

**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 PRESIDENT            Please feel free to take your coats off gentlemen if you would be more comfortable without them. Honourable Members there are no condolences this morning?

MR CHRISTIAN            There are no condolences this morning.

MR PRESIDENT            Thank you indeed.

**Petitions**

MR PRESIDENT            Petitions. Are there any Petitions?

**Notices**

MR PRESIDENT            Are there any Notices?

**Questions without Notices**

MR PRESIDENT            Are there any questions without notice?

MR SANDERS              Mr President, I asked Mr Bennett a number of questions last week to do with tourism, oh sorry, I thought it was on notice. Yes thanks anyhow. Thank you Mr President. The first question I have I direct to Mr King as Minister for tourism. And the question is at an informal meeting of MLA's on Monday 4th March 1994, after I had drawn to the attention of Members that I considered the actions of yourself as Immigration Minister, publicly supporting the actions and proposed purchase of the Norfolk Island Resort Group by, amongst others, the Authorised Officer for Immigration in the Administration, the Chairman of the Immigration Board, and at that meeting Brian Bates, a member of the Immigration Board. And the question is, are you able to advise what you meant when you said, "I don't like Steve Horton either".

MR KING                  I think that's rather self-explanatory Mr President. I'm not quite sure of the nature of the question.

MR PRESIDENT            I'll just make this point Honourable Members. Questions relate to areas in which Ministers have ministerial responsibility. I am just unsure as to how that particular question relates to an area of ministerial responsibility.

MR SANDERS              Mr President, if I may, I believe that it was a ....

MR PRESIDENT            It's not a matter of debate Mr Sanders. It's not a matter of debate. Questions without notice.

MR SANDERS              Mr King, at that meeting, also stated that he was happy that it be recorded. Will he confirm that?

MR PRESIDENT            Is there a question?

MR SANDERS              Yes, I'm asking will he confirm that?

MR KING Yes. If I recall the nature of the conversation Mr Brown was discussing the appropriateness, I guess, as it were of certain members of the Public Service or members of the Immigration Committee being involved in a takeover bid for the Norfolk Resorts Group. As I recall Mr Brown considered that that was totally inappropriate that Mr Bates, for example, being a member of the Immigration Committee and clearly being hostile towards Mr Horton in this House, ought to be, I don't think Mr Bates was in fact involved in it, but somehow the conversation turned towards Mr Bates and Mr Bates was accused of not liking Mr Horton. I think Mr Brown then touched on the attitude of the, possible attitude of the Immigration Officer towards Mr Horton.

MR PRESIDENT Order, order. Honourable Members I made a comment at the beginning that question time really relates to raising forward, bringing forward matters with Ministers in areas in which Ministers have ministerial responsibility.

What is being described to us now is really a whole host of personal matters and that is not the aim of question time. Are there any questions without notice that are in ...

MR BROWN Mr President, could I move a motion of dissent to that ruling. Could I explain why? As I understand it, Mr Sanders is asking questions of Mr King in his role as the Minister with responsibility for Immigration, and if that be the case perhaps it is a relevant question.

MR BUFFETT I would be very happy to receive a question if it is couched in terms that makes that clear Mr Brown.

MR BROWN Well, I'll withdraw my motion of dissent Mr President.

MR PRESIDENT Yes, thank you. Are there any question without notice Honourable Members?

MR KING Mr President, I wonder if I could ask a question of the Minister for Tourism. Would the Minister for Tourism please inform this House whether he allows his personal assessment ...

MR PRESIDENT Order. I'm not too sure that it's normal that we have a Minister that asks himself a question.

MR KING Well I'm just trying to make it easier for Mr Sanders.

MR PRESIDENT Mr Sanders will have a few moments in which he can gather his thoughts whilst we get on with the job.

MR BATES Mr President, I have a question for Mr Brown, responsible for education. Could the Minister explain his reasons for not meeting with parents of Year 11 and 12 students unless they supplied him with personal financial statements when the parents were not seeking exemption from the payment of school fees?

MR BROWN Mr President indeed I have received a letter signed by a number of Year 11 and 12 parents. Not all of them by any means, and even signed by the parents of one child in respect of whom an exemption has been granted on hardship grounds. The letter - I happen to have it with me - the letter said, "At a meeting held on Tuesday 8th March 1994, the parents of Years 11 and 12 students attending school on Norfolk Island unanimously decided to request a meeting at your earliest convenience to discuss the Year 11 and 12 school fees". Had the letter ended there, Mr President, there would have been no great difficulty. They went on to say, "We recommend this being such an important issue, the following persons be requested to attend. All Members of the Norfolk Island Legislative Assembly, the Headmaster, Norfolk Island Central School, all parents of Year 11 and 12 students

attending Norfolk Island Central School and any other interested persons". I responded to those parents and I expect that I've got that response with me too. If you'll excuse me a moment Mr President. To be precise I will find the response.

Mr President, I can't find the letter itself, but much of the letter was printed in the local Newspaper last Saturday and I'll read from there. According to the paper, in his reply dated 11th March, Mr Brown said that he was not prepared to ask the Assembly Members to attend a meeting with parents in the absence of full statements of financial affairs from each of those parents requesting a meeting. "Upon receipt of those statements," he wrote, " I will give the matter further consideration. Meanwhile any parent is welcome at any reasonable time to speak with me at my office." Those were the words that were in the Paper, those were the words that were in my letter. Not a single parent has rung to arrange an appointment to come and speak with me but each of them is welcome if they wish Mr President.

MR BATES                    Mr President, I have a question for Mr Robinson with responsibility for the environment. Is the Minister aware that despite efforts by Army personnel to stabilise the Cascade Cliff face, dangerous rock falls continue, and if he is, what is he doing about it?

MR ROBINSON                Thank you Mr Bates. Yes, I'm very aware. As a matter of fact I went down there just yesterday on my arrival back on Norfolk. I'm not sure exactly what we can do about it but I assure you we are looking into it.

MR BATES                    I have a further question for Mr Robinson. Has the Minister has a chance to review the need for mechanical control of hyacinth in Kingston and can he assure this House that the creek will not continue to be damaged through such harsh methods.

MR ROBINSON                Thank you. It's still being looked at Mr Bates I'm afraid.

MR BATES                    I have a couple more questions. One for Mr Bennett, responsible for finance. Could the Minister inform the House if the large debt to the Administration by a Member of this House for legal costs in a failed Court action has yet been settled and if not, when does he expect it to be settled.

MR PRESIDENT              Mr Bennett. Yes, Mr Sanders.

MR SANDERS                Mr President, if Mr Bates could inform this House whether he's referring to Mr Brown or Mr King.

MR BATES                    I don't wish to do that Mr President.

MR BENNETT                Mr President, I think the question is related to a question raised by Mr Bates a year or so ago and if it's that question then I'll deal with it in this way. It was only in recent months that the judgement was finally delivered. The judgement as to costs following that lengthy process was awarded by the Court and an amount of some \$34,000 became a debt due to the Administration. At that point the matter was passed to the Administration for the purpose of collection. Subsequent events brought my involvement back into the matter on the basis that it appeared from advice that I took that the action taken following the passing of the debt to the Administration might well have finished up back in the Courts, and I believe that my interest, or my fiduciary duty as executive member was to attempt to maximise any debt due to the Administration and not simply continue to throw good money after bad. It could well have led, have gone back to Court and costing perhaps a further \$30,000 or \$40,000. There was still no guarantee even at that point at the end of that that the debt would be paid. There are currently negotiations under way with an attempt to have the account settled in some way. It's not yet concluded and I'll be happy to inform members when that

time arrives.

MR BATES I'm wondering if the Minister would care to elaborate on this ... he mentioned on clearing the debt. I mean a debt is normally paid in cash and is finished with.

MR BROWN Point of order Mr President. Mr Bates sits here as the Internal Auditor asking questions of a Minister in relation to Legislative Assembly matters. Perhaps Mr President you would draw to Mr Bates' attention the provisions of the Public Service Ordinance which make it an offence for him to be making use of any information which he has obtained as Internal Auditor within the Administration for any purposes outside of the Administration. It's a matter that's been brought to his attention on a number of prior occasions Mr President and it might be helpful to bring it to his attention again.

MR PRESIDENT Mr Brown I am not able, I have no authority to bring the Public Service pieces of legislation forward as President of the Assembly. I need to look as to how Members act as Members of the House. I'm sure Mr Bates has taken note of what you have said but I need to look at it from the point of view of him being a Member of this Legislative Assembly.

MR BENNETT Mr President, it's fairly public knowledge and I don't suggest for one moment that Mr Bates has used his office to obtain it. I mean I've had several 'phone calls about it from around the town so it's pretty public knowledge. As I've mentioned Mr Bates, there's no conclusion to it at this time but as I said, my interest is in collecting the debt or recovering the debt in some way and I will use, I intend to use whatever commercial means are available for me to do so. I'm not at all interested in funding additional court costs. It's simply a waste of money when the end result of that action, in my view, and the advice that I've had, we might well finish up with no money at the end of it either. I'm quite happy to keep the members fully informed of it. I'm not running away from the issue but as soon as it's close to some sort of conclusion I'll be happy to let you all know. And Mr President, I might say, from all the chit-chat around the town that it's obviously not a very popular decision. I'm not at all comfortable with these kinds of issues, but I'm certainly not afraid of taking the ultimate step that most people seem to suggest that I ought to be taking. The fact of the matter is, as I said earlier, my interest is in trying to maximise the return to the Administration of funds and if I can do that, I will. I'm not at all interested in throwing more good money after bad.

MR PRESIDENT Further questions. Mr Bates. Supplementary question. Mr Ernie Christian.

MR CHRISTIAN Mr Bennett, will the same terms be offered to anybody that is owing money to the Administration as is being offered in the present case?

