly then it would appear to me that that

would be a perfectly reasonable course of action and would not in normal circumstances have warranted dismissal. It's been mentioned about the contract of the executive officer and one of the points made, and obviously of difficulty by the Minister, Mr Sanders, that he felt after election day there was an adjustment in the contractual arrangements for the former executive officer. It's my understanding in fact that negotiations in respect of his contractual arrangement have been going on for a number of months so it appeared to me that it wasn't just a matter of suddenly doing something on that particular day, it was a matter of finalising something that had happened and been initiated over a much longer period of time. So what are my concerns Mr Acting Deputy President after having heard all of those things that we've talked about today, those things that have been mentioned by Mr Sanders, those things that have been mentioned by other Members, those things that have been mentioned by other players in the field, for example, Mr Lisle Snell and Mr George Smith. Well my concerns I think can be summarised by saying this. I'm certainly concerned about some components of the report. Some things do need attention. I'm not saying that necessarily at this time that that attention will be something that would have warranted dismissal by a number of people but certainly there are some things that need to be tightened and maybe some legislative adjustments made. I'm concerned that there are thoughts about intimidation. I'm concerned that some people have an attitude that just because an appropriate Minister has the right to do something and has wide powers that he has the capacity to do this without explanation and without accountability. Now this arrangement in the House is that certainly Minister's have responsibility and they are expected to get on with that responsibility but indeed they are accountable to the full membership of this Assembly and indeed that is one of the reasons that the legislation provides that directions given pursuant to that particular piece of legislation must be tabled in this House so that Members will have the opportunity to see it, to read it as I have done this morning with the directions that have been tabled by Mr Sanders and to make some evaluation as to whether that sort of action is appropriate action, and we are now discussing as to whether that is appropriate action. I don't accept that it is the right of that particular Minister to just go ahead and do these things willy nilly without regard for what others of the Members of the Assembly might want to say if it was of a matter of such impact and there needs to be explanation if an explanation is required by Members and Mr Sanders has made a statement today which has gone through a process of doing that and so I think that process on his part is appropriate as it is equally appropriate for we members to say the sort of things that we are saying too. Another matter of my concern of course is the damage done to the eight Norfolk Island residents, six of them who are volunteers in the capacity that they have performed. Decent individuals in this place, most of them you know have been here for generations, certainly lived here for the major part of their life, who have a sound sense of what Norfolk Island is about, to be dismissed, I'm talking about the Board Members at this stage, to be dismissed on the basis that they wanted to have a conversation, a sensible conversation with the appropriate Minister as to whether this was the real cause that needed to be followed or whether there was another course or whatever. You know, in these sort of situations there needs to be communication and I interpret that the Board endeavoured to engender that communication. Obviously without success. They didn't have a chance. They were given the sack. And I'm not too sure that that was... well... I'll put it another way. It doesn't convince me that that was the appropriate action to be taken in these particular circumstances. Certainly we have two staff members at the Tourist Bureau, they are now former staff members, who as a result of the various actions now no longer have a job and whilst those matters commented upon in the report were serious ones and needed to receive some attention, it's a big question as to whether their jobs need to be terminated to in fact remedy those situations and I am equally not convinced upon that point. There may be other factors Honourable Members about this whole matter which need to be aired but I think we do have to go through the process of looking at all of the information that is available. Whether there is more information about is difficult to know at this time. I suppose what I've tried to do is to put as much on the table in addition to that earlier said as is possible. That's probably enough from me at this moment

MR ACTING DEPUTY PRESIDENT: Thank you Mr Buffett. The question is that the Statement be noted. I believe Mr Sanders has the next call

MR SANDERS: Thank you Mr Chairman. I'm rather fascinated that Mr Buffett is of the opinion that the consideration should be for two people out of a job when in actual fact the Tourist Bureau is hopefully to provide jobs for everybody on Norfolk Island. I'm very surprised that there is the thought that I should have a meeting to discuss things with other persons that obviously had the intention to direct my discretion. I would remind everybody else and again, that there was a contract which allowed termination in a two months period. I would remind everybody, also again, that all of those Board Members and the executive officer's term of office actually expired or would have expired tomorrow anyhow other than for the blatant interference by some of the Board Members like Mrs Robin Graham who has spent some considerable time down here at the Administration buildings, she would be the highest paid person out of the total Tourist Bureau and Board and including the executive member and I think it is highly improper that such a position should be used politically when this person is Clerk of this Assembly. I consider that blatant deceit

MR BUFFETT: Point of Order Mr Acting Deputy President. Mr Sanders made some remarks which I interpreted in the earlier stage he was making as a ... directing towards a member of the Tourist Bureau which we have all talked about this morning, however, his final remark addressed the matter of the Clerkship of this Assembly and I take grave exception if in fact a Member of this House is making such remarks in that direction

MR SANDERS: I would appreciate Mr Chairman if perhaps Mr Buffett could consider that same thing when he's referring to Mr Brown and myself. We are also Members of this House

MR BUFFETT: Yes there are quite distinct differences between paid officers of this House and we as Members. We as Members have the facility to have our say. The paid officers of this Assembly, indeed are to sit and say nothing. They are to carry out our wishes and it is inappropriate that we malign them without them have the responsibility, the wherewithall to in fact respond

MR BROWN: Mr Acting Deputy President perhaps Mr Sanders might be willing to apologise if he has offended

MR SANDERS: Yes I am more than happy to

MR ACTING DEPUTY PRESIDENT: Perhaps you would keep it in mind

MR SANDERS: I might just add a little bit more Mr Acting Deputy President

MR BUFFETT: Not in the same vein

MR SANDERS: You can discuss that ...

MR ACTING DEPUTY PRESIDENT: Interruptions aren't on according to Section 67 of Standing Orders. Mr Sanders I believe you have the Chair

MR SANDERS: Thank you Mr Chairman. Mr David Buffett as the previous President of this Assembly with duties to co-ordinate the actions of the Fifth Legislative Assembly has allowed one of his Government Ministers to create this disgraceful turn of events which has existed for more than three years. I'm rather fascinated that the whole debate seems to be on whether Lisle Snell thinks he's been aggrieved over matters of dishonesty. There is nobody who's considered as to whether I thought that he was a good enough executive officer as a person. Now I wouldn't have even had to have made this decision or what have you if the whole event had been allowed to run its course. I made a statement and I'm going to support that statement again, but I don't think Mr Snell is good enough to run my fowl run and I've only got twelve feral chooks in it

MR BROWN: Mr Acting Deputy President, David has read to the House the contents of two letters. One from Lisle Snell and one from George Smith. In it, Lisle says, in Lisle's letter he says that his reputation has been unfairly smeared. We've now spent almost two hours on this and I think many of those around the table have totally lost track of the fact that it is Lisle that has done the smearing together

with the former Chairman and the former Minister. Lisle acknowledges himself that there is nothing unlawful and nothing unjust in the termination of his contract and that's what happened. Now if he wants to have a whinge about the personal discussion that I had with him, he ought to have the guts to whinge to me about it and if any of the Members want to have a whinge about it they ought to have the guts to whinge to me too. But I would remind each of them that that was a personal discussion. That was not a discussion in relation to my executive area. It's Bill's executive area. And unlike some, I try very hard to ensure that I do not stray into other people executive areas. But if you all want to have whinge about it. Whinge at me. As I've said we've now wasted two hours having totally lost track of the fact that Lisle himself says I acknowledge it's not unlawful. I acknowledge it's not unjust. He has some feeling that he was dismissed like a criminal. Well I was present at his dismissal and from recollection the words Lisle used just before he turned on his tape recorder so that he could preserve for posterity the particular occasion were "I know what you are here for, let's get it over and done with" or words to that effect. I can't understand why all this is now being stirred up. I can't help thinking that it may be part of some little programme to hurt the feelings of Mr Sanders and he's a man who is easily offended. Lisle talks of a telephone conversation that he and I had and he says that in that conversation I was angry and threatening. Well I'm not sure what he thought about that conversation. I was standing in someone else's premises at the time so I think I would have been fairly quiet in what I was saying. No-one yet has said, so far as I'm aware that Lisle has been dismissed because he was dishonest. I do think he was incompetent in many ways and that's not necessarily his fault. It's very easy to end up, I think it's called the Peter Principle, promoted to your level of incompetence and to some extent Lisle had been thrown in at the deep end attempting to work in areas where he simply had no experience. Let me give you one further example. FOC travel. Each year the various airlines provide an amount of free travel to the Tourist Bureau. In years gone by Air New Zealand used to do it by providing a voucher but I don't know how it's done now, and that voucher book could be used for travel up to a certain number of agreed dollars per year just by the Tourist Bureau writing out the voucher. In the case of Ansett Express as I understand it there is an account to a certain value and application could be made by the executive officer of the Bureau for tickets on that account. The Ansett Express one as I'm informed was a fund which was made available on a calendar year basis, January to December, and when the Chairman of the new Board checked with Ansett Express in fairly recent days in order to arrange travel for a young staff member to go to the mainland to attend a travel show we learnt that virtually all of the twelve months entitlement had already been used up. Now, when we look at the number of dollars that were spent on travel and Lisle's own letter mentions with some pride that he has reduced the spending on travel I don't know what constituted any of the figures. I don't know for example whether in early years they included air fares and whether in later years they didn't, but I would certainly be certain that in later years they didn't include airfares because the Ansett Express travel account was as I understand it, to the value of \$20,000 or more per year alone. It's not possible to walk into the Tourist Bureau and find a book which records how this free travel has been used. Who knows how it's been used. Certainly it seems to have been given away to sporting bodies by the Tourist Bureau which seemed to develop a view that its charter of tourism included assisting people from Norfolk Island to tour to other places. It started making donations for people to travel off on various sporting endeavours. One of its more recent exercises in that area was to write to a particular sporting body asking it how much it would like for a forthcoming trip. Now that can't be the role of a Tourist Bureau. That's the role of the Legislative Assembly. If the Legislative Assembly chooses, as it may well do later today in the budget, to make allocations to a number of groups towards the cost of upcoming trips, then that's fine but I don't really think that anyone could genuinely believe that the Tourist Bureau is provided with funds in order to give them away to other people. Nor is it provided with complementary or discount travel in order to give it away to other people. That travel is given to it for its own promotional purposes. I think it was Lisle in his letter seemed very hurt that questions had been raised about documents that are missing from the Tourist Bureau. Well the simple fact is that documents are missing. The simple fact is that at the moment the documents supporting the various payments in the nature of travel allowance over the course of the last few years have gone. They were in

the bureau when the auditors were there. The auditors did inspect them. But now they've gone. Now do you really expect Bill Sanders, once that is reported to him to take no action. Clearly he has to take action. Now if he were to ring Lisle and say, Hai Lisle have you any knowledge of these things, by the sound of it it would only be five minutes til one of you walks in with a letter from Lisle complaining that Bill Sanders is being intimidatory. He quite properly reported it to the Police. I don't know what the Police have done about it but I'm pleased to hear that they've at least interviewed some people. But don't hide from the fact, documents are missing. Lisle suggests that there was some unmistakeable meaning to words I had use wherein I had pointed out that the Board had chosen, or the Bureau, had chosen to use paragraph (b) of his dismissal clause and to give him two months notice and I said that I hoped the matter would rest there or words to that effect. Well the only unmistakeable meaning there is that's what I did hope. And I'm somewhat astounded that I'm to be criticised for having that hope. The letter says not one word in the entire report reveals dishonesty of any kind. Well I said earlier in the meeting that Ernst and Young were only asked to do certain things. Their brief didn't go to making a judgement as to whether there was dishonesty or not. I'm not sure what someone would say if they were going to make that judgement. I do know as I've said many times in this House that a number of former Minister's of the Queensland Parliament have languished in Her Majesty's correctional institutions as a result of things that really didn't seem all that significant. Taking a few people out to dinner at the Government's expense. Lo and behold what's in there. Claiming a few bob on allowances that they might not have spent. Try \$20 per day for taxis without receipts to go from the Crest Hotel in Brisbane to the Exhibition Ground. In peak hour that's about \$4.50 each way. Go out and back that's \$9 per day. Where's the other \$11. No-one is saying there has been dishonesty but I don't think that one can alledge to the converse. I don't think one can alledge that just because Ernst and Young didn't say oh dearie me this has been a dishonest state of affairs, that everything's been okay. George Smith in his letter says one can look at this report from Summerson, I prefer to call it Ernst and Young or Mr Summerson, but nevertheless, and say shock horror what have they been doing. Well you could well do that. But George goes on to say but what such a report fails to point out is the honesty and integrity of the Norfolk Islanders involved here. In Australia, particularly Queensland there could be a case for an auditor to suspect everyone in a company or agency when they audit their books, but Norfolk Island is not like that. These are decent people with pride and a strong sense of responsibility to do the right thing. I'm not saying that they haven't got integrity. I'm not saying that they weren't trying to do the right thing. I'm sure they were trying to do the right thing. But this Assembly taxes the public and receives the public's money and when it spends it the public deserves two things. It deserves value for its dollar and it deserves that dollar to be accounted for and I'm sorry if people are offended when they are told that the dollars have got to be accounted for. I'm sorry if they feel that they are honest people and there's no need to prepare a set of accounts, and that does seem to have been the attitude of the Tourist Bureau for quite a while when you have a look at what has happened with the annual accounts. Remember what I said earlier. Poor old Geoff Bennett had to get six years done at once because people hadn't bothered before him. Mr Acting Deputy President I think it's a shame that we've now wasted two hours on this whole subject. I don't think that we have achieved alot other than to hear quoted by Mr David Buffett from a letter over the hand of Lisle Snell himself an acknowledgement that the action taken was not unlawful and an acknowledgement that there was no injusticed in the termination of his contract. Thank you

MR BENNETT: Mr Chairman I agree. It has gone on somewhat but I also agree that it is sensitive and I think it's got to be heard. Mr Brown said it was, or made a statement to the effect that it was Lisle Snell in fact who did the smearing. I don't know about other Members but the first I heard or saw of Lisle since the Bureau matter started was a letter that was delivered. I wasn't home when it was taken there, I subsequently rang him on that Saturday about it but I had not had any communication at all with him. Others may have so I don't know where the smearing came, and all that his letter did was outline a set of events which were not known to me in that detail before. I mean it was Mr Sanders who put the thing in the paper about the Police and that had the connotations of their being something criminal and he was entitled to put that in, he had concerns, so Mr Sanders did put that in. He's got that

right to do so. Mr Brown also said that he was not acting as an executive member interfering in another's portfolio when he spoke to Mr Snell. Well my clear recollection from the meeting of the executives is that he was akin to an emissary in that respect. Now call it what you like but it wasn't a question of interfering but he was almost by delegation almost so that he wasn't speaking to him as a personal friend I didn't think so. I think he was speaking to him as a Member of the executive. John as spoken alot about interfering in portfolio and let's make no bones about it that's directed directly at me and his claim that I have perhaps and even now am interfering in Mr Brown's or Mr Sanders portfolio. I just wonder whether this implied an executive member must not raise issues or debate any issues that are in the portfolio of another. I just remind Members that we are first and foremost Members of the Assembly and we are elected by this Assembly to be executive members unlike alot of other Parliaments where the executive is appointed by the Prime Minister or whatever and by virtue of that there is some sort of Cabinet solidarity. I think the beauty of this Parliament is the way it is created where Members notwithstanding that they are elected to executive office remain independent and the independence allows them, I would hope, to be able to discuss matters about any matter that was raised if they had a difficulty. Mr Sanders, Mr Brown sorry, has said that he has tried hard to cause Members not to become involved in other Members portfolios. Just in case he's short of memory I should remind him that in the life of the Fourth Assembly he and Mr Sanders harassed me over the tourism executive officer's appointment of that time, Mr Ian Menzies and also further harassed me about the installation of the Central Reservations System. So you know, I mean, sure, I didn't ever take it as someone interfering in my portfolio. I think he had rights and so did Mr Sanders have rights to question the judgements that I was making as an executive. Judgements that I could have and did have the executive authority to do it the way I felt I wanted to do it so you know, let's not play games about that. All along the way through this process there were courses available for executive members to deal with every situation that arose. Now I don't have any qualms about the fact that the report makes comment about alot of poor quality accounting principles and the like. I'm not suggesting or defending that they are not. I've said right from the outset that I wanted to distance myself from that and focus myself on the particular issue that I've raised time and time again this morning. Those courses were available for an executive member to deal with every situation including the dismissal of the executive officer but without having to resort to intimidating behaviour. I believe that that is tantamount to intimidating behaviour and I don't think it behoves the House to condone it. The final point I want to make, and there appears also from what Mr Brown is saying and perhaps earlier Mr Sanders, that if there still remains doubts as to whether there was criminal malpractice then for goodness sake lay charges and let the accused defend it in a proper place. Up until this point he has not had an opportunity to defend what could be read as being intimidating behaviour and that's the thing that I have continued to focus on this morning

MR BATES: Mr Acting Deputy President I think there's no denial that there were problems at the Tourist Bureau and I don't think that anybody's trying to deny that the Minister had to do something about it. I think what is worrying is what has happened, what the situation now is, and what happens in the future. The fact that hasn't come out here today so far is the fact that we seem to have a group of people all mixed up in the travel business, I'm talking about Mr Summerson who has been liquidating Norfolk Island Airlines, I'm talking about Mr Horton, who is a member of the Norfolk Island Resort Group, I'm talking about Mr Brown who has an interest in all those companies. They seem to be the people that are pulling all the punches at the moment. They seem to be the people in control and that I think is a further concern of the other people on the Island. We've heard alot of things said about characters of people and all the rest of it. I think the answer to this is let's put it in the hands of somebody else. Let's get on with this Commission of Inquiry into the whole affair. Let's sort it out for the goodness of everybody. We can talk here for quite a long time about it all but we are really just going around in circles. There are problems. There are problems now and problems in the future and there are problems for what was the past. I think we must get on with it

MR BROWN: Mr Bates has just made some talk of a Commission of Inquiry. I'm puzzled about what he's talking about but if he is

suggesting as Mr Bennett appears to have suggested earlier that perhaps there be a Select Committee to Inquire into the Tourist Bureau generally and if as Mr Bennett suggested this is intended to be a mechanism for someone to clear his name then let's be sure that we listen to the wise words of Mr Smith and that we take account of the dedicated honest trusting Norfolk Islanders, not that I'm a Norfolk Islander, I'm a mainlander and always have to remain that way, but if you are going to have a crack at one, have a crack at the lot. Let's investigate the whole bang lot of this. Now have you got the guts to do it. Cos if you have, no problem. But make sure you investigate the whole bang lot and don't whinge when the poop hits the fan

MR BENNETT: Mr President I don't have a problem with what Mr Brown says. In a telephone conversation with him this morning at which time I alluded to him the substance of, or part of the substance of my motion, his concern was that as it stood it could be seen as being aimed at two executives only and that why shouldn't it, if I wanted to go down the Select Committee path, why didn't I widen it to include other matters. My response to that was that that then would be clearly my interfering in the Tourist Minister's portfolio for which I'd been caned all over the weekend and the past weeks for so, but if what Mr Brown has just suggested is seen as appropriate by others, I don't have any difficulty about investigating all of that. I mean, I think as I said earlier, my particular concern was in relation to the fact of the intimidating behaviour and I would have thought that the executive members involved might like to have had the opportunity too to clear up any suggestion that it might have been one way or the other. I mean a Select Committee would provide that opportunity for the matter to be cleared beyond doubt. Now if it will assist, then in a moment I will move a motion to that effect and try to incorporate into the motion the suggestion that has been made by Mr Brown. I would need to hear him say it again

MR BROWN: Actually, Mr Acting Deputy President, actually I think it would be a stupid idea. I think that you would be better letting sleeping dogs lie. I think enough's been said about all of this. Insofar as whether or not I offended Lisle Snell. Guilty. I offended him. I told him the truth and I offended him. So what. So what. I think it would be a gross waste of time to get ourselves involved in a Select Committee Inquiry into this. Amongst other things Lisle would feel that he needs to be legally represented through the length of the Inquiry. Are you proposing to pay his legal fees? The Chairman of the Bureau would feel that he needs to be represented? Are you proposing to pay his legal fees? What are you proposing to do in relation to any legal fees incurred by Ernst and Young and what is the purpose of it all anyway. Are you going to pay the legal fees of the former Minister? I think getting involved in an Inquiry at all really is an over-reaction. But if you want to get involved in an Inquiry make sure it's for the lot

MR SANDERS: Mr Chairman regardless of all these Inquiries and what have you, Mr Lisle Snell isn't going to like me either because he is not the person that I think is good enough to be executive officer for the Board - for the Tourist Bureau. So what on earth do you think you're going to achieve after you've finished it, because I do not want him. Fullstop

MR BATES: Mr Acting Deputy President I forgot to mention before that when I look at this letter which was only handed to us this morning on a Norfolk Island Tourist Bureau letterhead and signed by somebody Donaldson on behalf of Steven Horton, the opening paragraph of that is "further to our investigations into the financial position of the Bureau". Now we've got Mr Horton carrying out an audit up there as well. We've just had Ernst and Young. I think there are alot of unsavoury factors in this whole thing. Costs didn't seem to worry Mr Brown in the past. I just wonder why he's so concerned about the costs now over this issue. Thank you Mr President

MR BROWN: Mr Acting Deputy President Mr Bates thinks it's unusual that a new board and its Chairman should want to have a look at the financial position of the Bureau. What a stunning statement. Of course the board and its Chairman need to know whether the Bureau has overspent its dollars or underspent them for the current year. At the request of the Minister it is in fact looking into that very question and so far as the letter says, it has found that \$28,000 has been overspent.

Now do you think they shouldn't.. do you really think they shouldn't inquire into that. I don't believe you do

MR SANDERS: Mr Chairman I just might add to this. that request was done by me from Mr Bennett so that he was able today on the budget things to know if we were out of pocket over the Tourist Bureau by how much and that's exactly why that was done

MR BATES: Mr Acting Deputy President I get thrown at me my qualifications, now I don't know what Mr Horton's qualifications are but Mr Summerson is no doubt a qualified accountant, Mr Emerson is no doubt a qualified accountant. They are auditing the Tourist Bureau. What is Mr Horton? I'm sure he's not a qualified accountant yet he's investigating the financial position of the Bureau. Surely

MR BROWN: Mr Acting Deputy President I'm amazed at the Honourable Gentleman's outburst. I think he might be surprised at Mr Horton's qualifications. He has significant qualifications. He's not holding an investigation into the affairs of the Bureau. Sure the word investigations are used, but you can use whatever words you like there. He is working out at Mr Sanders' request whether or not the Bureau has overspent its budget and by how much. Again, I ask you. What's wrong with that

MR BENNETT: Perhaps Mr Acting Deputy President I might move an amendment to the motion

MR BROWN: Point of Order Mr Acting Deputy President. This motion is a motion that a Statement be noted

MR ACTING DEPUTY PRESIDENT: Exactly

MR BROWN: And it's a little bit hard to imagine how a relevant amendment can be made to that. I would submit to you that one votes yes or one votes not but that it's a very difficult statement to amend other than by way of adjournment perhaps

MR ACTING DEPUTY PRESIDENT: The question is that the Statement be noted

MR BENNETT: Mr Acting Deputy President I would like a ruling on that. My understanding was that I was able to make an amendment to that and I would like a ruling to that if I may

MR ACTING DEPUTY PRESIDENT: The question before the House is that the Statement be noted

MR BENNETT: And I propose to amend that motion

MR ACTING DEPUTY PRESIDENT: You are seeking move an amendment to the Statement

MR BENNETT: To the motion that the Statement be noted

MR ACTING DEPUTY PRESIDENT: I don't believe it would be in the interests of the House to give you that Leave

MR BENNETT: Can you explain to me Mr Acting Deputy President why so?

MR ACTING DEPUTY PRESIDENT: Are you intending later on to put a motion to the House yourself?