MR BENNETT .....

MR CHRISTIAN I don't know but you haven't explained that.

MR BENNETT No, I haven't explained it because the matter hasn't been completed, but I can't answer the question on a hypothetical basis, but obviously in the course of having to collect debts sometimes the matter needs to be looked at on its merits and a decision taken. I'm a commercial man and I take commercial decisions and perhaps it's not always appropriate for commercial principles to apply to the Finance Minister. I'm aware of the consequences of doing things, anything that's out of the ordinary. I mean the political consequences are worse than any other consequence and I'm not afraid, I'm not resigning and running away from the issue. My interest is in securing the maximum amount of money for the

Administration.

MR BATES I have two further questions Mr President. One ...

MR PRESIDENT Supplementary. Just pause Mr Bates.

MR SANDERS My supplementary question was I was proposing to ask Mr Bennett, along with those compliments, does it make any difference whether he likes or dislikes that person.

MR KING That's a point of order Mr President. It's a clear imputation.

MR SANDERS It was, Mr President, it was a question.

MR BENNETT Mr President I was interrupted by an urgent delivery letter just placed before me. Perhaps Mr Sanders can ask the question again.

MR SANDERS The question was Mr President, is his decision based on whether he likes or dislikes the person concerned.

MR BENNETT Absolutely not Mr President. That's not the issue at all. As I said, if I've got to take the hard decisions, I'll take them. I'm not afraid of taking the hard decisions at all.

MR BATES Mr President, a question for Mr King, Minister for Tourism. It has been suggested that in recent times the Government Tourist Bureau fax facilities has been used to distributed the new menu for a recently re-built restaurant on the Island. Can the Minister advise the House if this is true and if it is an acceptable use of Bureau facilities and staff?

MR KING Mr President I have no particular knowledge of that whatsoever. I am aware that the Bureau has a facility for placement of menus and advertisements in the window for which a small fee is paid. It certainly wouldn't be appropriate that the Bureau's fax facilities are used to disseminate or promote any particular service in the community. That's certainly not the role of the Bureau and I would be particularly perturbed if that was the case. I'll certainly make enquiries to ascertain whether that is in fact happening.

MR BATES I have one final question Mr President.

MR PRESIDENT Yes.

MR BATES To Mr Brown. At a previous meeting, December I think it was, you advised the House that you were well advanced in the establishment of a Pecuniary Interest Register and that you hoped to bring a proposal forward within a couple of months. As nothing has as yet come forward can you acknowledge that this is a high priority matter and indicate to the House when you will proceed?

MR BROWN Mr President, I don't regard as being of as high a priority as some other matters. Later in today's meeting I will be tabling a Deserted Wives and Childrens Ordinance. That Ordinance is in fact a repeal Ordinance to repeal legislative which has been in place in Norfolk Island since 1923. Mr President, this is a bit of a long response but it is all relevant to the question.

MR PRESIDENT We won't be pre-emptive of other things that will come back in a minute.

MR BROWN No Mr President.

MR SANDERS            Mr President, if Mr Brown is going to use all of question time in this, could perhaps he do that in Statement time so we can get on with the questions?

MR BROWN            Mr President, I'll make this as brief as I can but I'm trying to explain why it is that I regard other things as having higher priorities. In 1975 the Family Law Act was enacted by the Commonwealth of Australia, and that Act extends to Norfolk Island. Once that Act had been extended here our Deserted Wives and Childrens Ordinance should have been repealed. In 1976, I'm sorry, in 1986, Mr President gave an undertaking that we would in fact, gave an undertaking to the Commonwealth, that we would in fact repeal that legislation. Today, by tabling the Bill that I will table, I will be honouring that undertaking which was given to the Commonwealth in 1986, nine years ago, and I will be doing something that we should have done, or rather that should have been done by the Commonwealth in those days, in 1975, almost twenty years ago. Later today I will be tabling an exposure draft of a Fair Trading Bill. That Bill picks up the consumer protection provisions of the Trade Practices Act of the Commonwealth of Australia and of the Fair Trading legislation of the various States of Australia. It also picks up some of the, some of its provisions are also similar to the legislation in New Zealand. It is three years or more since we gave an undertaking to the Commonwealth that we would enact consumer protection legislation. There is other legislation on which I am presently working, for example an Administrative Review Bill, which again was the subject of an undertaking to the Commonwealth a long while ago, and I've taken a view that satisfying undertakings which had been given in earlier times is an extremely important matter because if undertakings by the Norfolk Island Legislative Assembly are not going to be honoured then it's very difficult for anyone to give us any credibility in discussions that we have with them. I do regard the Pecuniary Interest Register is important; members of this Assembly and of earlier Assemblies will recall that I make a particular point of declaring my own pecuniary interest in every debate where a pecuniary interest of my own is involved, no matter how remote that interest might be. It is interesting that I'm probably the only one that does that, at least to any significant extent. I know that Mr Bennett will be doing so later today in relation to a matter and I do recall that he has done it on other occasions. It's not a case of not regarding the matter as being important, but having legislation completed to the stage where it can be tabled in the House can be a very time-consuming process. Having other matters of policy attended to can be a very time-consuming process, and as soon as I possibly can I will be finalising something in relation to the proposed Pecuniary Interest Register.

MR SANDERS            Thank you Mr President. I have a question here for Mr King and the question is, are you able to advise if the information is correct that I have received from a member of the Tourist Bureau Board, and the question is, is it a fact that all faxes, mail and 'phone calls that concern the Norfolk Island Government Tourist Bureau are directed to the Chairman, Warren Langman's private address, and that the only information that is available to Board Members is that which the Chairman allows them to see.

MR KING            Well, firstly, let me say that I am a little surprised that if there's a degree of unrest in the Bureau area. I in fact spoke with the Bureau only yesterday at one of its meetings and there appeared to be a degree of harmony and co-operation among those members which in my view is quite unprecedented. I'm not aware that all correspondence goes to, goes direct to Mr Langman, the Chairman, at his home. I know that Mr Langman can't possibly spend every hour of every day in the Bureau and if there are communications that people wish to make with him they're quite entitled to direct them to his private fax. I don't think I can respond any further than that. I mean he has every right to receive faxes on his private machine. I in fact communicate with him on that number if he's not in the office at the Bureau. I really can't see the need for the question, quite

frankly.

MR SANDERS I didn't ask Mr King whether he saw a need for the question.

MR PRESIDENT Order Mr Sanders. Do you have another question?

MR SANDERS Yes I have a number Mr President, and I have one here that I have for Mr Robinson, and the question is, at the Adjournment Debate at the last meeting of this Assembly I asked you whether your views and letters to the United Nations were your own and you replied "yes". Shortly after that meeting there appeared in an Australian paper, the Sydney Morning Herald, an article headed "We Don't Feel Australian", in which it referred to the private letter you tabled at the last meeting of this House, and that the author was the Deputy President and a Minister of the Norfolk Island Government. The inference being that your actions are supported by the majority of this House. The question is, is the reason many of those people in the photo don't feel Australians because many were foreign nationals by birth and that many did not know what the photo was to be used for, and do you intend to continue to use this Assembly for your re-write of history?

MR ROBINSON Thank you, just for Mr Sanders' benefit, for the third time, I would quote from my tabling Statement of 9th, the meeting of 9th. I lodge my letter of protest with the United Nations as a private individual rather than as a Member of the Legislative Assembly for two reasons. The first that time is running out more rapidly than this House can be brought to believe, and the second that I'm not sure all the Members of this House have the perception to see what is happening, nor the intestinal fortitude to buck Australia and actually do something about the problem. Back to the article that appeared in the Sydney Morning Herald.

If I had written that article, as so many people seem to think happened, it wouldn't have concentrated on a "red-herring" issue. If I were the author of that article, it would have been about how Canberra arrogantly ignores Article 73 of the United Nations Charter, how Sir Robert Garren, secretary to the Attorney-General in 1905, said that Norfolk Island was to be a dependency when the 1914 British Order-in-Council was formulated. And how Sir Isaac Isaacs, at the time Attorney-General, agreed with his secretary. I would have written about the Australian Department of Foreign Affairs' policy in regard to Christmas Island, which is to include Christmas Island in as many Federal ....

MR SANDERS Mr President, point of order. I think Mr Robinson is rather irrelevant to the question. I was asking him does he intend to use this Assembly to re-write history. I would have assumed Mr President that if he has a disagreement with perhaps the Australian Government or actions therefrom that the proper place would be through the Court, not this House.

MR PRESIDENT Yes, Mr Sanders and Mr Robinson, there are obviously some relevancies in what Mr Robinson is saying to us. I might say that it is coming towards the perimeter of relevancy but no doubt you will take that into account.

MR ROBINSON Thank you Mr President. Mr Sanders referred to the article in the paper, not me, initially. Their policy in regard to Christmas Island which was to include Christmas Island in as many Federal Acts as possible in order to make out that Christmas Island is a part of Australia, rather than a dependency of Australia. Now that's a fact Mr Sanders. It's not re-writing history.

MR SANDERS Mr President, there's a point of order. Mr Robinson is selecting piecemeal. He's not talking about the omissions that are being made ...

MR PRESIDENT Order Mr Sanders. Mr Sanders it's not debate time, it is question time and you've asked a question and Mr Robinson is responding to it.

MR SANDERS Mr President, I believe it's irrelevant what happens in Christmas Island to the question that I asked.

MR PRESIDENT Yes, order Mr Sanders. The question is not a matter of debate. Mr Robinson if you would continue.

MR KING Mr President, could I ask whether you are going to deliver a ruling on Mr Sanders' point of order.

MR PRESIDENT I have done so.

MR KING And you've ruled that "no point of order"?

MR PRESIDENT At this stage, yes.