MR BENNETT: This was the opportunity I was advised would have

MR ACTING DEPUTY PRESIDENT: We have before the House the question is that the Statement be noted. Now you want to change that now. You seek Leave of the House to change that

MR BENNETT: If I am required under Section 244 to seek Leave yes I shall do

MR ACTING DEPUTY PRESIDENT: I understand you are seeking the

Leave of the Chairman, not the House and I believe that we have the question before us that the Statement be noted and I therefore not grant Leave

MR BENNETT: Mr Acting Deputy President I have to abide by your ruling

MR BROWN: I move that the question be put

MR ACTING DEPUTY PRESIDENT: There being no further debate I put the question that the Statement be noted

QUESTION PUT
AGREED

MR BENNETT: Mr Acting Deputy President you might care now to advise me at what stage in the Notice Paper that I might seek Leave to have the motion that I referred to

MR ACTING DEPUTY PRESIDENT: You can seek the Leave of the House now if you so desire Mr Bennett if you wish to put your motion forward

MR BENNETT: Mr Chairman I seek Leave under Standing Order 244 that so much of Standing Orders be suspended to allow me to move a motion

MR ACTING DEPUTY PRESIDENT: You are seeking Leave of the House that so much of Standing Orders be put aside so as to put forward your motion is that correct

MR BENNETT: so as to allow me to put forward a motion

MR ACTING DEPUTY PRESIDENT: Yes, I believe that requires the support of an amount of Members by rising in their seats so those of that opinion please do so. I believe we have the numbers to put forward that so much of Standing Orders be set aside in order for Mr Bennett to put forward his motion

MR BENNETT: Have I the call Mr President

MR ACTING DEPUTY PRESIDENT: You have the call Mr Bennett

MR BENNETT: Mr President I move that this House is of the opinion that the following matters should be referred to a Select Committee of this House, to enquire and report on -

1. whether the Auditors (Ernst & Young - Brisbane) appointed by the executive member, found any occurrence of culpable misconduct or defalcation by employees of the Norfolk Island Government Tourist Bureau
2. whether the allegations of intimidatory conduct by certain executive members, made by one of the dismissed employees of the Norfolk Island Government Tourist Bureau, have any foundation of fact -

and, that this House, under Standing Order Number 200, appoints -

- (a) Geoffrey James Bennett
- (b) Cedric Newton Ion-Robinson
- (c) Ernest Christian
- (d) Brian George Bates

to be a Select Committee to enquire and report to this House at the July sitting, on the matters referred to in (1) and (2) above concerning the Norfolk Island Government Tourist Bureau, and, under Standing Order Number 210, this House authorises the Committee to call for persons and papers

MR SANDERS: Mr Chairman could Mr Bennett just run through that again

MR BENNETT: Well I have a copy if you like

MR SANDERS: Thank you

MR BENNETT: Mr President I don't want to labour the debate on this particular motion. I think I've said enough already but just to re-iterate that I have sufficient concern about it to have the matter cleared up once and for all and it is relation to the possibility of intimidatory conduct that concerns me. This resolution makes no reference to the general operations of the Tourist Burea or Mr Sanders actions in respect to it. It does not seek to re-engage or re-employ or put back anything, it's to find out whether in fact there was any intimidatory behaviour that perhaps may have been an attempt to co-erce the executive officer of the NIGTB to resign in a manner implying guilt of culpable misconduct or defalcation and at that time not providing him with the opportunity to be heard

MR BROWN: Mr Acting Deputy President the proposed terms of this Select Committee really don't seem to go far enough. They seem to be restricted to reading the Ernst and Young report and listening to the allegations of Mr Snell that he has been intimidated. As I said earlier if one is going to look at this one needs to look alot deeper. There are many aspects that are of concern. Previous executive member for example who told this House that travelling allowances are not paid to Tourist Bureau staff or Bureau members and that they are simply reimbursed for actual expenses. That's turned out to be quite inaccurate even in relation to the previous Minister himself so the role of the previous Minister would need clearly to be examined if there is to be an examination of anything said or done by Mr Sanders, alledgedly said or done by Mr Sanders or myself. Quite clearly matters outside of those investigated by Ernst and Young should not be put outside of the bounds of the Inquiry of the proposed Select Committee if it is appointed. Quite clearly in my view, natural justice would require that some form of legal assistance paid by the Legislative Assembly be available for Mr Snell, available for the Chairman and Members of the Bureau, be available for the previous Minister and most certainly be available for Mr Sanders and myself. You're welcome to have your Inquiry for all I care but I think that it is a very rash way to spend the public's money all because one person is offended, that I approached him and suggested that he consider resigning. I don't think that this goes anywhere near enough if you are wanting to investigate the whole issue and you've got to investigate none or investigate the lot

MR SANDERS: Mr Chairman Mr Brown used some appropriate words to add to it as an amendment to cover the matters that you have raised

MR BROWN: Had this been distributed early this morning when it was no doubt in Mr Bennett's possession one would have had time to give it some consideration but this is a document that's nearly a page long. Time and time again we have been advised by the Legislative Draftsman of the lack of wisdom in amending something once it is in the Chamber and frankly I have some difficulty in putting words together quickly enough to cover the whole situation

MR CHRISTIAN: Mr Deputy President I feel that the terms of reference as moved by Mr Bennett are wide enough to allow answers to the present problems which are before us

MR BATES: Mr President I see on the Notice Paper that we intend to meet on the 15th July which is not far away. These issues won't go away in two weeks. I feel the terms of reference are a little narrow. I feel the public has not had time to have input into them. Unlike the haste that seems to have been adopted in fixing up all the problems of the Tourist Bureau and almost happening overnight, I have no difficulty with leaving this go til we meet again, and I don't know whether Mr Bennett intends to move and adjournment but I would certainly be supportive of adjourning it til next meeting

MR ACTING DEPUTY PRESIDENT: Mr Bennett do you still wish ..

MR BENNETT: I just want to make a comment. Mr Brown said that it would have been nice to have had the motion circulated earlier, well in fact it wasn't until twelve minutes to ten this morning that I got it in its finished form. I had sent a draft of it down at approximately 9.00 or a bit after 9.00 this morning to be typed up and at that stage I hadn't included the names in the list because I was still trying to ring around, in fact one of the four on there I have not had the chance to contact by phone, it was just that I arrived here at twelve

minutes to ten and picked it up out of the box. I am aware that it doesn't give members an opportunity to thoroughly consider it and that I regret but you know, I did attempt to discuss it with you this morning. I should also have it said just for the record that in the course of my discussions with Mr Sanders over the weekend he did suggest that if I was to take this action or any other action that he would make a move to divest me of my executive portfolio and I just put that on the record because that concerned me a bit but I'm not concerned enough about it to have wavered from what I think is my community duty to bring this issue to a head

MR KING: Thank you Mr Acting Deputy President. Despite the fact Mr Acting Deputy President that I stood for the suspension of Standing Orders I believed that Mr Bennett had a right to raise, or to take this matter further in the manner that he has chosen. I believe that he unlike the thinking of some other members, has the right to seek to criticise or call into question the actions of fellow executives. I know in the past that many people have sought to raise comparisons with the Westminster system of government and that we operate under that system but it seems to be only at opportune moments that people raise that comparison and say that that's inappropriate that one should do that and it doesn't meet with the traditions of the Westminster system but I support the endeavours of Mr Bennett's endeavours in seeking to progress the matter further. I don't think however that there is anything to be gained from a Select Inquiry into this matter. We've given it about two and a half hours or so now and I feel at this point in time that that's probably as far as it ought to go. What's done is done. What the motion is seeking to achieve is, in essence, whether any dishonesty was in evidence? whether intimidatory conduct by certain members was a matter of fact. I don't feel that any Commission of Inquiry is going to come up, if you accept that properly qualified people such as Ernst and Young carried out their duties as were requested of them in a limited order, and if you accepted the professionalism of that report then you have to accept that their findings in summary that the Bureau and its members have failed to implement appropriate policies and procedures to ensure that all payments by the Bureau are properly authorised, I don't think anyone rejects that whatsoever. Nor do I think that anyone rejects the finding that the Bureau's procedures and I'm quoting again procedures and controls are inadequate to enable us to determine whether all expenditure in this area has been in respect of bona fide Bureau business. What they are saying there clearly is that there is no evidence of dishonesty and further, if you accept the auditor comments that the Bureau's procedures and controls were inadequate then any further findings of a Select Committee are, I feel, likely to be inconclusive. I'm not sure that you can achieve anything more. If you take it through to its logical conclusion and say well, this Select Committee finds on a recommendation that there ought to be criminal proceedings or that they find and recommend that certain executive member did act in an unsatisfactory manner, where do you go to from there. I feel that the executive member would then be compelled to resign. The allegations of intimidatory conduct were, well I made mention of those in my statement some two hours ago on this matter and I spoke of the words of the intimidatory nature which were used and I left no doubt that the words that I was referring to were the words of John Brown in his approach to the previous executive officer in seeking his resignation and I suggested that perhaps they were born out of frustration. I don't think there's any doubt of the fact of the matter that those words or words to that effect was spoken. I don't think that even at this stage, and it doesn't need any Select Inquiry to tell us that they were of an intimidatory nature. It's regrettable. I don't think anyone has any doubts whatsoever about that. I'm not sure that Mr Brown was intended to accept my suggestion that they were regrettable but they did in fact say so when he said, immediately after my statement that he agreed with everything that I said. The other matter referred to was the matter, I feel that the motion refers to, the matter of Mr Sanders seeking or suggesting in the newspaper after the events, after the terminations, everything was over and done with, Mr Sanders said in the paper or made a comment to the newspaper that the Police ought to be involved and he would make no further comment in view of that. That can't be seen to be intimidatory. it was all over and done with. It was a bit bloody silly and ill considered but it wasn't intimidatory. If Mr Brown's words were and we feel, I felt that they were, intimidatory, they failed to have the desired effect because the executive officer did not resign. I think what we're doing here Mr Acting Deputy President, a number of us are

walking around with loaded guns. The ultimate outcome of all this I think we're all going to shoot ourselves in the feet but I'll be happy to listen to others and I'll vote according to my conscience in due course

MR ROBINSON: Thank you, we have the motion before us, any more debate Gentlemen

MR CHRISTIAN: Mr Deputy President I feel that there is still a matter of the the imputation of dishonesty by some of the staff up there which needs to be cleared thank you

MR BENNETT: Well I was going to say much the same thing and I'll say it in different words, that the intimidatory conduct includes the notice about the Police because, sure, the Police got involved and it was after the event, it wasn't going to fix anything but it left a clear impression on the readers that there was the possibility of culpable misconduct yet the report that Mr Sanders had to hand at that time didn't make any reference to their being such culpable misconduct or defalcation so that it could possibly be viewed by the readers that it was, you know, that there was clearly a problem and I think that even if Mr Sanders has a problem yet today with that that charges perhaps should be laid so that there can be a proper defence by the people who feel that they are being maligned by the possibility that there was criminal intent in the action as officers or employees of the Bureau. Now those are fairly serious things and I think that it requires the House to be considerate of those and if the motion and its terms of reference so to speak don't cover that then perhaps we should be trying to attempt to cover those as well. I think I've made it fairly clear in what I've said today just that well I think it should go to try and clear it up once and for all. I think Mr Buffett might have said or Mr Bates, that the thing won't go away. If we leave today and do nothing about it it just won't go away, there will be more and more as a result of two or three hours of discussion today to

MR BROWN: Mr Acting Deputy President several times today Mr Bennett has suggested that Mr Sanders should charge presumably the Executive Officer so that he has an opportunity to clear his name. Mr Sanders doesn't have the option to charge anybody. As a matter of fact history has shown in Norfolk Island that it virtually matters not what complaints you make to the police it's hard to get them off their butts to do anything about it in any event. But it is for the police to lay charges against people, not for Mr Sanders. And I don't think it is very realistic for us to say well Mr Sanders should do the right thing and go and charge someone so that he can clear his name. A man was terminated under a clause of his contract which didn't require anything other than two months pay. Now that's all that happened. The storm that's been stirred up since as I said before hasn't been stirred up by Mr Sanders, it's been stirred up by others and we are now ten past one, we've got an important budget to deal with and here we are still wasting time on what really is a storm in a very little teacup

MR ACTING DEPUTY PRESIDENT: Mr Bates you indicated earlier that you would be willing to propose an adjournment on debate. Will that be forthcoming?

MR BATES: Well Mr Acting Deputy President, that's my feeling at the moment that none of us have seen this until just a few moments ago, this motion. I think the public may have some input. I for one am very interested to find out what the composition of the new board is going to be and I think if Mr Horton's on it I think it'll raise further question marks on the whole issue. If it's the wish of the House I would be happy to move that the debate be adjourned and made an Order of the Day for the next sitting

MR BROWN: Mr President could I just speak in Steven Horton's defence for a moment. There's been alot of criticism of this man on the basis that he's a TEP but could I say just one thing. He is the only person on Norfolk Island with tertiary qualifications in Tourism. He's the only bugger that's got any training in what the Tourist Bureau's about

MR SANDERS: Just also I would., there is much being raised of the fact that he's a TEP. I would also like to make it very plain and very clear to anybody that's listening outside and to the Members here, if, to get the expertise I required in the Tourist Bureau they would all

be TEP's if necessary. I don't consider for one moment that the pedigree gives expertise

MR BATES: Mr Acting Deputy President I don't think the problems are that Mr Horton's a TEP. I think they are that he's a paid servant of the Norfolk Resorts Group

MR ACTING DEPUTY PRESIDENT: Thank you. The question before us is that the debate be adjourned and the resumption of debate be made an Order of the Day for the next sitting

QUESTION PUT
AGREED

MR SANDERS NO

Do you wish the House called Mr Sanders

MR SANDERS: Going on close for three hours, no

MR ACTING DEPUTY PRESIDENT: As it is, as you say, ten past one and I suppose the worms are biting, I move that we do now suspend until perhaps, 2.30

SUSPENSION OF SITTING

The House suspended its sitting at 1.13 p.m. until 2.30 pm

RESUMPTION OF SITTING

The House resumed its sitting at 2.34 pm

STATEMENTS CONT.

MR ACTING DEPUTY PRESIDENT: Well, I believe we are still on Statements at this stage. Are there any further Statements?

MR BROWN: Mr Acting Deputy President, I wish to make a Statement about medical practitioners. Mr Acting Deputy President I've received a lengthy complaint about a person allegedly giving medical advice in Norfolk Island without being appropriately qualified to do so. Mr Acting Deputy President I am not a fan of such quacks nor do I find it necessary to consult the spirits or the stars or to have tea leaves read before I go about my day to day life but I am well aware of the damage that such quacks can cause and to any person so concerned I would suggest that you stick to your ginseng and garlic and cease attempting to give medical advice. This is a matter which I do propose to discuss quite urgently with the Government Medical Officer and I will advise Members of such action as I propose to take as a result of that meeting, thank you

MR BROWN: Mr Acting Deputy President I would make a brief Statement in relation to the Hospital. As Members will be aware Alice Buffett was a Member of the Hospital Board during the life of the last Assembly. Alice, now that she is no longer a Member of the Legislative Assembly she has tendered her resignation to the Hospital Board. I received that on Friday which was too late to have a motion before today's meeting but at the next meeting of the House I propose to bring forward a motion seeking the agreement of the House to the appointment of Lester Semple as member of the Hospital Board

MESSAGE NO 48 FROM THE OFFICE OF THE ADMINISTRATOR

MR ACTING DEPUTY PRESIDENT: Any further Statements. Well that concludes Statements Gentlemen. I have received the following message from the Office of the Administrator, Message No 48. On the 18th June 1992 pursuant to subsection 21(2) of the Norfolk Island Act 1979 I declared my assent to the Appropriation No 4 Act 1991-92 (Act No 7 of 1992) Dated this 18th day of June 1992 Alan Kerr Administrator

Reports from Standing or Select Committees

MR ACTING DEPUTY PRESIDENT: Are there any Reports of Standing or Select Committees. There being no Reports we will proceed to Notice No 2 on the Notice Paper

NOTICES

NO 2 - TOURISM POLICIES - COMPUTERISED RESERVATION SYSTEM

MR BENNETT: Thank you Mr President. At the expense of being accused of interfering again in somebody else's portfolio Members will be aware that I've had a long interest in computerised reservations system or the system of computerised reservations and believe as many of the authorities believe that without a computerised reservation system we may fall behind the rest of the world in this sense. Mr President I move that the Tourism Policies adopted by this House on 10 June 1992 be amended by adding a further policy to be numbered 19 in the following terms:

19. That at the earliest opportunity, an examination/inquiry into available computerised reservation system options be undertaken, with the aim of introducing, as expeditiously as might be possible, a system suitable to both the needs of Norfolk Island and acceptable to the airlines, wholesalers and retailers of travel in Norfolk Island, Australia and New Zealand

Mr Acting Deputy President as I have mentioned earlier I have had a long interest in this particular topic. In the life of the Fourth Assembly a

system was in fact brought in and there was some troubles with it but its biggest problem was in my view that it was sabotaged, it wasn't really given the opportunity to bed itself in and to allow it to be the basis for any improvement to it or alternative system and since that time there's been very little done in that respect even though I am aware that a local person has developed some software that he suggests might be suitable as a starting point. I'm not by this motion suggesting that the Board or Bureau or whoever looks at any particular thing but I think the purpose of putting it on the Notice Paper and getting it in as a policy is to keep it at the forefront in the tourism area. I won't go on too long about it but just to read from a very authoritative publication called "Managing Tourism" by S Medleck, was an Oxford University Publication of 1991 and entitled "Developing Effective Computer Systems for Tourism" it said that in this development the message is clear, a marketing mix involves offering the right product at the right price with the right promotion. The travel industry is spending considerable sums of money on raising levels of service and producing the right product. Price will become more competitive and yield management will play as important a role for successful tourism vendors as airlines. The final touch is the correct form of promotion. Promotion is only successful if it generates business. A central reservations system is a distribution channel is providing us not only with the shop window through access to retail outlets but also with the powerful sales team throughout the world. The opportunity is there, it is now in the hands of vendors and Tourist Boards to exploit the technology

MR SANDERS: Thank you Mr Chairman. I agree with Mr Bennett that the Tourism Policies should at all times be ready to be amended or upgraded or whatever is needed for the occasion. I do agree with his very first sentence that I do accuse him of interfering again but apart from that I believe this is not a matter for the Tourist Bureau or for the policies because it is private enterprise, even though I understand what Mr Bennett is about, that this is a desirable computerised system. I don't think Mr Bennett has discussed anything or with very many of the local accommodation houses. My understanding is that a couple of the larger ones wouldn't be interested. That they I think in plain words don't trust somebody else arranging their bookings. I'm not going to say too much on this because Mr Brown understands these things better than I but I do understand what he's on about and I do think it's a beaut idea but I think in a small Island like Norfolk if all the accommodation houses don't agree I don't think that it's really got anything to do with this Assembly

MR BENNETT: Mr President, I'm a little bit surprised because I wasn't focussing on a particular system or another and I think indeed it is a policy that the Assembly should adopt because, you know, there are many who will say, and most of the authoratative journals now will say that computerised reservations systems is the way to go. Now I am aware that there are some systems in the Island, or one major one in particular, but I don't think that's any reason just to suggest that others ought not be encouraged to get onto a computerised reservation system. I mean the facts of the matter are, and of course the wholesalers don't like this approach, that the big wholesalers like Traveland and Westpac Travel and those simply won't touch Norfolk Island because they haven't got a computerised reservation system, it's just too difficult and too time consuming to make a reservation and this becomes pretty apparent to Norfolk Island and particularly when tourist numbers are dropping that we should be able to handle even the short lead time visitor because we need every visitor we can get but the facts of the matter are that we are not presently geared to cope with these last minute decisions to travel. We are not geared to pitch for the lucrative tired executive market who typically travels at short notice because of the time frame it takes for a travel agent to pick up the telephone and make the reservations. Some telephone content is necessary but aside from that how often do we still hear tales of intending visitors being sold off to another destination. They go into a travel agent and they say they want to go to Norfolk Island and they say well, how about Fiji, we've got this wonderful deal to Fiji or Vanuatu, because many of them are aware that its a very time consuming task to get all the reservations together to be able to take the deposit off the person while they are there and that's what the travel agent's in business to do

MR SANDERS: Mr Chairman without appearing to be rude or whatever while Mr Bennett is speaking could he continue to speak, but

could he add on a bit of whether it's an Assembly deal or whether it should be private enterprise, in along with your debate

MR BENNETT: Alright, I'll weave it in where I can

MR SANDERS: I wasn't intending to be rude and I wasn't intending to interfere and I was listening to what you said, I just thought that... I feel that this is private enterprise and if it is a policy then we need to change, then beauty, let's change it but I just feel that we shouldn't be interfering here

MR BENNETT: Mr President perhaps I might deal with that one first. The Government Tourist Bureau attempted to put the Reservations System in in the first place and there was quite some concern, and continues to be some concern from the accommodation proprietors about the Tourist Bureau handling accommodation bookings and favouring perhaps one accommodation proprietor against another. Now that's been an accusation made for years and years and in my time we looked at it on a number of occasions and couldn't find any credence but you could see from that that there is some reticence on behalf of some of the accommodation proprietors in having the government Tourist Bureau for example, having the central computerised reservations system, and one of the other options and one of the other options that was mentioned at the recent Tourism Conference was to take it out of the Government's hand put it into private enterprise, just the actual data collection and distribution. Far be it from me to suggest which way the Board or the Assembly should go, I mean, its a matter that really need to be discussed. If there is a proposal it should be discussed just as alot of other things have to be discussed. I think we should set that aside and deal with the question of whether it is desirable to have a central reservations system as means of handling bookings to Norfolk Island or not. If the Assembly says not we'll just forget about it, don't need it then, but I'll go back to what I was saying before. How often do we still hear tales of the intending visitor sold off to another destination; how often do we learn that an intending visitor to Norfolk Island has unwittingly chosen another destination where confirmation reservations is almost instant and how many times have you heard from a visitor that certain accommodation was fully booked at the time of the enquiry only to find on arrival the place being half empty, the place that they wanted. Now whether it is one instance or 101 makes no difference. There should be none. We should be able to handle that. I don't want to couch this motion in any narrower terms than it is, that is to say, that there should be an investigation and I believe that it's probably in the Bureau's bailiwick to deal with it and if they need financial assistance from the Assembly or a policy made to bring it into effect then they should come through you to the Assembly

MR BROWN: Thank you Mr Acting Deputy President. Geoff made mention of the question of favouritism and suggested that it had not been possible to identify it occurring in the past. I can tell you it certainly has occurred in the past. Not with the girls that presently work in the Tourist Bureau, but I have sat in the Tourist Bureau on a past occasion and before going further I should again disclose that I have an interest in relation to travel wholesaling and retailing and also in relation to the accommodation and restaurant industry in Norfolk Island albeit that all those interests are presently controlled by a receiver, but I have sat in the Tourist Bureau and listened to visitors walk in and attempt to arrange a dinner booking at one of the properties with which I'm connected and I heard the girl in the Tourist Bureau who didn't know who I was do the most wonderful job of selling them off that particular property and in favour of the property that was generating the most business from the Tourist Bureau at that time so although they are difficult allegations to actually put the finger on I've seen it happen. Geoff mentioned a real problem, and it's a problem that goes back to a report that was done by Doug Nettleship something like ten years ago of tourists being sold off Norfolk Island in favour of other destinations

MR KING: Excuse me John. I wonder if I might raise a possible Point of Order. I'm just a little troubled on one point. Mr Brown has declared an interest in matters the subject of which is this motion. Does that in itself entitle him to continue to engage in debate and attempt in one way or another to influence the outcome of a motion which has some direct bearing on his interests

MR ACTING DEPUTY PRESIDENT: Mr King the declaration of a pecuniary interest does not preclude one from debating the issue. We are not voting on it in any way whatsoever