MR ROBINSON Thank you Mr President. I would have gone on to say that Canberra is doing exactly the same thing to Norfolk Island by including Norfolk Island in as many Acts as possible. In 1935 there were 16 Acts, in 1989 210 Acts, in 1994 an undisclosed increase over that staggering number, including the Snowy Mountains Engineering Corporation Act, which even the most naive person can see has no relevance to Norfolk Island.

MR KING Mr President, I beg your pardon, but I must raise a further, I must raise a relevant point of order. Standing Order 105, we're heading into the Snowy Mountains area now.

MR ROBINSON The Act, not the Snowy Mountains, Mr King.

MR PRESIDENT Yes. How well advanced are you with your response Mr Robinson?

MR ROBINSON Oh, about half way Mr President.

MR PRESIDENT Can you do better than that?

MR ROBINSON I can save it for the Adjournment Debate if you like?

MR PRESIDENT It's starting to become more relevant for that forum. I mentioned earlier ...

MR ROBINSON That's fair enough Mr President.

MR PRESIDENT ... of relevance and if you're only half way there I think we might be starting to stretch it. Keep to a response more directly to the question that is being asked.

MR ROBINSON Very good.

MR PRESIDENT Anything final Mr Robinson?

MR ROBINSON That'll do until Mr Sanders comes up with a supplementary.

MR SANDERS No, I'll keep that for the Adjournment Debate also.

MR PRESIDENT Okay. Well, that's good. That means we're well advanced in Question Time.

MR SANDERS Yes indeed Mr President. I have a couple here I have for Mr Bennett. The first one is, I asked at the last meeting a question to do with what happened to the "B" portion of the Provident Fund if a person was to cease to be in

it. Mr Bennett said that he would reply to it at this meeting.

MR PRESIDENT           Okay. Mr Bennett are you in a position to respond at this time.

MR BENNETT            Yes, Mr President. Mr President, Mr Sanders indeed asked about the, asked what happened to contributions in particular the "B" Fund when they were not given to the contributor. His concern was, and justifiably so, that it didn't appear to him to appear in any financial statements. I have sought advice on the question and I propose to, because it's an important one, to read the response. First of all Mr President, where a contributor to the Provident Fund dies before retirement, regardless of the length of service, the amount standing to the credit of the deceased contributor's "A" and "B" accounts, or the amount of \$400, whichever is the greater, is payable (a) if the contributor is survived by a dependant, to that dependant; (b) if the contributor is not survived by a dependant, to the personal representative of the contributor; (c) if there is no dependant or personal representative, to a person determined by the Official Trustee. Mr President, only when a contributor voluntarily resigned before having completed six years or service, or is dismissed, does he not receive the balance standing to the credit of his "B" account. In that event, the balance standing to the credit of the contributor's "B" account as at 30th June prior to resignation or dismissal, is either paid to the Revenue Fund, that is the item "Appropriation Former Years", that appears in the financial statements, or back to the Government business enterprise from which the funds were originally paid. Funds contributed to the "B" account from July to the date of resignation or dismissal are credited to the expenditure vote or government business enterprise from which they came. So you can see there's two parts. If it's in the current financial year it would be contributed or put back into the vote from which funds were expected to come but if it was in a previous year it goes back to the fund called "Appropriation Former Years". Mr President, the destination of all payments made from the Provident Account are recorded in the funds financial statements. I'm advised however, that payments made from the Provident Account to either the Revenue Fund or the Government Business Enterprise are not separately highlighted in the Public Account, however details are available for audit scrutiny. That's the amounts that appear in the Fund titled "Appropriation Former Years".

MR SANDERS            Thank you Mr Bennett. Mr President I have a number of ...

MR PRESIDENT           I have noted your call next.

MR SANDERS            I have a number of questions Mr President, I'm trying to be selective on who I ask, where I think I may get the shortest response. I have one for Mr Brown. The question is, are you able to advise this House if there are any outstanding fees owed for Years 11 and 12 for the calendar years '92, '93 and for the first quarter of 1994, and if you have taken no action for the recovery of these debts, will you explain why not?

MR BROWN             Mr President, there are indeed fees owing for the calendar year ended December 1992 and there are indeed fees owing for the calendar year ending December 1993 and there are fees owing in respect of the first term of the 1994 calendar year. In relation to the 1992 year the outstanding fees relate to two families and in recent months I've become more and more frustrated at being totally unable to obtain any information from the Legal Branch as to progress in collection of those fees. In fact, in at least one of the cases, on my instructions a summons had been issued in 1992 and I have now found that although the summons had been issued and served, nothing further was done with a result that the summons has run out of time and the whole process needs to be started again. In fact in each of those two cases it would be fair to say that very, very little had been done. I can apologise to Members for that but I have certainly done my best to extract the information and it is only in the course of the last two days that I have even been

given the courtesy of a response. In relation to the, I'll go back a step Mr President. I believe that action has been taken now with will hopefully lead to each of those matters being fairly quickly resolved at this stage. In relation to the 1993 academic year there are some parents who have been going through a hard time who are making payment in instalments, there are other parents who are not making any real endeavour at all. To such extent that a parent does not make a satisfactory arrangement with the Finance Branch within the next fourteen days, or to such extent as a parent who has made an arrangement in the past has failed to adhere to that arrangement and has not made a fresh arrangement, in relation to those 1993 fees, they can certainly expect a policeman to knock on their door within the course of the next fortnight with a summons. In the case of the 1994 year, a fourteen day notice has been sent to each of the parents involved and again, if satisfactory arrangements are not made the policeman will knock on the door with a summons. Mr President the whole future of Years 11 and 12 is now very much in jeopardy as a result of the failure by a significant number of parents to do the right thing.

MR PRESIDENT Question time has expired Honourable Members, do you wish an extension.

MR SANDERS Mr President, I move that Question Time be extended by half an hour.

MR PRESIDENT The proposal is that Question Time be extended for half an hour. What do you say?

MR SANDERS It could be less than half an hour Mr President. It depends on how long the responses are going to be. The questions are quite short.

MR PRESIDENT Good. Thank you.

MR SANDERS I have another one for Mr Brown. Perhaps he may be able to answer this one a bit quicker. The question is will you confirm to this House that there is a belief by the Clown Solicitor that once he is appointed that he cannot be told what to do.

MR PRESIDENT Order, order Mr Sanders. I think I need to make it clear in respect of some terminology that you have used today because it is becoming increasingly clear to me that you wish to use that terminology with some repetition attached to it. I'm just not too sure, although I think I know, who you might be referring to, but it may not be clear to all, and I would ask that you use correct terminology in this House if you wish to raise a question.

MR SANDERS I'm not aware of what you're referring to Mr President.

MR KING He rolls his "r's".

MR PRESIDENT Yes, it appears that he might do that. Mr Sanders we're not going to play games today.

MR SANDERS No, no. If you're referring to, well it's a matter of fact I'm not too sure what you're referring to. I thought I was asking a very simple question.

MR PRESIDENT Yes. Would you like to just run through it.

MR SANDERS Will you confirm to this House that there is a belief by the Clown Solicitor ...

MR PRESIDENT Stop. What, who are you referring to?

MR SANDERS The Clown Solicitor.

MR PRESIDENT It's not a term that I'm familiar with Mr Sanders.

MR SANDERS Well, I'm not too sure ...

MR PRESIDENT We're not going to argue, we're not going to argue the issue. If in fact that is the question I'm going to disallow it and I will give a call to somebody who will speak in terms that are acceptable. Now let's get on with it.

MR SANDERS Well, perhaps you could leave that paragraph there and could I just use the last piece of the question, and the question is that if he can't be told what to do, when is it proposed to remove him and replace him with a person who will do as directed.

MR PRESIDENT If in fact we're talking about an officer or an employee ..

MR SANDERS I'm referring to the Clown Solicitor.

MR BATES Point of order Mr President. This is highly disorderly. Point of order 192.

MR PRESIDENT I'm endeavouring to address that Mr Bates, thank you.

MR SANDERS Mr President, I fail to see what's ...

MR PRESIDENT Order, order. Order Mr Sanders. If in fact you are endeavouring to refer to an officer or an employee, you will know we have a particular Standing Order that addressed that matter, and in the terms that you have raised it, it would need to be that we would need to recognise that and if you want to pursue it we would need to take a ... of that Standing Order.

MR SANDERS Well, if you are ...

MR PRESIDENT Order, order.

MR SANDERS If you are concerned with my pronunciation of my words - not being as educated as some of you people - perhaps I could just say, Mr Terry Fools, and name the person.

MR PRESIDENT Order, order Mr Sanders. I have no intention Mr Sanders, and I should make it clear to you that this House be made a foolish House in which we consider the sort of things that you are raising this morning.

MR SANDERS Mr President, I wasn't trying to be foolish, I was trying to ...

MR PRESIDENT No. Order. If in fact, if in fact you want to raise serious matters, then I would ask that you use appropriate terminology and not try to make it something in which this House could not be proud of, and I would ask all Members, all Members to understand what we're on about this morning. Now I'm going to, unless that is going to be improved upon, and I'll give you a moment to just think about it Mr Sanders ...

MR SANDERS Well I was going to improve on it Mr President. I was, if everybody is fussed with how I pronounce my words, then perhaps I could use, "the head of the Legal Department". Is that all right?

MR PRESIDENT           So you're asking, would the head of the Legal Department be considered in terms that you later described in your motion, in your question, I'm sorry. If that is the case I understand what you're on about and I would ask Members that we would need to look at Section, Standing Order 72a and let's get on with doing that.

MR SANDERS            I wasn't proposing to waste the time of the House by going through the whole, perhaps I could just use "the Department", without calling it "the head of".

MR BATES              Mr President, I have a request that you look at Point of Order 189 and consider naming Mr Sanders if he continues this line.

MR PRESIDENT         No, I'm not of a mind to do that. I'm sure we can, at this stage anyhow, sort this matter out in a way that will conclude ...

MR KING              Can I draw your attention Mr President that you have called Mr Sanders to order on seven occasions. The meeting is but 47 minutes old.

MR PRESIDENT         I hear what you're saying Mr King.

MR BROWN             Mr President, I think I can provide a brief, suitable response, if it is the House's wish.

MR PRESIDENT         Let's try Mr Brown. I'm keen that we get on and have no further difficulties.

MR BROWN             Mr President in many other places the work of Legal Branches is put out to the private sector, and I am presently having a study conducted as to whether it is wise for us in Norfolk Island to look at something similar. It may be that that study will overcome the difficulties that Mr Sanders has referred to Mr President.

MR SEMPLE            Thank you Mr President. A brief one here for Mr King. Have any further proposals Mr King come forward re the establishment of new businesses or industries on the Island?

MR KING              No, none other than the proposal I've spoken with Members about at our informal meetings Mr President.

MR SEMPLE            I have three here for Mr Robinson. First one Mr Robinson. Is it correct that the Australian Quarantine Inspection Service has declared Norfolk Island fruit-fly free? If this true, what implications will this have for the fruit and vegetable growers on the Island?

MR ROBINSON          Yes indeed. I believe Mr Semple's copied in on a letter from the Quarantine people in Australia saying that indeed we are fruit-fly free and it's nothing but good news for our crops.

MR SEMPLE            Mr Robinson again. In December the Minister for Commerce and Environment replied in a response to a question that he expected to come forward with legislation on the importation, use and disposal of toxic products by January. Well, it's now March without any sign, as I'm aware, of draft legislation. Can the Minister inform this House what priority has been given to the issue and when he might expect legislation to come forward?

MR ROBINSON          Thank you Mr Semple. Yes, there are pesticides before the Draftsperson at the moment, and the Hazardous Goods is not quite as far along, so hopefully it won't be too long now.

MR SEMPLE                    Thank you Mr President. One final question for Mr Robinson. The long kikuyu grass in the Headstone Reserve was mowed just before Christmas as I recall. There now appears to be vigorous growth of noxious weeds in the mown areas. What is intended to be done to prevent the seeds from these weeds from spreading, in view of the fact that the area does receive more than its fair share of strong winds?

MR ROBINSON                Thank you Mr Semple. That is a problem, mainly brought about by the fact that our weed eradication programme was to be in the latter half of the year. Now unfortunately the budget being in the condition that it's in meant that my weed eradication vote was removed. What I'm doing about it personally is that on Sunday mornings I'm going out with my grubber and digging up a bit. Feel free to join me if you are free on Sunday mornings. It is a problem, I acknowledge that and of course one man can't handle it all, but hopefully we can include more weed eradication in the next budget.

MR PRESIDENT              Supplementary. Mr Sanders.

MR SANDERS                Thank you Mr President. Could I ask Mr Robinson when he's finished on the road that he's on if he would mind doing Douglas Drive? It needs it badly.

MR ROBINSON              Yes, thank you Mr Sanders. I noticed that.

MR SANDERS                I have a question for Mr Bennett and it is, I refer to correspondence between yourself and the responsible Minister for Airports and one of the tour operators who is also responsible for security at the airport and the question is it proposed that each individual who wishes to see the Banyan Tree at the airport has a personal security check or are you putting in place double standards for the safety of the airport

MR BENNETT:              Mr President, the answer will be a little bit longer than Mr Sanders will probably want but let me explain it to you

MR SANDERS:              Mr President do you think it might be safer if I ask Mr Bennett to do this in the adjournment debate

MR BENNETT:              No, it won't be more than half an hour. Mr President, the Banyan Tree is of some significance to Norfolk Island. It apparently is listed I'm told in the Guinness Book of Records. It has a fascinating interest for a lot of people and there have been requests made over the years for access to the Banyan Tree so that the significant tree can be shown off to visitors and the like. The early responses were in the negative. We were in the throes of taking over the airport and tidying up a number of aspects of the airport and the last thing I would want to have to consider was the additional security measure in respect of the Banyan Tree but in recent times I have inspected the site and I wrote to the three or four tour operators, however many there were, and suggested that I was willing to discuss access to the Banyan Tree under certain conditions and would be happy, if they were still of a mind to take visitors there, they should respond and we would set about trying to find a way around the difficulties and the difficulties are many. For example there would be a need for the place to be tidied up and I don't believe that that path should fall on the airport staff in total. There would be no exclusive rights given to anyone to go to the tree. There would be a need for access to be restricted to predetermined times and lastly there would be a levy on that. Security at the airport is an important consideration and I have no intention of compromising that. In recent days or weeks I have had discussion with the insurer or the insuring agent for the airport about the question of liability and the like and there's been an exchange of

correspondence about what the insurer might feel about it etc. Let me quote from the letter that I wrote to one of the tour operators who happens to also have some security involvement at the airport and quite correctly he pointed out to me some significant concerns that he has and I took them on board and took them well. I said that I had no intention whatsoever of compromising airport security and for this reason access will only be permitted at times or days when there are no regular passenger transport services or any other known activity. Secondly, access to the Banyan Tree will be restricted to predetermined times, such times being determined by the Airport Manager. Now we, at that stage were talking tentatively of Wednesday afternoon because there were no services but subsequent to that Ansett Airlines have added to their services and Wednesday is now a busy day at the airport. Thirdly, tour operators and their drivers will be authorised and no access will be provided otherwise. There will be certain responsibilities and restriction placed upon authorised tour operators and this situation will be monitored closely. Any break whatsoever will cause the privilege to be withdrawn forthwith and lastly, as I had mentioned, this proposal has been discussed at length with the Administration's Consultant Risk Manager who had some concerns also in respect of the airport's liability insurance and there has been an exchange of correspondence since. The matter is still under discussion and if there is a way of providing access in a controlled predetermined way without compromising security then I would want to look at it but if there is any threat to security in the airport or concern expressed by the airport's insurer then obviously the matter won't be progressed any further. No final decisions have been taken at this time

MR SANDERS: Supplementary question if I may Mr President. Without a physical search of each person wishing to inspect that Banyan Tree, how can you be assured that some person will not leave some device that can be, for a better word, electronically detonated at a later date. On a Wednesday afternoon when there's no place leave something, press the button on Thursday

MR BENNETT: Mr President I can't do that. Nor can I stop anyone mounting a mortar outside the fence and lobbing it on the airport terminal, the runway or climbing over the fence. I mean, the airport in Norfolk Island is a very low security area

MR SANDERS: We don't have to make the security lower

MR BENNETT: No, in fact it would be questionable whether it's even secure. I mean, if you are aware of airports away, airport fences are quite different to ours. Ours are an ordinary farm type fence, one hop and you're over and we of course, had the option right in the beginning of putting security fencing right around but that option was not seen as necessary by the licensing authority. The licensing authority for the airport is the body that will determine whether security is compromised or other and I don't intend taking any shortcuts around it. If there are concerns raised by the licensing authority then that's it

MR SANDERS: Mr President I have a few questions for Mr King but can I ask Mr King if Mr Bennett has handed on some questions that I asked at the last meeting. I have them here but I was wondering if they were passed on to prepare Mr King

MR BENNETT: Mr President, Mr King was made aware that questions were asked and they are in hansard and hansard has been circulated

MR SANDERS: On that basis Mr President I will ask those questions again and the question is, is it a fact that the tourist bureau is funding the attendance of the Sydney based General Manager at a travel show in Germany, a conference in Korea and travel shows in some or all of Brisbane, Sydney and Melbourne, and if so, why?

MR KING: Well perhaps I won't answer the last question, I would have

rather thought Mr President that the reasons for such attendance were fairly evident, even to Mr Sanders, I mean the promotion of Norfolk Island as a tourist destination. Yes the Bureau is attending the International Tourism Voice in Germany, and if my memory serves me correctly our General Manager has just returned in recent days from Germany. I understand that the costs of attendance to the ITV to Germany were somewhat less than half of the \$20,000 which was sought to be allocated by the former Bureau, costs came in at about \$8,000 the originally anticipated costs of ITV attendance, which was supported by the earlier bureau was \$20,000. The conference in Seoul is the ... Pacific/Asia travel Association conference of which we are a member, the costs of attendance there will be \$2,000 a very minor sum appropriated or sanctioned by the Bureau on the strength of the general managers arguments that we should attend. There are considerable benefits arising from there our membership of the organisation, let me just tell you one Mr President that, it is highly likely that when PARTA launches its concept of values based tourism, later on in this year, approaching the year of the South Pacific I might add in 1995, that they may well use Norfolk as their role model. That's a most exciting prospect, now the \$2,000 expenditure for that is not a large sum of money, a great deal of it has been funded from the general manager's own pocket. Further part of the question was? Of course we are attending the travel shows, what we are doing is attending the talk about tourist industry meetings, we have taken the view that those are important industry trade fairs, which we must attend, and in fact our attendance I think at this stage, Brisbane and Sydney I'm not sure that Melbourne has yet taken place, certainly proved very very worthwhile, in fact we were fully attended as you know certain times are made available for meeting with agents at these trade fairs, our book was filled completely. I think that answers response to most of Mr Sanders initial question

MR SANDERS: The next question Mr President. Does the Tourist Bureau Sydney based general manager's telephone as Norfolk Island Government Tourist Bureau or as South Pacific destinations, and is he engaged solely by the Bureau or does he represent a number of clients, and why did the Bureau choose a part time general manager, and was the position originally advertised as part time or full time?