MR BROWN: As I understand it Mr Acting Deputy President I'm one of the very few who ever declares a pecuniary interest. There is not in the present legislation or in the Standing Orders a requirement for me to do so but I choose to do so. The occasion on which, as I understand it one is precluded from voting is the occasion where you are voting on a contract with the Government in respect of which you may have a pecuniary interest. The question of selling off has for years been a problem. I'm not sure that a computerised res system would really resolve that. If you look at the sales cards of sales reps that call on the various travel agencies in Australia, I can't talk for New Zealand but I would expect it would be the same, in Australia you generally find that the girl who deals with Norfolk Island is a fairly new girl in the agency and when the sales rep calls back in three months time, very frequently that girl has gone and another one is there and so the effort that's gone into educating that girl about the real benefits of Norfolk Island is fairly well wasted once she leaves. They are generally fairly young girls and they are generally girls who are fairly impressed with the romance of the palm tree and the swaying in the breeze in Fiji or the similar sort of palm tree in Bali and you frequently do find that if they feel the customer is asking them for their advise they'll tell the customer about the sort of place that they'd like to go and Norfolk Island is not perceived as the sort of place those young people would like to go to, at least until they've been here. Frequently, once they have been here they are fairly good supporters, so the selling off problem I believe is a problem that can only be tackled with the travel agencies in Australia and New Zealand. Geoff mentioned the fully booked accommodation problem. There is a similar fully booked airline flight problem that has existed for years. I'm not sure how often that really occurs. I can understand that the travel agency that is wanting to sell you off Norfolk Island in favour of somewhere else may well say oh it's all full. I can understand that on occasion they may seek to book someone on a particular flight that say has a group on it and it is full and I can also understand that come the time when it is time for that group to firm up its numbers and pay its moneys over it may end up being short of numbers and all of a sudden there are empty seats. Immediately before Bounty this year for example, a significant size group from Sydney cancelled. I think there was something in the region of sixty cancelled off within weeks of Bounty so there are sometimes other explanations for that but one thing that you do need to bear in mind is commission structures. There are travel agencies in Australia where staff are paid solely on the basis of commission, not even a retainer, solely a commission and the incentive for those staff is to push their customers in the direction of whatever package holiday or airline seat ticket is going to give their company and therefore them, the biggest commission rate. I don't like to see travel sold in that form but as long as I live I'll never manage to change that. In other situations travel agencies may have some form of tied arrangement. They may have a preferred product arrangement with say Hardy World Travel, or with Ansett or with any of a number of groups and in those situations the commission that is paid increases as you reach various threshold levels so if you say, sold \$10,000 of business through that preferred product provider you may be on 10% commission. Between \$10,000-\$20,000 you may be on 12% for the lot and above \$20,000 your commission rate might jump again so you can understand that the owners of the agencies and the staff within them to such extent as they receive bonuses could there be really pushing toward the product where they earn the highest commission rather than the product that we feel they should be selling. Geoff mentioned that it is the case that some years ago a system Look and Book was trialled in Norfolk Island. The Tourist Bureau attempted to introduce it. Geoff has on a number of occasions said that he believed the system was sabotaged. I believe it was just a total failure but in any event for whatever reason it didn't work and I don't believe that in the Norfolk Island environment it had a chance of working. Norfolk Island is simply too small. If you compare the whole of Norfolk Island with some of the properties in Fiji you'll find some of those properties have almost as many rooms in just one property as the whole of Norfolk Island. In fact, I don't think I would be wrong to say that some of them have more rooms than the whole of Norfolk Island. If you then look at Norfolk Island spread through more than forty different properties you will find that probably more than 60% of the rooms are controlled by about four

operators and that each of those operators have a number of properties and they successfully manage their reservations systems which in each of those cases I believe they staff full time so as to optimise their occupancy. If you simply had a computer system into which you said Dear Castaway, do you have any rooms available, and Castaway happened to be full, the computer system wouldn't easily tell you that at Highlands there were rooms and a special deal might be available at that particular time in order to fill those rooms. But where the reservation request comes across in the form of a telephone call or a fax the astute reservations person will look and see that one of their properties isn't full but will immediately go back, sorry, will look and see that one of their properties may be full but will immediately go back offering one of the other properties. The way it would normally work with the computerised system is first choice would be unavailable, the customer would then make a second choice. The properties which already have competent res systems in my view simply would not want to give them up in favour of a centralised system whether controlled by the Government or private enterprise and in the event that they did choose to participate in such a system for the bulk of the year they would only put a few of their rooms into the system and that would then be undesirable because you may find that someone wants to book four rooms, that there are only four rooms in the system and the next person that comes along wanting to book a room looks at the system and sees that the property is full whereas the property in fact isn't full. I don't believe that you will ever convince those larger properties that a centralised system for them would be fair, efficient and unbiased. To me that leaves the remainder of the Island which would be the target of the sort of system that Geoff's talking off and if they wanted to have such a system that would be a good thing and if a local software system has to be developed which can operate that for them well that's better still but I really think that that would be a task for private enterprise. If someone's developed that system they should go to those other properties and show them how it could work but what you've got to remember is that there's an old maxim in relation to computerisation and that's gigo GIGO, garbage in garbage out. You only have information coming reliably out of a computer if what you have put in is reliable. Now unless these properties are prepared to put the whole of their inventory into the computerised system and to allow the computerised system to manage their inventory it's not going to work and that really means that the properties aren't able to take direct bookings other than through the computer unless there is someone there all the time that will immediately ring the central control room of this computer system to say I've just taken a booking for a week between these dates for room such and such. You could overcome the need to ring if you had a terminal in each property but where you are looking at properties with perhaps half a dozen or even a dozen rooms, it's very hard to justify the cost of the terminal, the land line and whatever else and still unless someone is sitting there all of the time in order to ensure that constantly updated information is being fed into the computer I've got some doubts as to whether it can work. I encourage it if it can be made to work, wholesalers will think that's wonderful, and as I said earlier in today's meeting, the wholesalers provide something in the region of or greater than 85% of the tourists who come to this Island. Geoff mentioned earlier that some wholesalers won't touch Norfolk Island. He mentioned Traveland and Westpac.. Well the reality is that Traveland and Westpac do touch Norfolk Island. Traveland in particular has a preferred product arrangement with Fastbook holidays, one of the packages of wholesale holidays to Lord Howe and Norfolk and under that arrangement Fastbook's product is the preferred product for Norfolk Island in Traveland outlets. Other wholesalers have similar arrangements with other large travel groups. Sure it probably isn't viable for Traveland to be looking at wholesaling Norfolk Island itself because Norfolk Island simply isn't big enough for it. And certainly for someone the size of Traveland dealing with Norfolk Island may be too difficult and time consuming. There's little doubt in my mind that it is easier for them to deal with one of the existing wholesalers who specialise in the product and understand the product. That way, the Traveland staff can get sound advice whereas if you were to rely on each Traveland staff member being an expert in relation to travel to Norfolk Island you'd be in for a dismal disappointment. Geoff expressed a view that last minute bookings cannot be handled by the present system. Well I would disagree with that. I would suggest that last minute bookings are as easily handled in Norfolk Island as they are in any other place of similar size. There's a mention of Fiji I think and the suggestion that Vanuatu might be faster. Well I can assure you that Vanuatu is no faster because the offices with

which I'm involved do wholesale Vanuatu. There is a suggestion that Fiji is faster and in the case of a few properties there's little doubt that Fiji is because some of the Fijian properties are so large that they can provide what's called freesell and that means that the wholesaler on the mainland, whoever it might be, has a certain number of rooms for which they are really the booking control office and as someone rings in they can say yes, we've got that room there, pencil it into the book, there's your confirmation but when we say we've got to recognise that that really only applies to the larger properties in Fiji. The bulk of the properties in Fiji in terms of number of properties are really no different to Norfolk Island nor are the Cook Islands nor any of the other parts of the Pacific. I think that the question of computerisation be it of all of the properties or of the smaller ones certainly is something that would be a valid thing for the Tourist Bureau to be looking at and its no doubt a suggestion that they should put into their list of suggestions, but I certainly would not support the motion that is before us today which would in fact call for us to resolve that vary our tourism policies by putting in an additional policy that calls at the earliest opportunity for an examination or enquiry into computerised res systems with the aim of introducing them as soon as possible. That really would be a motion in which the Assembly would be accepting that such systems are very desirable and installing into our Tourism Policies a requirement that they be introduced. I think that's going too far

MR BATES: Mr Acting Deputy President I've listened with alot of interest to what Mr Brown has had to say. I must admit he left me behind a few times when he was talking about favouritism for booking of local dinners. I certainly hope our tourist staff aren't sending people to restaurants that don't do the decent meal or value for their money but it was only this weekend that I heard a comment made to me and I'm sure you've all heard it, that the Island is full up and this seems to come from mainland booking offices simply probably because the few establishments that they have on their books are full up and they don't know about the other establishments that are half empty and all the rest of it. Now our job as Members of the Assembly are to fill all beds, I guess, not just the beds of some of the more upmarket operators. I certainly gather from Mr Brown's statement that Norfolk Resorts Group are certainly not interested in this system, but he mentioned that the first part of the motion about the earliest opportunity in examination in enquiry etc., but the last part of the motion says to investigate the system suitable to both the needs of Norfolk Island and acceptable to the airlines, wholesalers, and retailers of travel in Norfolk Island, Australia and New Zealand. Now I don't see that in the same context as Mr Brown sees it when he says that he doesn't wish to push this thing quickly without making sure that it's suitable. I think we need to look to tourism as our most important, or one of the most important tasks. I think if this can help to fill some of these beds when people say that the Island's full up when in reality they are not, I think we should at least look into it. I'd be happy to support the motion to have a look at it provided the whole motion is carried out and it is suitable to the needs of Norfolk Island and acceptable to the airlines, and the wholesalers and the retailers then I certainly would support the motion Mr President

MR KING: Thank you Mr Acting Deputy President. That's quite a mouthful. I also found Mr Brown's contribution to the debate very interesting and it certainly left me in no doubt that I know very little about this and the implications of it but I took a very narrow look at this motion and sought to focus on the objectives of it or to try and understand what the motivation behind it was. Mr Bennett said that the tourist numbers were down and that we need every tourist that we can get. From my recollection of the figures that were presented to us at the last meeting we were in fact 4% down for the same period in 1991. That to me is not a substantial trend, but it would be a trend of course that we would be concerned with if it were to continue on a regular basis or a recurring basis from year to year but it is not, it is simply part of the peaks and troughs of tourism which history will show we experience year in year out. Next year we may be three four five percent in excess of what the tourist policies, I think No. 1, regards as being the appropriate level of tourists in the Island. In the followind year we may be 3-4% down, but I'm not terribly concerned about 4% down on last years figures and as I recall last years figures, they were in the order of about 29,000 which is about only 3% down on the preferred maximum number of tourists so what are we trying to achieve by this. Are we trying to level out these troughs that we have and will be the end result

of that. If we were to level out the troughs Mr Acting Deputy President we would have a situation where the preferred number of tourists in the Island would in fact be exceeded. it sounds like a wonderful idea and it sounds a fairly wise sort of a move to make if it were to ease some of the problems of people being sold off to other destinations but if it achieves that first and foremost in policy which has been given the status of No. 1 on this long list of philosophical wishy washy bits and pieces then I'm a little bit concerned at anything that may be seeking to override that major policy which is held so dear by Assembly after Assembly. Mr Bennett is about to pounce on me for that so I'll leave him to it

MR BENNETT: I'm sorry that you focussed on those brief words that I made about tourist is down, I wasn't relating this policy in any way to the fact that it's down. it simply is a fact that the world has made the move into information technology for a very good reason, it's cost effective, it allows you to expand your horizons, it becomes the window of the Island's product to the world. it is not a measure to lift the current 4% downturn. It may not effect it in the short term but it is a means by which the Island's future can be more secure. I don't necessarily agree with Mr Brown when he says that short term holiday makers can get their bookings done just as easy as going to other small destinations. The particular group that I was referring to is the tired executive group who the boss says on Thursday, get me away for the weekend and he wants his tickets by 12 o'clock on his desk the next day.

I mean, they can't really do that to Norfolk Island. I guess you could fluke it now and then but you couldn't do it as a matter of course, and I think we should be mindful of the Tourism Conference that was held on the Island where several speakers made reference to the shortened lead time generally on visitors and they talked in terms of the reasons for the short term lead times, the deregulated domestic air services, and there was a flurry of cut price air fares so that people had a tendency to hold off and hold off just in case that good deal came along that they could get hold of and in New Zealand it's the same. I presented Mr Sanders with some information that both Ansett and Air New Zealand in New Zealand for June and July offered 60% discounts, so people are conditioned to hang on and hang on to the death to see if they can get a \$399 return trip to Sydney or a 60% discount to Queenstown or whatever but one of the speakers who is one of the wholesalers to the Island provided rather a startling prediction. He said the number of short term decision makers in the travelling market could reach as high as 80% by the turn of the century. Now let's think about that. If in fact it takes a travel agent who has a customer seated opposite him, they want a trip to Norfolk Island and they've got to send a fax over to either the property or the Tourist Bureau, they've got to shop around and try and find accommodation, now in the down times of Norfolk Island, the troughs, they could probably pick any one of a dozen properties to put them in and reply immediately but in the times that the Island's fairly tight, December, January, March, October, then it might take more than a day for the Tourist Bureau to get around to all the properties and find out whether there's anything available and provide a list of alternative days and combinations, but that person who wants to book the holiday isn't in the office any more and if they were wanting to travel straight away are going to feel inclined or be warmed to another travel agent who says you want a holiday tomorrow, I can send you away to the Gold Coast or somewhere else. i mean, it is a fact that a Central Reservations kind of system, a computerised system with effect more effective communications.