MR KING: Well very short answers Mr President. I don't know what the telephone answers over there. I suspect it may be South Pacific destinations, which is the general manager's or Mr and Mrs Doyle's trade name. He does represent a number of clients, he represents only Norfolk Island he has an interest in inbound tourism to Australia which he promotes, and that of course would have some flow on benefits for us, but he has no other clients except Norfolk Island. He doesn't work for us on a full time basis simply because we can't afford a person of that stature on a full time basis. From memory I think his time is somewhere about 2/3's

MR SANDERS: The third question Mr President. How much per month has been paid to the Tourist Bureau Sydney based general manager since he commenced duty, and if this is calculated on an hourly basis, what is the hourly rate, and how are the hours checked, also what hourly rate is paid to Bureau's public relations consultant Bill Gray and how much per month has he been paid since he commenced duty?

MR KING: Mr President, again I would attempt a short answer, firstly I am not about to make a public debate of remuneration levels of the consultants or those people employed or engaged by the Bureau. I will impart that knowledge to Mr Sanders in camera, but I will not make it a public debate. I will say that what we do pay is well within the budget, we are operating with in the budget, I would say additionally that for a person of the stature of our present general manager, I would be prepared to pay in excess of \$100,000. I'm not doing that now, because I think that it is particularly important whatever one pays a chief executive in any area, one looks for a level of productivity which will return or compensate for the wages paid, the salary paid. Now let me say, let me just give you a couple of

examples Mr President, of the matters which have been dealt with to finality by Mr Doyle, and I really don't want to make a great issue of Mr Doyle's relationship with the Bureau, simply because I don't want to run the risk of undermining that relationship, that working relationship, that would be foolhardy and out and out stupid, if we were to enter into any lengthy debates criticising the general managers performance. Now for example let me say that Mr Doyle has played a major part in the reduction of Ansett airfares to Norfolk Island, with the result that packages now cheaper, let me say further that Mr Doyle has played a major part in negotiating with Ansett for the add on fares for international travellers at very attractive rates. I can't quite recall but, it is something like an add on fare of about \$300 or so added out of Sydney. Let me say further that Mr Doyle has played a major part in moving our market from the eastern sea board a little bit further west, and has negotiated or has played a part in the negotiations with Ansett for the establishment of a very, very attractive fare from Adelaide through Sydney to Norfolk Island return. Now I think that fare is somewhere in the order of about \$720, that's happened over recent months, with the result that I confirmed only yesterday, that there are in fact fifteen tours, fifteen groups booked out of Adelaide as a result of those endeavours, fifteen groups average group may be 20 and we are talking about an additional input to the community of about 800 to 900 thousand dollars out of the new market. Those are the kind of benefits Mr President that you get when you pay reasonable money for a person of the professional stature.

MR SANDERS: Supplementary question to that Mr President. When can the Island expect to see those tour groups arrive here so that we can get the benefit that you refer to?

MR KING: Mr President, I don't want to enter into a great lengthy debate about the prognosis for future in tourism, but let me say that my view, we are poised for a very early recovery

MR PRESIDENT: Time has expired for questions Honourable Members

MR SANDERS: Mr President, is it possible to move for a further extension of about 10 minutes

MR PRESIDENT: We have already had an extension of half an hour Honourable Members, how do you view the extension of a further 10 minutes

MR SANDERS: Thank Mr President, these questions that I have for Mr King are of interest to the public and I believe that ... This question, is it a fact that Bob Wicks a worn out has been Ansett Express office worker

MR PRESIDENT: Order Mr Sanders. I'm not to sure that there are standing orders that are going to support what I am about to say, but I am wondering whether such a description of people whether they be in this community or another place, is really helpful to Norfolk Island's interests

MR SANDERS: Well Mr President may be I could. Do you mind if I name the person? If he is being paid to attend travel shows for the Norfolk Island Government Tourist Bureau and some or all of Brisbane, Sydney and Melbourne in the next few weeks, if so who selected him and why? And is it a fact that his knowledge is so poor that he has had to ask travel agents to educate him about Norfolk Island? Is it a fact that he will cost over \$400 per day, that of cause includes his accommodation etc?

MR KING: Mr President, let me say that Bob Wicks has proven to be a very worthwhile acquisition for the team that is out in the market place promoting Norfolk Island. That fact that Mr Sanders may regard him as being a worn out Ansett

press officer

MR SANDERS: A point of order Mr President. If Mr King can use that worn out press officer expression can I use it also?

MR PRESIDENT: I would hope that none of us would need to use that sort of terminology

MR KING: The fact Mr President, that Mr Sanders has well chosen his words to describe Mr Wicks would be source of great amusement to Mr Wicks, that is precisely the nature of the man and that is one of the features of the man that makes him a very good acquisition at the travel trade fares. Mr Sanders was at a meeting at which our general manager was present and during that meeting this particular gentleman was raised as well I think, by Mr Brown and Mr Doyle explained quite satisfactorily I thought, that the view, his view and the view supported by the Tourist Bureau and myself, is that the travel fare, the trade fare attendance ought not necessarily be two people from Norfolk Island but one person from Norfolk Island with the product knowledge and the other person with the trade knowledge, now that mix and that relationship has proved extremely satisfactory at the fares that Mr Wicks has attended, and that in fact can be attested to by the roving sales manager of the Norfolk Resorts Group who is very prominent in those types of areas. As to who selected him, he was selected by the Bureau on the recommendation of the general manager, absolutely no difficulty with that, the financial considerations of doing that were in fact quite wise on Mr Doyles part. The fee paid to Mr Wicks, which is no way in the order of \$400 per day I might add it is somewhere in the order of about half that, but the fee paid to Mr Wicks is quite considerably lower than that which might otherwise been paid to Mr Doyle if Mr Doyle the general manager had attended on our behalf, so we had the benefits of professional expertise and knowledge of the trade and the trade operators on the mainland at a considerably less price than what we would have otherwise paid, (a) for someone to attend from here or (b) to use the services of the general manager

MR SANDERS: Mr President, I have another question. In amongst those it was addressed to John Brown. Some weeks ago you wrote to the Chairman of the Norfolk Island Government Tourist Bureau seeking certain information, have you yet received that information? And is it a fact that the Chairman has refused to provide that information?

MR BROWN: Yes, Mr Sanders, certainly the Chairman of the Bureau although he had in a letter to the paper invited me to seek information from him, has consistently refused to provide any. Mr King has provided me with a small amount of the information which I requested, what I have been provided with certainly does not satisfy me but, insofar as your question is concerned the Chairman of the Bureau has refused to provide anything

MR SANDERS: Thank you, Mr President. As a further question here for Mr King. The question is will you be making a statement to this House as to why the launch of the Government Tourist Bureau promotion on board the Bounty in Sydney was set for the same day as the last Assembly meeting when the Bounty was available on any morning throughout the month of February, and are you able to advise why you needed five days travel allowance for a 1 hour promotion?

MR KING: I think it was four days travel allowance actually Mr President. The reason that day was chosen was as a direct result of the lack of seating arrangements on the plans. I did give it a lot of consideration and in fact spoke to a couple of my colleagues, about whether I ought to be in fact going along to that particular launch because the meeting of the House was scheduled to take place on the same day. I don't make any apologies for that. It was a tremendous success, and absolutely tremendous success for which Norfolk Island will receive the

benefits for some several months to come. I have absolutely no embarrassment or discomfort about my attendance on that occasion, none whatsoever

### **Presentation of Papers**

MR PRESIDENT: Are there any Papers to present this morning

MR BENNETT: Mr President in accordance with section 41 (2a) of the Interpretation Ordinance 1979 I table the Financial Institutions Levy Amendment Regulations 1994

MR SANDERS: Mr President I feel that I have been outfumbled

MR PRESIDENT: I thought that you had had a very good run this morning Mr Sanders. Mr Bennett please continue

MR BENNETT: Yes Mr President. I table the Financial Indicators for the month of February which incorporates the eight months of this financial year and Mr President I have intended to deal with both this and tabling the fourth draft of the budget review together but after I finished writing my notes on the fourth draft I thought Mr Sanders might like a breather between the two so I will at this stage just table the financial indicators for the month of February and move that that Paper be noted

MR PRESIDENT: Thank you. The question is that that paper be noted

MR BENNETT: Mr President this Paper has been circulated out to Members as is the custom and I must say that it is a disappointing result. It does reflect the position after eight months of the financial year and with four months to go obviously there are concerns arising from it. It was a particularly poor month, revenue for the month fell \$174,000 short of budget, the largest single contributor being customs duty whereas customs duty is budgeted on a one twelfth basis of the total revenue expected of \$204,000 customs duty received in the month of February was \$112,000. Other notable shortfalls in revenue in comparison with what is expected or budgeted, the column other taxes was \$39,000 short of its budget for the month and other charges was \$15,000 short. It is only a minor comfort to note that expenditure for the period was some \$80,000 below the figure budgeted. Looking at the broad picture for eight months Members will note with disappointment that whilst revenue is running at 90% of budget for the period this translates into a shortfall of \$492,000 in revenue. On the surface when both the revenue and expenditure summaries are compared it looks not unreasonable but we ought not be fooled by the fact that expenditure is only 88% for the period or \$615,000 less than that sum budgeted for because a number of expenditure items are in fact commitments for items of expenditure which cannot be avoided. Mr President I will expand very greatly on the position we see in these financial indicators sheets when I table the fourth budget review and I need not say any further at this time

MR BROWN: Mr President it's not Mr Bennett's fault that these figures are disappointing. They are nevertheless, very disappointing. We are short of budget at this stage by almost half a million dollars in our revenue. Customs duty had some sort of an explanation in the February month in that the shipping from New Zealand had been interfered with. It may yet be that shipping from New Zealand is not very successful in the March month either. The tragic thing is that goods which are not sold in the shop today frequently are never sold in the Norfolk Island situation. Foodstuffs that have not arrived and that are not sold Mr President will never be eaten if they are not eaten today because people are going to eat tomorrow anyway. Visitors to the Island who have come and gone and not been able to purchase something they may have wanted are not going to be able to come back next week and make the same purchase or next month and so to a

significant extent customs duty that is lost in one month cannot be recovered but it does seem to some of us that our projection for customs revenue may need to be significantly downgraded for the remainder of this financial year. The Financial Institutions Levy again fell a long way short. The budget for the month was \$83,000. The actual receipts were \$68,000. Mr Sanders has said on many occasions that the FIL is a tax which more and more people are finding ways to avoid. Ways that are quite legal Mr President. There is no point us sitting here and moralising and asking people to put money in and out of their bank as many times as possible so that they can maximise the amount of FIL. If they choose to run a bank account on the mainland or if they choose to pay their bills with cash or if they choose on receiving a cheque from someone to simply endorse that cheque so that they can in turn pay a bill without the funds going through their own account then the amount of FIL will continue to reduce and more and more people are finding that it is a tax which can be avoided to a significant extent. My discussions with the banks have led me to understand that there are now significant deposits which would have been held in Norfolk Island but which are no longer held in Norfolk Island because of our FIL. If that be the case we have got to expect the staffing levels at each of the banks in Norfolk Island, in time are going to reduce and we really do need to ask ourselves whether it is appropriate to continue with the punitive level of FIL. The FIL is something that Members will recall was originally introduced in order to fund the Water Assurance Scheme and the community could have been forgiven for thinking that once the Water Assurance Scheme had been completed the FIL would be withdrawn. Instead it was increased from .15 of a percent to .25 of a percent and then a little like the increase in the Departure Tax on one occasion Mr President when Mr Page said that he didn't like to see the Departure Tax increased so instead of increasing it to \$5 he increased it to \$10. We increased the FIL from .25 of a percent to 1%. We really do need to look at that difficulty. We are now seeing in the interest earnings the effect of reduced interest rates. For a period we were fortunate in that the investments had been managed in a way that the higher interest rates of earlier times continued on for quite a while after rates generally came down but in the February month instead of earning \$14,000 in interest we earned \$13,000. We've been able to survive by spending very little, for example, on capital works. In the capital works area we have spent a total of 38% of budget for the year to date and Mr Bennett, and I am sure most Members are very conscious of the fact that it is most undesirable to simply survive from year to year by cutting out more and more of our repairs and maintenance and capital works but that again will be having to happen this year in order for us to get through the year. In the education area we've recently been impacted by a 3% salary increase which was awarded to New South Wales teachers and which flows through to our permanent teachers and in addition to that a 2% increase in their superannuation so we've seen a 5% increase in the teachers salaries area, that on an annualised basis is very nearly \$50,000 and that will impact in each and every year into the future and certainly that makes it absolutely essential that the question of localisation of teachers salaries be concluded as quickly as possible. Mr President, one thing that must be said about these figures is that it is a good thing that they are tabled. There are not many places in the world where by the middle of March the community is able to have a snapshot available of the financial performance for the previous month and for the year to date. We mightn't like what the figures contain but it is important that they are made available and it's important that by getting them on a regular monthly basis we are able to take action as Mr Bennett will be doing later in the meeting today to ensure that we do live within our means, thank you

MR KING: Mr President. Thank you very much. It is unfortunate that we clearly, looking at these figures, are looking at a deficit situation in our budget but I put it to Members Mr President that that is not a situation that you ought to be ashamed of or embarrassed about. I think that this Assembly has taken a reasonably close look at levels of expenditure, particularly throughout the Administration area and that's a necessary part of addressing the finances of the

Island. The FIL question is a vexing question and very clearly as Mr Brown says, there are an increasing number of people finding an increasing number of ways to avoid payment of FIL, in fact, it is probably fair to say that there's probably so much cash lying around the Island in tin cans and in cupboards that it is probably a burglars paradise. We are aware of the facility that people are using to post off their business cheques or receipts for credit into overseas accounts. I guess to a certain extent its natural for people to look for ways to avoid payment of their taxes and it probably should have been anticipated from day one of jumping up the FIL from .25 to 1%. That measure was taken of course in sheer desperation by the last Assembly. There's absolutely no question in my mind about that. The value of Reserves were being depleted at an extremely rapid rate during that time it was clear that there were going to be major deficits during that period unless there was a drastic increase in revenue. The best way to do it on that occasion was simply to increase the departure fee I think from \$10.00 to \$20.00 and to up the FIL from .25 to 1%. Had those measures not have been taken at that time there is absolutely no doubt in my mind that we would be cold stony broke at this point in time. I'm pleased to say that expenditure is down a little bit in the works area and I'm quite happy to say that some of the measures that have been taken in regards to road reconstruction techniques and the use of the recycling method rather than full reconstruction is able to satisfactorily achieve savings somewhere in the order, as I recall, of about \$40,000 odd for every kilometre of road reconstructed. My proposed programme for next year will be the reconstruction of somewhere in the order of eight or nine kilometres of road, effectively a savings in materials cost in that area of, I guess somewhere in the order of about \$200,000/\$300,000. Now in addition to that Mr President I might also point out that there are a number of new products that are on the markets now, or that will hit the markets which are used in relation to road reconstruction and road maintenance, particularly in the area of replacing bitumen. I'm very excited by the prospect of effecting somewhere in the order of about 65% savings in an alternative binding material called I think, Environbond and we are currently undergoing some examinations there. Hopefully those types of things will achieve greater savings in the future. I'm not particularly fussed if we do have a deficit budget this year. We've had a reserve fund which has always been said to be there for a rainy day. We've experienced a couple of rainy days or a couple of rainy years. I do believe that the Island has a very bright future. I can't be persuaded otherwise. One only has to look out the window here in front of us or behind us out in the Kingston area to know that we've got the product here to be a successful tourist destination and I believe that with some confidence the good times are ahead.

MR BENNETT: Mr President I just should say that whilst I appreciate the debate on the Financial Indicator sheets, there will be a much greater opportunity for a wider debate in a short while when I table the fourth draft budget review of course, but I appreciate the comments that have been made thus far. I would just like to go back to some of the comments from Mr Brown in respect of the Financial Institutions Duty. This levy is of course of concern to me and I know Mr Sanders has kept me on my toes throughout the life of this Assembly because he has an interest in it as well. The focus was to try to find another way of dealing with FIL rather than the levy on deposits and that's been the principal focus. I've been aware all along the way that there were other recommendations made by Dr Cris Nobbs in his report of April 1992, however the initial focus was to see whether there was another way of structuring a levy. In the course of last week I met with the two bank managers to discuss the way FIL is collected and we had a fruitful discussion on alternatives to the levy. Now obviously, one of the alternatives by way of a regional tax was not well accepted by the banks and that was not unexpected and that we are going to further examine the withdrawal basis rather than the levy on deposit basis and there will be more discussion over time but I've decided not to wait any further to deal with some of the holes in the current system. Holes that were recommended to be plugged by Dr Nobbs in his report and I

have instructed that drafting instructions be caused to make amendments to the Financial Institutions Levy Act and those should be ready in time for the next meeting. Three of the matters that those amendments will take care of will be firstly to deem bankcard account transactions liable for FIL, to change the definition of a loan in the Act to stop the avoidance of FIL, unintended by the Act and lastly to define the Norfolk Island Post Office as a Financial Institution for the purposes of the FIL Act at least insofar as its money transferring operations are concerned. Mr President it was interesting during the discussion with the banks to find that one of the banks in fact does levy FIL on Bankcard transactions but absorbs it itself, and the other bank expressed no real wish to begin levying.

However, that's been a loophole. There are major transactions occurring through the bankcard accounts which were never intended by the Act initially and we will bring into legislation some changes and it will be interesting to see how the debate goes on that in this place

MR PRESIDENT: Further debate. The question before us is that the Paper be noted?

MR BROWN: Mr President just turning back to that FIL for as moment. I know that Geoff is interested in seeing if it's possible to reduce the FIL by introducing a new withdrawal's tax, but I think it is important for us to realise that if we were to reduce the FIL to .5 of a percent and then introduce a withdrawal tax of .5 of a percent we wouldn't really have changed anything. People would still continue to avoid the overall situation. Similarly if we were to seek to get rid of the FIL by imposing some form of an annual charge on the banks, we've got to realise that if that annual charge is to be simply passed on to the customers it would make life worse for the customers that remained, but the customers that were already starting to deal in other fashions wouldn't be effected so I think we need to show a little bit of patience if Geoff tries to resolve the problem because it is not an easy problem and many of the initially attractive answers turn out to have alot of difficulties when you give them careful thought

MR PRESIDENT: Thank you. Further debate? Then I put the question. The question is that the Paper be noted

QUESTION PUT  
AGREED

The ayes have it thank you. Are thee any further Papers to present this morning?

MR BROWN: Mr President I would like to table an exposure draft of the Fair Trading Bill as a Paper. I propose to formally introduce this Bill at the next meeting of the Legislative Assembly. Mr President this is a major piece of legislation which is designed to outlaw misleading and deceptive business and trade practices. Fair Trading Laws now exist in all of the Australian States and in New Zealand. This Bill has been drafted with reference to the Fair Trading Legislative in other jurisdictions and when it is enacted it will close a gap in our legislative framework which was identified several years ago. I've sent a copy of the draft Bill to the Norfolk Island Chamber of Commerce with an invitation that they consider it and provide me with any comments but it is an important measure Mr President and for that reason I thought it would be helpful if I was to table it today and to invite Members of the public who might be interested to obtain a copy from the Clerk and I would certainly be interested in hearing from any people who may have an interest in making their point of view known to them

MR KING: Mr President in order to satisfy my obligations under Sections 18 and 19 of the Norfolk Island Government Tourist Bureau Act I table Auditors Report, Financial Statements and Bureau Reports for the year ending 30th June 1993 and move that the Paper be noted

MR PRESIDENT: The question is that the Paper be noted

MR KING: Mr President there is really very little that I need to say in respect to these documents. The Audit Report is a clear report and the Financial Statements reveal that the Bureau of that year operated within budget and carefully controlled its finances. I don't see the need to say any more in respect of those.