Now I'm aware of some of the things that Mr Brown said and I am also mindful that he is a wholesaler and you should be aware that the wholesalers have a particular difficulty with central reservations systems to Norfolk Island. They were in the forefront of making it difficult to get the last lot in but their problem is they are afraid of losing control. A wholesaler has alot of retailers that service them and the computerised reservations system has the capacity to bypass the wholesaler so that the retailer can bypass the middle man and go straight to the source. Now for the wholesalers, and John quite correctly says, we can't just set them aside, they've been the backbone of getting people to Norfolk Island for too long so we've got to provide a safe way of overcoming their concerns but just because they have concerns shouldn't make us shudder at making the decision. I guess that's important. many of the retailers would probably want the ability to bypass the middle man because obviously then there's plenty more return but the system is not necessarily designed to do that. I don't think that you necessarily need 100% of the Island to go into this one system to make it work because,

I'm aware as John is, that not all the industry here will go in it, but I can bet your bottom dollar that if the thing gets underway and is successful you will find that more and more will want to get in it, even the bigger properties because if you can be exposed onto a television screen in every travel agency in Australia or New Zealand then you are in a far better position than just relying on one, two or three wholesalers to sell your product than other destinations. The reservation systems have the capacity of linking into reservations systems that many travel agents now have got, if not all. Obviously there's a bit of guess to the thing, if you want to throw it out go ahead but for the Island's sake it's something that we should be looking at

MR CHRISTIAN: Mr Deputy President the difficulty in short stay people getting to Norfolk is something that's worried me for a long time. That's something that I spoke about during the life of the last Assembly. It does exist and it can be quite a problem for a lot of people. Also I'm worried, once again that this "Island full notion" is raising its ugly head, and in fact the Island is virtually empty and it comes about and comes about quite often. I don't think this motion actually commits us into anything other than to look at the feasibility of whether something could be helpful for the Island and I intend to support it

MR SANDERS: Thank you Mr Chairman. Perhaps bearing in mind that we should at all times be looking to see whether the policies need to be changed, that the matter should be considered but before we change the policy, if perhaps Mr Bennett could indicate whether funds would be available and perhaps we could do an enquiry but at least we could find out whether it's going to get support

MR BENNETT: Mr Sanders I'm sure we could find a couple of bob to make it work - I mean, I don't know what costs you are looking at but

MR SANDERS: Well neither do I but perhaps we could commission somebody to go and enquire of what support we would get, somebody like Tom Sim, I don't know what costs would be there involved or even whether he would be available but it wouldn't hurt to have some sort of an enquiry done

MR BENNETT: Perhaps I could take up that suggestion and perhaps if I might make an amendment to make this a little bit more palatable by, where it says with the aim of introducing, put with the possibility of introducing and then there is no... I mean Mr Brown was concerned about the commitment that this motion sort of has to examining it and introducing it and I think the process of examining it is going to be quite involved but if he's concerned about the fact that this policy might be seen to commit us to putting it in then I'm happy to have a look at the possibility of introducing it, then it's something that could be debated and find the time here so if that was an acceptable amendment I would be happy to move it

MR ACTING DEPUTY PRESIDENT: Thank you Mr Bennett, you are moving that instead of the word "aim" we insert "possibility"

MR SEMPLE: Well if you read on Mr Deputy Chairman, "with the possibility of introducing as expeditiously as might be possible" to me that sounds a little bit

MR ACTING DEPUTY PRESIDENT: A bit messy. Yes Mr Brown

MR BROWN: Mr Acting Deputy President I propose to seek leave to move an amendment which may simplify the whole thing for Members consideration. I'm not sure that I'm going to support the amendment but I'll move it at least and it would be to change, well, perhaps if I could read what it would be changed to and then we could formalise the amendment. Perhaps Members would like to change the motion to say, Mr Bennett to move that this House requests the Minister for Tourism to examine available computerised reservation system options with the aim of finding a system suitable to the needs of Norfolk Island and acceptable to the airlines, wholesalers and retailers of travel in Norfolk Island, Australia and New Zealand. I don't think that I would argue very strongly against that although there are a few things that I would like to say in relation to something Brian said and in relation to some of the things that Geoff said. Brian said that he thought my words were an indication that the

Norfolk Resorts Group was not interested in changing from the computerised reservation system they have to something different and I should make it clear that I have nothing to do with the management of that group. The Management's done by Mr Horton who is responsible to Mr Summerson and I can assure you that neither of them take any notice of anything that I might say to them as to how they should be running the place. Geoff mentioned that by the turn of this century short term bookings, that is, people who book shortly before travel I presume could represent 80% of the market. Well by the end of this century there could have been a damn big earthquake and none of us could be here as well. I don't take too much notice of what people tell me about what things are going to do by the turn of the century. Certainly if you look at the financial commentators and look at all of their predictions, if you do the opposite of what the majority is saying, you're normally fairly close to correct. Geoff suggested that the wholesalers were in the forefront of opposition to the last system. Well I think that's probably a fair comment because for the wholesalers they didn't like the system and it's a system that was not only forced upon them but the wholesalers were then being asked to pay for something they didn't want. Geoff suggested the wholesalers are afraid of losing control. Well there seems to be a paranoia about wholesalers amongst some people on this Island. There seems to have been a paranoia in the last Tourist Bureau about moving away from the wholesalers as far as possible and encouraging people to book directly. Geoff said there's plenty more return for a travel agent in bypassing the wholesaler. Well. That's actually not the case. And I'm very concerned that we seem to have decided that the wholesalers are the latest tall poppy that we want to cut down here and that we want to shaft them without any regard to the fact that they provide 85% or more of the tourists who come here. Let me tell you what an agent gets who books direct. If he happens to be accredited by the airline, and bear in mind not every agent is, he gets 5% commission from the airline. When he books with the accommodation house he would normally get 10% commission. I acknowledge some of the accommodation places don't like wholesalers and will pay to any tom, dick and harry that ring them, whether he be a travel agent or not. The same sort of commission as he pays to the travel agent but in general... sorry... the same sort of commission that he pays to the wholesaler .. but in general the travel agent gets 5% on the air and 10% on the land and bears all of the communication and other costs in dealing with the wholesaler he gets 10% across the lot and none of the problems other than making a local phone call if he is in the city where the wholesaler is or ringing the wholesaler on his 008 number which doesn't even cost you these days in Australia at least, the cost of a local call. It's free. I think we should get away from our feeling that we hate the wholesalers

MR BENNETT: Point of Order Mr Chairman. I think those comments are directed at me and I made it very clear that I was not shafting the wholesalers. I've made a point of saying that we need the wholesalers, they've been the backbone of the Island now how can Mr Brown come in and repeat that I'm treating the wholesalers like a tall poppy for goodness sake

MR BROWN: Mr Acting Deputy President I accept Mr Bennett's assurance and I will ensure that I write down his words for posterity

MR BENNETT: Goodness gracious me

MR BROWN: Look it may be appropriate if I seek leave to move my amendment. Could I move that all words after "that" be deleted and that the following words be inserted in their place "that this House requests the Minister for Tourism to examine available computerised reservation system options with the aim of finding a system suitable to the needs of Norfolk Island and acceptable to the airlines, wholesalers and retailers of travel in Norfolk Island, Australia and New Zealand

MR SANDERS: Could I just ask Mr Bennett with funds provided to do this

MR BROWN: I wouldn't interfere in Mr Bennett's area

MR ACTING DEPUTY PRESIDENT: Mr Brown, as I understand it your motion now reads that this House requests the Minister for Tourism to examine available computerised reservation system suitable to the needs of Norfolk Island and acceptable to the airlines, wholesalers and retailers

of travel in Norfolk Island, Australia and New Zealand

MR BROWN: Mr Acting Deputy President I've jumped a few words on you. Perhaps if I run through it once more. That this House requests the Minister for Tourism to examine available computerised reservation system options with the aim of finding a system suitable to the needs of Norfolk Island and acceptable to the airlines, wholesalers and retailers of travel in Norfolk Island, Australia and New Zealand

MR ACTING DEPUTY PRESIDENT: Thank you. Unfortunately both my arms are the same length and I can't take shorthand

MR SANDERS: You could perhaps Mr Chairman do what I'm proposing to do and ask Mrs Graham tomorrow for a copy

MR ACTING DEPUTY PRESIDENT: It might be quicker. So we have before us now the question that the amendment be agreed to. Any further debate on the amendment that Mr Brown has made?

MR BATES: Mr Acting Deputy President, the amendment seems to lose any time frame. It seems to just ask the Minister to investigate it without even requiring him to report back to the House or do anything with it. It seems to me that it just doesn't quite go far enough towards the aims that Mr Bennett has foreshadowed in the terms of his original motion. I think if it was tightened up a little bit so that we do expect some report back to the Assembly within a reasonable time frame then I don't have alot of difficulty with it. Thank you

MR BENNETT: Mr Acting Deputy President I don't have the same degree of difficulty that Mr Bates has on it. I don't think that you can put an actual time frame on it to say you should get it back by the 15th August or September or whatever. I did use the words in mine as expeditiously as might be possible you know, but I was conscious when I wrote that that it's not something you can just go to the bookshelf and pull out and there's six options and say which one will we consider. I'm certain that my interest in it is strong enough to, without wanting to interfere in Mr Sanders' portfolio, to keep the issue alive and also Members of the Assembly have that same opportunity and I'm sufficiently interested in it to ensure that it just doesn't die on the shelf. I'm comfortable with the amendment

MR SANDERS: Thank you Mr Chairman. I'm more than happy to assure Mr Bennett and Mr Bates that within the next day or two I'll do all I can to get it moving. When I'll get the results I don't know but I'll get it moving

MR ACTING DEPUTY PRESIDENT: Thank you. There being no further debate the amendment as it reads at this stage that this House requests the Minister for Tourism to examine available computerised reservation system options with the aim of finding a system suitable to the needs of Norfolk Island and acceptable to the airlines, wholesalers and retailers of travel in Norfolk Island, Australia and New Zealand. There being no further debate I put the question

QUESTION PUT

We are talking about the amendment. Could the Clerk call the House please

MR BROWN		AYE
MR BUFFETT	AYE	
MR BATES		AYE
MR SEMPLE		AYE
MR BENNETT	AYE	
MR ROBINSON	AYE	
MR CHRISTIAN	AYE	
MR KING		AYE
MR SANDERS	AYE	

Wonderful to have a unanimous vote called. I now put the question that the motion as amended be agreed to

QUESTION PUT
AGREED

MR BROWN

NO

Thank you. That concludes Notices. We now move on to Orders of the Day.

ORDERS OF THE DAY

NO 1 - KAVHA MANAGEMENT BOARD - APPOINTMENT OF MEMBERS

MR ACTING DEPUTY PRESIDENT: Honourable Members we resume on the question that the amendment proposed by Mr Bates be agreed to. For Members information the amendment reads THAT the motion be amended by omitting Cedric Newton Ion-Robinson alternate Ivens Francois Buffett and substituting Lester Reid Semple alternate Ivens Francois Buffett. Members will be aware that Mr Bennett has also foreshadowed an amendment to Mr Bates' amendment which he will move at the appropriate time. Mr Brown you have the call to resume

MR BROWN: Thank you Mr Acting Deputy President. This appointment is within the area of my executive responsibility. It's an appointment that's made by resolution of the Assembly of course but the KAVHA responsibility area is within my area of executive responsibility and Mr Acting Deputy President it is an important area. David Buffett has been associated with KAVHA for many years and immediately after the election in May this year David told me that he would like to continue with his involvement in KAVHA. The only other Member to indicate an interest to me in KAVHA was Ric Robinson and for that reason the motion that I put before the House was that David Buffett, Ric Robinson and myself be appointed as the Members and that in addition to that three alternate members be appointed and they were Mr Wright and two of the members of the Public Service. Mr Wright of course has been involved in KAVHA for quite some time also and the motion was formulated after discussion with him. It certainly is important to ensure that those that know the most about the KAVHA area are able to contribute to the decision making process and because the KAVHA meetings are somewhat informal meetings at which attempt is made to reach a consensus rather than to vote on strictly numerical lines Mr Wright certainly said to me that there was not great importance in who was the Member and who was the alternate. Now it's for that reason that I structured the motion as I did. The Members that I chose were chosen, as I said, because they were the Members who had indicated to me that they were interested. Mr Buffett with many years of experience is a logical choice provided that he is interested, and he is. As to remainder had a number of members said to me they were interested I would have still chosen to nominate Mr Robinson. I do that because this is the second Legislative Assembly of which he is a Member and I'm conscious of the fact that people such as Mr Sanders and myself are not going to be here as Members forever and one of the duties that we have is to help to provide experience to the newer members so that in time they can replace us and in turn hopefully, they will pass the benefit of that experience on to the other Members that will in time replace them and Mr Bates has indicated that he wishes to move that Lester be appointed as a Member of the KAVHA board. It's embarrassing that Brian should have done such a thing because I don't like to be here speaking against the appointment of Lester and certainly I don't like the fact that Brian has chosen to ignore that I do have the responsibility in this area. Lester is new to the Assembly and Lester like most people has a job that he has to attend to even if it is a part time job and it would be highly unreasonable to expect him to be available at beck and call to drop what he is doing to come and attend to KAVHA matters. Mr Buffett is available at the Public Service and although it may be inconvenient to him at least it is possible to speak with him at most times and similarly Mr Robinson is available at most times both for discussion and to attend meetings. I tried in deciding who I wished to nominate for various positions to also ensure that there was a fair spread of appointments amongst all of the Members. I indicated earlier in the meeting that at our next meeting I would be bringing forward a motion in relation to the Hospital Board. Now it's not appropriate that Ric Robinson be on the Hospital Board because his wife is the chairman of it and the last thing I want is to create family feuds but in any even it's not appropriate that, well, I don't believe it's appropriate that Ric and his wife both be members of that Board and so it's my desire to appoint Lester to that Board and an additional advantage is that that Board normally meets of an evening which wouldn't interfere with either of Lester's main business activities. It may

interfere with his late night phone calls but hopefully it wouldn't too seriously interfere with the remainder and so Mr Acting Deputy President that will give you a brief idea of how it was that the names were proposed to you and why it is that I seek your agreement to the appointment of Mr Robinson to the KAVHA board and had indicated to you that I will at our next meeting be seeking your appointment of Mr Semple to the Hospital Board