I must say also that those statements have been circulated to Members some weeks ago now

MR BROWN: Mr President. One of the interesting things about these financial statements is to see that the Bureau was in fact bankrupt as at the 30 June in 1992. At that time for whatever reason, the Bureau had spent more money than it had. The Bureau that was in place during the following year from 1st July 1992 to the 30th June 1993 started with a handicap. It had to make good that shortfall of \$30,000-\$40,000 and it was conscious of undertakings which had been given by the previous Bureau to reprint the Norfolk Island Brochure and it was also conscious of the desirability to have a new Norfolk Island Video prepared and accordingly the Bureau which was in place until the 30th June 1993 left a significant amount of money again, something in the region of \$30,000-\$40,000 for the new Bureau to go towards the cost of reprinting that Brochure in accordance with the undertaking that had been earlier given and towards the cost of a video.

It's a matter of significant disappointment to me that the present Bureau has not honoured the old undertaking at this stage of reprinting the brochure and that at this stage it does not seem to have done anything in relation to the preparation of a new video despite the fact, as I said that something in the range of \$30,000-\$40,000 was left in the account towards that purpose

MR KING: I'll just make a couple of brief comments in respect of some words that Mr Brown has spoken. I didn't see the need to get into a bung fight about this, I thought perhaps that some words may be spoken which might get my dander up a little bit, but I'm very well controlled at this point in time. Mr Brown referred to the short fall that the particular bureau installed for the year 92/93 had to contend with from the time that they took their particular office. I've referred to that at great length in this House as being simply the result of the manner in which the expense that the brochure was treated in that it was the intension of that out going board that the expense for that brochure be spread over two years. The incoming bureau decided in their wisdom to apportion the entire cost to the previous year...

MR BROWN: ... improper accounting practices

MR KING: No, no. Let me say that I have spoken to the auditors at great length and there was in fact a couple of ways that that expense could have been treated. And in fact Mr Brown is quite right when he says the manner in which it was treated, met with proper accounting principals and indeed so would it have been if it had been apportioned over the two years, certainly the benefits regarding the flow in from that expenditure, that is the brochure were for the 1992/93 year rather than the 91/92 year in which the expense was charged, so I really needed to repeat myself on that in case members had forgotten that I had explained that at that time. Thank you.

MR BROWN: I wonder if Mr King could give some thought to whether it had been necessary from them to provide a letter to the auditors, giving an undertaking that the Government would stand behind the Tourist Bureau shortfall before the auditors were willing to sign the annual audit report.

MR KING: Yes that's quite true. There's no difficulty with that whatsoever.

MR PRESIDENT: Further debate? The question is that the paper be noted?

QUESTION PUT  
AGREED

The ayes have it thank you.

MR KING: I table the tourist figures for the month of February Mr President and move that they be noted.

MR PRESIDENT: The question is that the tourism figures be noted?

MR KING: Mr President, obviously I am not as happy with these figures as I would have been had they revealed an increase over February of 1993. But again neither am I disappointed, certainly not to the point of despair in any event, in fact Mr President being the super optimist I am, I can even find some encouragement in these figures. Basically Mr President this is the analysis of the February figures. Visitation out of our major market the eastern seaboard of Australia is up almost 15%, overall numbers are down by 3.9% but I note interestedly that the public accommodation activity is down by only 1%. Unfortunately Mr President and the only contributor to the overall decline in activity the New Zealand figures are down 37%. However what these figures don't reveal Mr President is the reason why the New Zealand figures are down on February 1993. I don't want to be seen to be making excuses month after month but I feel that if they are explanations then they ought to be given to members. Members will recall I am sure if they cast their minds back that the long standing code sharing arrangements for the Auckland/Norfolk route between Qantas and Air New Zealand ceased at the end of February 1993. During the month of February 1993 Qantas in fact conducted a kind of fire sale of its remaining seats, at what amounted to never to be repeated prices. And members might recall also that Qantas quit those seats which were then around 499 at a cost of \$199 return. The result of that as members may also recall was (a) was no one locally could pick up any of those seats because some 350 of them sold over night in New Zealand. Now that represented about a 60% reduction, savings of about \$300 on normal fares, the effect was fairly immediate and that in fact caused a 39% increase in the figures from the previous year. So the figures that we see now in 1994 are a restoration of the normal February figures out of New Zealand. Now I acknowledge Mr President that we don't really want any more basement sales by the airlines operating into Norfolk Island for the purposes that I have mentioned that is vacating the Norfolk Island route, but those circumstances mentioned by me because they are a material consideration in the analysis of those figures. I acknowledge that the New Zealand market is nevertheless a fairly weak factor, there are good indications that in respect of our major market, and I spoken about them a little bit earlier on in response to some questions. But New Zealand does cry out for a deal more attention than it has been given, regretfully we are not along in a decline or what is in fact a stabilisation of activity out of New Zealand, other destinations, international destinations from New Zealand, for example, Tahiti, Cook Islands and even Fiji have in fact suffered a decline in their activity out of New Zealand we are suffering our decline as a result of those same trends. Largely the greatest more successful competitors for the New Zealand market have in fact been the eastern coast of New South Wales and Southern Queensland. I am mindful also that we have a 65% reduction in airline services, I'm sorry 35% reduction in airline services out of New Zealand, as a result of Qantas withdrawing from the codes sharing arrangement with Air New Zealand. Now all that maybe of some interest Mr President, but certainly it doesn't give us any consolation in respect of New Zealand, we recently commenced a advertising campaign in New Zealand we are hopeful that that will have some success but it is clear at this point in time that New Zealand perhaps needs a little more attention, or a little less attention perhaps than Australia to regain some of the market share

that we have lost in recent years. Thank you very much.

MR SANDERS: Mr President thank you. I would like to comment on the wonderful job that the Bowling Club, Golf Club and the Veterans Games and the Gun Club have done to actually bring in the major portion of the tourist during the month of February. It's unfortunate that the Tourist Bureau hasn't bothered to advertise for the first time in this financial year since the month of February otherwise we might have had an excellent month. However I do believe much is owed to those sporting bodies for at least keeping the numbers that did come. Thank you.

MR BROWN: Mr President, Mr Sanders is quite right. Those sporting bodies would basically with no assistance, they have done a solid job over a period of many years. In addition to that in February of course we had the Whaling Conference and we were very fortunate for that. Contrary to the Chairman of the Tourist Bureau's report in the newspaper, as I understand it the Whaling Conference was not in fact arranged by the Tourist Bureau, but we need to thank Dr Bridgewater of what was Parks and Wildlife, ANCA as it is now for bringing that conference to Norfolk Island. Mike's quite right though when he says the New Zealand comparison needs to be looked at in the light of the event that did occur in this month last year. Similarly the comparison of New Zealand for the month of March will need to be looked at in the light of unusual events because on the 31 March as I understand it something in excess of 300 Rotarians and their wives will be arriving for a conference and again I hope that the Bureau won't claim the credit for having arranged that, it is something as to which a number of Rotarians have devoted a lot of time and into which they have put a lot of effort over a considerable period. The tourist numbers certainly are disappointing, I think Mike is right, I think in time the economy will change and despite the Bureau having done very little since the 1 July 1993 things will start to improve. Mike mentioned that the Tourist Bureau has now started to advertise in New Zealand well we are 9 months in to the current financial year Mr President, and to be only starting to advertise now isn't something that we should really be shouting from the roof tops, we ought to be giving some form of explanation as to why we seem to have done very little in the period until now, and a similar situation has been the case in Australia where it is only really in the course of the last month that any real endeavour has been put in that direction. So perhaps there is room to improve the way that we are doing things, but I am conscious of Mike's statement at earlier meetings that if the numbers have not turned around significantly by April he may, or he will, be standing down as Minister for Tourism in favour of someone else, so that someone else can have a go.

MR KING: Well first Mr President I have a few more words to say. It doesn't surprise me at all that Mr Sanders and Mr Brown have climbed up on their hobby horse to discredit my efforts and the efforts of the Bureau. The Bureau hasn't taken any credit for the Gun Club activities or the Veterans Games apart from the fact that I might add that the Tourist Bureau's representatives in both Australian and New Zealand do a lot of work putting the packages together for a lot of these people or sporting activities to come to the Island. Including the IWC, those activities form a part of our normal tourism profile in Norfolk Island. I acknowledge the efforts of places like the Golf Club and the Gun Club of course I do, I don't hide from the fact that they are an important part, but they are nevertheless part of the profile of Norfolk Island tourism. They come here, they occupy beds and the employees of the Bureau or the consultants of the Bureau do in fact play a major part in dealing with the wholesalers, dealing with the actual organisations elsewhere in putting these trips together. The Bureau took no credit for the International Whaling Conference, that may have been Mr Brown's interpretation of what the Chairman of the Bureau said in the House that what the Bureau did do in respect of that was a considerable amount of work in dealing with the journalists and the publicity which would ultimately arise from that event.

That wasn't a task that was completed in half an hour, in fact there were many, many, many hours of work done in that respect by our consultants offshore and by Mr Langman himself, and I think that we owe them some sort of acknowledgement for those efforts. I didn't say that I was disappointed in these figures, as Mr Brown suggested that I did, I said that I would much preferred to have seen them be greater than the February 93 figures, I certainly didn't say I was disappointed. Who can't be encouraged by 15% increase out of our major market, only Mr Brown. I didn't say that we had just started to advertise in New Zealand, I said that we had just commenced an advertising campaign in New Zealand, nor did I say that I was going to bolt and duck for cover at the end of April if the figures weren't up, I spoke about June Brownie, so you can wait a little bit longer.