MR BENNETT: Again, without wishing to be harangued for interfering in another portfolio I really thought that the duties of this House was to be able to comment without fear or favour on motions. Now what I'm about to say is probably going to draw the flack again from Mr Brown but I think I need to say it. I like the KAVHA area, I've had alot to do with it. It's inappropriate that I be on it so I'm not looking to get myself on it but I just wondered whether some things had been taken into account. Mr Brown might say yes they have and I'll look forward to hearing from him on that. I wasn't aware, for example, that Mr Brown was appointing people to the various committees. Like, I certainly didn't go and see him about any committees because I didn't know he was at that stage appointment them. And I know other Members who are of a like mind but that's by the by. The KAVHA board Mr Chairman and the appointments to it, deserve serious consideration. At the last meeting I suggested that I didn't want to undermine the importance of other committees or boards to which people were appointed, however and nonetheless, the KAVHA board is no ordinary body. It has a very sensitive role to play and also has an important budget consideration and budgetary implications to the tune of half a million dollars to which Norfolk Island contributes a share and that's not a small consideration. I'm aware that other boards such as Mr Sander's tourist board has a budget of about the same but most importantly notice should be taken of the tasks facing the board in the coming months and some of the complex and sensitive issues that are in the wind. The principle task of renegotiating the memorandum of understanding is underway. It would have seemed to me, wise therefore, for the House to consider fielding the most expert team so to speak at least until such time as the new arrangements were bedded down. It has been the practise of in KAVHA boards going back a long way to have a senior public servant or the Secretary to Government latterly in the front line of this body, together with two members of the Assembly and this has been pretty well the case almost from inception. Those of you who would have taken the time to have read the fourteen voluminous files would have noted that in all but a couple of these board meetings the Secretary to the government has played this role, that is, one of the front role positions and indeed was also secretary to the KAVHA board when the Chairmanship of that board rested in Norfolk Island. In addition he has been from the very inception of the KAVHA board been involved and has been involved with it longer than perhaps any serving member of this House with the exception of Mr Buffett. The present Memorandum of Understanding Mr President the one that's being renegotiated now could be said to be the compromise child of its making. Or child of Mr Wright's making. I say comprise for it was the desired position of the Norfolk Island Government back in the life of the Fourth Assembly to have the KAVHA board set up under statute and set up under statute from the outset, however, the Norfolk Island Government was persuaded to start with a Memorandum of Understanding as the basis for it and for a period of three years and so that's how it all began. But the time of review is now and I think it's the time when the Norfolk Island position, if it is the same as it was in the life of the Fourth Assembly, that is, the desire to have the KAVHA board set out under statute then you can be aware that the negotiating is fairly delicate. I can understand the wishes of both Mr Robinson and latterly Mr Semple to both wish to be part of the board and their respective willingness to participate is to be commended. In this respect Mr President it would be quite proper for this Assembly, or yourself to change the format at a later time in order to give both Mr Robinson and or Mr Semple if they both still wish the opportunity of serving in the front line, but I urge your consideration of the importance at the present time of the issues that are to be dealt with and the issues that will be dealt with in the coming months and in doing so consider putting the best team on the field by supporting an amendment which I will move in a moment. I just wanted to touch lightly on the issues that the Norfolk Island Government will need to address in the coming months. Now there's the status and composition of the board, part of that we are doing today, the funding issues, conservation management plan, meeting procedures, operations of the secretariat reporting arrangements of the board's officers,

objectives and function and the sensitive issue of museums where it's believed that the Commonwealth would like the museums to be part of the KAVHA board arrangement and as you are aware right now the museums form 100% of Norfolk Island's responsibility. We would be losing half of that. The amendment, if I'm game enough to raise it now, was to put in the place of Mr Robinson, Donald Rae Wright and to have Mr Robinson in his stead as an alternative. That's the amendment

MR ACTING DEPUTY PRESIDENT: That is hardly an amendment to the amendment Mr Bennett. It's an amendment to the original motion

MR BENNETT: Your ruling Sir

MR ACTING DEPUTY PRESIDENT: Perhaps if we could have your amendment come forth after we've voted on Mr Bate's amendment

MR BATES: Is that the correct procedure Mr Acting President. I thought we would cover the amendment to the amendment first and work backwards

MR ACTING DEPUTY PRESIDENT: As it is worded it is not an amendment to the amendment. It is an amendment to the principle motion

MR BENNETT: As it is worded?

MR ACTING DEPUTY PRESIDENT: Your wording yes

MR BENNETT: Well can I make the amendment relative to my amendment rather than to the amendment and replace

MR ACTING DEPUTY PRESIDENT: Replace Lester Semple with Donald Rae Wright and Donald Rae Wright with Mr Cedric Newton Ion-Robinson is that how I read it?

MR BENNETT: If I be permitted

MR ACTING DEPUTY PRESIDENT: I see no problem. So we are now ... the question is now that the amendment to the amendment be agreed to. Further debate?

MR SANDERS: We are now debating the amendment or are we debating the original motion

MR ACTING DEPUTY PRESIDENT: We are debating the amendment to the amendment. Mr Bennett's amendment

MR SANDERS: Mr Chairman I'm having extreme difficulties everytime it appears that an executive wants to do something he can't do anything unless Mr Bennett wants to give a direction on how it be done. He's referring to, he believes there should be an expert team and yet he's not giving the executive who has the responsibility the opportunity of working with the team that he wishes to work with. He's continually interfering and in doing so is trying to direct the discretion of that executive and I don't think that's proper. I propose to support Mr Brown's proposal that Mr Robinson be that person

MR CHRISTIAN: Mr Deputy President I'll just go back a short time and remind Mr Sanders that he continually said in the last Government that the Ministers must abide by the majority of the Assembly Members so that I think the Assembly Members have the right to decide who goes on these Boards and who doesn't. He reminded me of that continually right throughout the last Assembly so I think fair's fair and I don't see why he should change his mind right now. I think this stage of the KAVHA board is quite an important one. There's alot to come particularly with the renegotiations and everything and I intend to support Mr Bennett's motion

MR ACTING DEPUTY PRESIDENT: I believe Mr Semple had the call next

MR SEMPLE: I too share Mr Bennett's and Mr Christian's concern regarding the importance of the KAVHA Memorandum of Understanding Review but I also feel that as Mr Wright is already the alternate to Mr Brown on the board he will in fact be present at all negotiations and

I'll just say that when I first came to the Island in 1962 I lived at Kingston from the age of twelve years. I developed a great interest in the KAVHA area and felt that as a young person more could be done to preserve and manage this area for future generations and fortunately now this is being done. For a number of years now I've been teaching Norfolk Island studies at our school and I believe that accurately presenting the convict past to the children of the Island is important and I feel that by being a member of the KAVHA board this would assist me in developing the younger generations interest in this historically valuable area

MR BATES: Mr Acting Deputy President, first of all it feels as though, it seems as though I've embarrassed Mr Brown and for that I apologise. I've been trying for three years to do that and I really thought it was impossible. But if he will accept my apology I do feel that Mr Brown himself mentioned about passing on expertise to newcomers and this was one of the things that prompted me originally to nominate Lester for the position is the fact that he is in touch with these children at the school. It does form part of his teaching side of things and I think it's a marvellous idea that he can use both these things and show his interest in KAVHA at the same time, get that interest among the children at the school. I do have some difficulty with Mr Wright being on the board. I understand what Geoff is saying. It worries me a little bit that we have a lot of legislation that needs to be brought into this House, tidied and Mr Wright seems to have all other duties passed on to him other than what I consider his main duty and that is the legislation. He is the alternate to John Brown. I believe his input into the board in view of the time he's been on it and his drafting abilities can be valuable. If Mr Brown see it as that valuable I'm sure he has the right to stand down and let Mr Wright compete. I stay with my amendment to the motion and I intend to support Lester for the job and Donald Wright as the alternate to John Terence Brown which is in the original motion

MR SANDERS: Thank you Mr Chairman. I'm fascinated at the response from Mr Ernie Christian who appears to think that a response of fair is fair actually covers the situation. My interpretation of appointment to a board is that appointment is who in actual fact the executive member says he wants. Mr Christian has spoken about constant criticism by me about what the Assembly does and he's dead right because it's a different issue. Mr Christian was for quite some period of time executive member with responsibility for immigration, building and the environment act and another couple of things and I wouldn't mind betting that he never ever read it. He certainly didn't understand it and he certainly needed prodding cos he didn't have a damn clue

MR KING: Thank you Mr Acting Deputy President. I don't support the nomination of Mr Wright as a member of the KAVHA board and I do that for a couple of reasons. The largest being that there is a perception in the community that Mr Wright plays a greater part in the affairs of government than he perhaps should. Whether that be right or wrong it remains a fact and I hope I don't cause any embarrassment by raising that point. I don't doubt that he has an ability to contribute and to play a valid part on the KAVHA board and I'm sure that even if he weren't appointed to the board and even if he weren't an alternate he would still be available to give valuable guidance where it's needed, which will in turn brings me to perhaps a few words on the motion that may arise if that particular amendment to the amendment is unsuccessful and that is, the appointment of Lester Semple. Similarly I don't doubt that Lester has a valid part to play in the KAVHA area but I feel that Mr Robinson is in a position by virtue of his former three years in the Assembly to make a more immediate contribution to the affairs of KAVHA but I do not doubt, and I would hope that room would be found for Mr Semple to play a more direct part at a later time

MR ACTING DEPUTY PRESIDENT: There being no further debate Gentlemen we will vote on the amendment to the amendment and if I can read it out for you That the amendment be amended by omitting Lester Reid Semple and inserting Donald Rae Wright and omitting Donald Rae Wright first occurring and substituting Cedric Newton Ion-Robinson, and I put the question

QUESTION PUT

Could the Clerk call the House please

MR BROWN		NO
MR BUFFETT	NO	
MR BATES		NO
MR SEMPLE		NO
MR BENNETT	AYE	
MR ROBINSON	NO	
MR CHRISTIAN	AYE	
MR KING		NO
MR SANDERS	NO	

Thank you Honourable Members the Noes appear to have it. We now have Mr Bates original amendment to the motion and that motion reads That the motion be amended by omitting Cedric Newton Ion-Robinson alternate Ivens Francois Buffett and substituting Lester Reid Semple alternate Ivens Francois Buffett. There being no further debate I put the question.

QUESTION PUT

Could the Clerk call the House please

MR BROWN		NO
MR BUFFETT	AYE	
MR BATES		AYE
MR SEMPLE		AYE
MR BENNETT	NO	
MR ROBINSON	NO	
MR CHRISTIAN	AYE	
MR KING		NO
MR SANDERS	NO	

Thank you Honourable Gentlemen. I believe the Noes have it. We are now back to the original motion and if you like I will read it for you. Mr Brown Minister for Health and Education moved THAT in accordance with paragraphs 8 and 9 of the Memorandum of Understanding between the Commonwealth and Norfolk Island Government on the Kingston and Arthurs Vale Historic Area this House

(a) revokes previous resolutions of the Legislative Assembly made under those paragraphs and

(b) resolves that the Norfolk Island representatives on the KAVHA Management Board be

John Terence Brown alternate Donald Rae Wright

David Ernest Buffett alternate Patrick Neathway Brown and

Cedric Newton Ion-Robinson alternate Ivens Francois Buffett. Any further debate? Then I put the question

QUESTION PUT

AGREED

We move on Honourable Members to Orders of the Day No 3

NO 3 - APPROPRIATION BILL 1992-93

MR ACTING DEPUTY PRESIDENT: The question is that the Bill be agreed to in principal and I call on the Member who adjourned the debate to resume. Mr Bennett

MR BENNETT: Thank you Mr Acting Deputy President and I'm pleased to say that this one is in my portfolio and I would be delighted if there is interference because it's a very important bill and I don't mind how much interference that I have to cope with today. The purpose is to get the Bill passed today. It provides for appropriations from the 1st July to the 30th June next. Mr President when I presented the Bill at the last meeting I gave an outline of the Island's general finances which I don't propose to reiterate today. I talked about the tourist industry remaining a fickle industry and how that ought to effect our approach to budgeting and that is to approach it with cautious optimism.

I spoke a little bit about a view that I had that surpluses or indeed surpluses that appear in any financial year should be applied to the Reserve Fund. I went on to give a background to this particular budget process and I suggested that it was important and that some of the things that we felt were important to address and that was a number.. five or six things in fact. One that it was felt that we should live within the Island's means, that is, not to spend more than we had. That we should

set about to maintain activity in all sections of the Administration and thus fully utilise resources available. That we should maintain a reasonable capital works programme to adequately fund health, education and the social service areas. That we should provide sufficient funds for an aggressive approach to tourism marketing. That we should honour present and imminent financial commitments made to the Commonwealth and lastly, to pare back unnecessary or inappropriate expenditure in all areas. Mr President I mention that the forecast of revenue was down about half a million dollars and I gave reasons for that, that were basically that the interest earned on investments was down due a drop in the interest rate and that there was less dividend paid from one or two of the undertakings in order to retain funds for capital development programmes within their areas. I mentioned that the executives, notwithstanding this budget, would be asked to closely monitor the expenditure in their various areas and I will attempt to do that without treading on corns, Mr President, but it is a thing that we have to do on a continuing basis as we simply don't set the budget for the year and then let it go until the end of the year but because of revenue being down Mr President, I mentioned that there were two options, to raise more revenue or to simply spend less, and we chose to spend less and I also spoke about several things that I had asked the Chief Administrative Officer to look at in terms of policies in areas of spending throughout the Administration and I spoke about the need and the moves being made to prepare a five year plan so to speak. I then went on to say that the budget was a balanced budget, that is to say out of revenue estimates of \$7,098,900 we propose expenditure in this bill of \$7,095,800. I mentioned Mr President significantly that to achieve that there were cuts made across the board in most areas and most of that had been done together with the executive members and the section heads and the Administration generally and that there appeared to be no disadvantaged section as a result of that and significantly we were able to balance the budget by not introducing any new taxes or levies or adding to any existing charges and lastly, I refer to some of the key expenditure areas in the Appropriation Bill and they were, I will just mention them quickly again, the subsidy for Hospital and Healthcare \$340,000, Education a record level of \$1,276,000, Welfare and HMA payments \$485,000, Tourism, the highest every subsidy of \$443,000 and Roads totalling maintenance and reconstruction about \$400,000, Forestry and Tanalith \$180,000, Kingston and Arthurs Vale Historic Area \$254,000, that includes the Museums and in summary I just reiterated Mr President that the budget is balanced and there is a surplus of some \$2,000 or \$3,000 expected for the year. I don't propose to say anything further but would welcome debate by Members on the bill in general or on any part of it. I commend the Bill

MR BATES: Mr President, at the previous meeting of this House I mentioned that I consider that the Government should learn to use deficit and surplus budgeting as a tool in order to assist and stabilise the Island economy. In my policy statement to the electors I also said that we should be looking for any other activity not detrimental to the tourist industry that will create other strings to our bow so to speak and thereby leave us less vulnerable to economic disaster in hard times. At our last meeting the Minister for Finance and again today spoke about the need to keep any surpluses to save us when the inevitable bust comes. Mr President this is a very negative attitude and I believe we should be spending a little of those reserves to try to make sure the present situation does not deteriorate further and become the bust that the Minister fears. We have approximately \$1,000,000 in the Revenue and the Island Funds and I am sure that that will not save us if our tourist industry collapses. There is no doubt that it is the tourist industry that brings most of the money into the Island economy but alot of those funds also leave the Island to purchase goods consumed by both tourists and the local population. We must be ever alert to retain as much of those funds here on the Island as well as looking for anything that will attract other overseas funds into our economy. We must never lose sight of the importance of the economy of the palm seed and seedling industry, residents with overseas incomes including superannuation and pensions, and those who locally produce arts and crafts and food for tourist purchase and consumption together with Government spending that stays on the Island they are important factors which effect our local economy. Mr President I would have welcomed a small deficit in this budget if it would have been in keeping with what I have outlined above. I had intended to suggest we make some contribution towards investigating or developing the proposed guava industry but indications right now is that this is not quite the time for that. I support the bill before the House

but with reservations about its positive effect to the Island's economy

MR SANDERS: Thank you Mr President. I support the Bill and I'm delighted that without interfering, that Mr Bennett has in fact presented us with a balanced budget and I'm delighted that there is proposed to be a little bit of a surplus. I don't support the comments made by Mr Bates about having a negative budget and the main reason that I don't do so, is that you can only spend it once and I would imagine that even if we resolved the problem by spending our surplus million dollars and we created employment, it perhaps may last for three months, after that we still have unemployment and we no longer have the million dollars. I give total support to the budget. Thank you Mr President

MR KING: Thank you Mr President. Mr President I see Mr Bennett's budget as being essentially a good budget. It's been well prepared and well considered. It is austere and rightly so because times are tough. Geoff's job in fact is tough and he's handled it well in his early days. He's kept in sight the need to rationalise such things as expenditure in areas of vehicle and equipment purchase, furniture purchases, protective clothing etc. That programme of rationalisation will require some change in the attitude of some public servants. There must be a centralised purchasing and interdepartmental rivalry should not impede progress towards that end. Mr Bennett has not lost sight of the need to focus more attention on the expenditure of the business undertakings and he indicated so this morning. He has taken an intelligent and non-confrontational approach to his budget. He has not, as others before him have done, zeroed immediately in on public service wages or immediately increased taxes and fees. He has artfully avoided confrontation with any sector of the community but it remains to be seen whether he can artfully dodge them for the remainder of his term. His failure to examine fees does not suggest that Administration fees are set at appropriate levels. In fact, it is quite the contrary. Many services are provided by Admin with a level of fees nowhere near recoups the cost of the administrative effort in providing the service. His failure to address taxes should not be taken as accepting that the tax base is equitable for it is not. Mr Bennett has a lot of work ahead of him and he has moved off in the right direction with his notion of five year financial planning. I don't know what his timetable is in that respect but I hope that his first five year plan will be able to be examined at the time of budget review unless of course Mr President we self destruct in the meantime. Thank you

MR PRESIDENT: Thank you Mr King. Is there any further debate Honourable Members?

MR SANDERS: I move that the question be put Mr President

MR PRESIDENT: We are dealing with the question that the Bill be agreed to in principle. Mr Sanders has moved that the question be put. I will put that question

QUESTION PUT
AGREED

I will now put the question that the Bill be agreed to in principle

QUESTION PUT
AGREED

Is it the wish of the House to dispense with the detail stage. Mr Bennett would you care to move that the Bill be agreed to

MR BENNETT: Mr President I move that the Bill be agreed to

MR PRESIDENT: Honourable Members is there any further debate? In that event I'll put the question

QUESTION PUT
AGREED

Leave

MR PRESIDENT: Honourable Members Mr Robinson has had to leave us to fulfil a commitment. I have been asked to ask the House for Leave

on behalf of Mr Robinson for the remainder of this meeting. Leave is granted thank you Honourable Members. Mr Buffett the next Order of the Day stands in my name. Would you be happy to take the Chair please

NO 4 - STATUTE LAW REVISION (MINISTERIAL POWERS) BILL 1992

MR DEPUTY PRESIDENT: We are resuming debate on the question that the Bill be agreed to in principle and Mr Brown you have the call

MR BROWN: Thank you Mr Deputy President. At our last meeting I introduced this Bill and spoke briefly in relation to it. It is largely a formal Bill and there is nothing that I wish to add today to what I said on the earlier occasion Mr Deputy President

MR DEPUTY PRESIDENT: Thank you Mr Brown. Is there any further participation in debate Honourable Members? Now I will put the question which is that the Bill be agreed to in principle

QUESTION PUT
AGREED

Do you wish to dispense with the detail stage. Yes. The detail stage is dispensed with so we come to the final motion Mr Brown

MR BROWN: I move Mr Deputy President that the Bill be agreed to

MR DEPUTY PRESIDENT: The question is that the Bill be agreed to. Any final debate? Then I put that question

QUESTION PUT
AGREED

FIXING OF THE NEXT SITTING DAY

MR SEMPLE: Mr Deputy President I move that the House at its rising adjourn until Wednesday 15th July 1992 at 10 am

MR DEPUTY PRESIDENT: Thank you. Is there any debate? No. No debate. I put the question

QUESTION PUT
AGREED

ADJOURNMENT

MR SANDERS: Thank you Mr Deputy President. I move that the House do now adjourn

MR DEPUTY PRESIDENT: The question is that the House do now adjourn

MR BATES: Mr Acting President I'm not too sure if it is in order but since Mr Robinson has left the Chamber but I think that I for one would like to congratulate him on the way he handled the Meeting in which I understand is his first stint at the Chair. Thank you Mr President

MR CHRISTIAN: Mr President I'm glad to hear that something's being done about the quackery that's being practised on the Island. I think from the disturbing number of complaints and things that I've received from various people it's time something was done. It's something that can cause a lot of problems with ill health and other reasons and should be controlled

MR BENNETT: I hope that today won't be remembered as the day Geoff Bennett came to the House to slingshot because it was never intended that I come here today to deal with any issues that are apparently in other portfolios but what I would like Members to consider and yourself included Mr President is that we have a look at the way and the scope that Members of this House are able to operate as Members of this House. Earlier this morning I said that I accept that we are all first and foremost Members of the Legislative Assembly and those executives, or those with executive portfolios, its the second priority and for good reason. Executives aren't appointed, as I said, they are

elected by this House and accountable to the House for actions and or conduct. I believe that from that, and there has been a convention, that irrespective of whether a person is an executive or otherwise that he as a Member of the House is entitled to have something to say on any matter if he so cares to, that appears on the Notice Paper and I would hate to think that every time I opened my mouth about a motion that any of the Executives put on the paper that I was going to be challenged about interfering. I repeat again, I will vote with my conscience in every occasion and I will not be intimidated to do otherwise. I was surprised when the adjournment debate and Mr Sanders Notice of Motion first up this morning hasn't come on. It hangs like a Damocles sword over me and I would hope that he would now put the matter on the Notice Paper for the next meeting and let's deal with it and get it out of the road. If the House doesn't wish me to act in an executive capacity well they should say so. I've got to wait fifteen days for that decision to be decided. I can wait. But I'm certain Mr President that the duties of Members of this House do not imply that they cannot raise issues about matters, however sensitive they may be, that are raised in the course of debate or in the course of dealing with Notices and Orders of the Day. I hope that we might take the time to have a chat about this so that we get things straight otherwise it would be awkward for all of us from here on in

MR SANDERS: Thank you Mr President. I agree totally with what Mr Bennett has said and I do believe that we are answerable to the House and I believe that there is a big difference. I don't believe Mr Bennett was appointed as God and I don't think he should sit in judgement before at least some questions are asked. There is the avenue in the Assembly for question time and any wrong doing can be rectified at the appropriate time thank you

MR PRESIDENT: Any further debate Honourable Members? Honourable Members we recently paid tribute to our late colleague Bruce MacKenzie. Bruce had been a Member of the Councils of 1970, 72, 74, 76 and 78 and was of course a Member of the First Norfolk Island Legislative Assembly. I believe I'm correct in saying that Bruce is the first of the Members of any our Assembly's to pass away and I thought that I should not let today go past without formally recognising that and recognising the significant contribution that Bruce made to Norfolk Island during his years in the Norfolk Island Advisory Council and in the First Assembly. Is there any further debate Honourable Members? In that event I'll put the question

QUESTION PUT
AGREED

This House stands adjourned until Wednesday the 15th July 1992 at 10.00 am.

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