MR BROWN: Mr President, Mike has said that we should be happy with a 15% increase out of Australia. Certainly we should, but my point was to suggest that that increase had not been achieved as a result of any work done by the Bureau. And it really is time that we were addressing the effectiveness of what the Bureau was doing. I spoke about this at an earlier meeting. Mike said this is not the first advertising we have done, well I don't really know what advertising has been done, it's something that I asked the Chairman of the Bureau to provide me information with on at least two occasions it's something that I asked Mike to provide me information about on at least one occasion and followed it with a reminder, but that sort of information has not been provided insofar as I am aware, what I've said is correct. And I have gone to the extent of having inquiries made of the advertising agent who does the work. Because I couldn't get anybody else to talk to me, and he was unable to provide me with any information as to any noticeable degree of advertising or other form of promotional campaign which had been put together by the Bureau. So what I say to Mike is I do not understand why the Chairman of the Bureau is so secretive. One can only start to suspect that there is something to hide when one cannot obtain information about the use of significant public moneys. The amount of money which is budgeted to be provided to the Tourist Bureau together with the additions to those funds which are provided by the airlines is very significant. The total is in excess of half million dollars and the public should be able to find out what is happening with those funds. It shouldn't just be hidden close to the chest of one or two people and be totally unavailable to members of this House or to members of the public generally.

MR KING: I feel silly, quite frankly by prolonging this matter by having to respond to Mr Brown, with some of his quite silly remarks actually. Quite frankly I can see

MR BROWN: Mr President, point of order ... silly be withdrawn

MR PRESIDENT: Yes Mr King if you would be careful about your description of members in the House.

MR KING: Yes. I will withdraw that word replace it with stupid.

MR PRESIDENT: Now that is inappropriate Mr King and you understand that. Please withdraw that

MR KING: I will withdraw that. I'm not unaware that the IWC contributed to the 15% increase out of Australia. I'm not silly and I'm not stupid.

MR SANDERS: Surprise me.

MR PRESIDENT: Order Mr Sanders. ... we are endeavouring to gain a better standard of conduct amongst members and I would ask members to understand that and assist in the process.

MR KING: Mr President, I'm aware that the IWC contributed in the order of about 10% of that growth factor out of Australia, which stills leaves 5%. Now who can say that that 5% wasn't attributable to the efforts of the Bureau, I think that is a rather bald statement by Mr Brown. Maybe it is Mr Sanders maybe they all heard about Mr Sanders in Norfolk Island and that's why they have come over.

MR BROWN: He is a tourist attraction in his own right.

MR KING: Well he has every right to be given the odd nature of the man.

MR PRESIDENT: Order Mr King.

MR BROWN: I would ask that that comment be withdrawn.

MR SANDERS: ...number of point of order Mr President. ... should be named.

MR PRESIDENT: Mr King I will ask that you withdraw that.

MR KING: Yes thank you I withdraw that Mr President. I can count on one hand if I had no fingers the amount of times Mr Brown has come to my office to talk to me about tourism. Not once, on a couple of occasions I have gone down and I have had quite a good conversation and Mr Brown has joined with me in my encouragement.

He gets in to the House and public forum of course and he wants to make or give other impressions. But not once has Mr Brown come to talk to me I happen to be a Ministerial colleague, I happen to be the Minister for Tourism, Mr Brown falls back on every occasion that he can find about the failure of the Chairman of the Bureau to provide him with information, well look the reality is you got to understand why, Mr Brown wrote that letter off to the Bureau Chairman demanding that information. Because Mr Brown himself was under attack for the racist remarks he made in the House which had the effect, potential effect of undermining our efforts regarding tourism growth out of Asia. A normal ploy of cause by Mr Brown, as once he has been attacked he immediately goes on the defensive I just wish that I had of taken the opportunity, and I had meant to bring it to House so I could read out at an appropriate time the some 10 or so items that Mr Brown has demanded from the Chairman of the Bureau. I don't have a great difficulty in most of those, but some of them are simply none of Mr Brown's business, and as a ministerial colleague of mine, I would have thought that he would have more respect for that relationship, or the relationship between me and him and he could well have come and asked me for that sort of information. But as I said before Mr Brown has not on one occasion come to my office and spoken to me about tourism or tourism ... Its not a matter of being secretive about the Bureaus activities nor the matter in which they spend their money. Thank you.

MR BROWN: Mr President I wonder if I could just say one thing in response to Mike's words. And that is to say again that in response to a letter from the Chairman of the Bureau printed in the Norfolk Islander, inviting me to seek information from him, I did so. He refused to provide even one piece of that information. I again requested the information from him and he again refused to provide even one piece of the information. Mr King suggested that he would be happy to provide it, so I requested in writing the information from him. To date I have received one small part of that information, I must say that the bit that I have received disturbs me greatly Mr President. But I have received only one small part of it, so it is not totally accurate for Mike to suggest that I have not ask him for the information. Not only have I done it but I have ask for it in writing and he has in the space of several months provided only one small part of it. And that is part of the reason that I am so concerned about the secretive nature of the workings of the Tourist Bureau, Mr President. Mr President I cannot say to the community that I am satisfied that the moneys that are provided to the Bureau are being wisely spent.

MR KING: Hopefully my last contribution. I just found the letter that Mr Brown had sent the Chairman of the Bureau. Mr Brown seems to conveniently forget that in between these request of the Chairman and of me to provide certain information, that I in fact wrote to Mr Brown giving him fairly solid reasons why he should keep his nose out of my affairs, my ministerial affairs and if he wants any information that he ought to come to me and seek that information. Now if he doesn't want to talk to me or come up to my office and talk to me well, I've got no great difficulty with that, I mean I don't mind having a talk with Mr Brown, we have some stimulating discussions here in the House and I just can't understand why he wont talk to me on other occasions. Now just reflecting back on this 13 items the whole swag of them. One of them interestingly is that he sought from the Chairman of the Bureau correspondence and reports relating to approaches to the Australian Tourism Commission because it has been said in this House by Mr Sanders and by Mr Brown I think, that we ought not go cap in hand to the Australian Tourism Commission, shock, horror, we are Norfolk Island, not part of Australia, we can't go over there and ask for their assistance despite the fact that our numbers are continuing to flag and fall. Now I often lay in bed at night and amuse myself with the activities of the day, I can recall when Mr Sanders assumed executive office for tourism and he and Mr Brown were socialising up the South Pacific Hotel with Mr John Hutchison who as you know was associated with Ansett Express and he was on Norfolk Island when he was able to release the information that he had been given the position of General Manager of the Australian Tourism Commission. Old Bill here says to me, and Brownie nodding his head, now we can get some hands on some of that big budget. I had to find an appropriate time to throw that in Mr President, please forgive my mirth.

MR SANDERS: Point of Order Mr President. It would be handy of cause if Mr King spoke the truth and was not quite so

MR KING: Almost word perfect

MR PRESIDENT: Could I remind all members that the matter before us is that the paper on tourism figures be noted. The question is that the paper be noted?

QUESTION PUT  
AGREED

The ayes have it. Are there any further presentation of papers?

MR BENNETT: Mr President, I present the Budget Review 1993/94 fourth draft discussion paper, and move that that paper be noted.

MR PRESIDENT: The question is that the paper be noted?

MR BENNETT: Mr President it is not usual for such papers to be tabled they are considered working documents for the Assembly, but in the light of the importance of the budget to the community and the concerns expressed about the position of the finances of the Island, and because there will be some revenue raising measures in the programme in a short while I think that it is important for us to table such a document. As I said in the beginning of my remarks about the financial indicators that both documents were disappointing. Before I turn to the draft document let me just re ... some of the statements made at budget time in June 1993. Members will recall that we had a painstaking task to ... some \$2.4 million expenditure bids from the budget submissions in order to bring to the House at that time a balanced budget and that was no easy task. In the debate on the presentation of that appropriation bill I made a few remarks about for example the under pinning objectives of the budget process in Norfolk Island as it has appeared to have been over the last few decades, and that is the principal of living within

the Islands means, that is not spending more than the level of revenue expected. Part of the strategy for that budget which I outlined at that time was that, no significant revenue raising would occur in light of the financial difficulties being felt by many, we took the decision that we would defer as long as it was possible, the question of raising revenue because the Island was going through a tough time. And that in fact was what occurred, Mr President it was always a tight budget. It was always going to be tight and I think that Members well appreciated that fact. We always remind exposed to any large or any unexpected requirement which may arise during the year, but hadn't been taken account of during the budget process. And the last thing that I wanted to say on that was that we were expecting in this financial year some additional revenue raising activities to occur which might have helped to offset any down turn that may have come upon us. Mr President the debate on the financial indicators I think highlighted the difficult time we are in right at this time. I want to read from the summary of this draft budget review to put the picture of this budget into context. Members will recall the original budget supply was \$7.468 million dollars, that is that we voted \$7.468 million dollars, expecting revenue of that amount to spend on running the Island. Since that time there have been additional expenditure proposals of \$397,900. but on the other side there has been estimated savings in that current supply, that is in the \$7.468 million, of \$497,500. the result of the additions and subtractions bring the revised expenditure budget to \$7.374 million dollars. Now because revenue has not kept up with budget there has been a need to revise the revenue estimates for the rest of the year and to take in the year as a whole, and that's been revised downwards to \$7.206 million, as a result of that the deficit shown in the paper just tabled is \$168,400. and that would be the deficit that we would incur if there was no further expenditure needs required between now and the end of the year that were not in the budget or that there was any further decline in revenue. And if the status quo had remained the deficit would be \$168,400. I remind Members that the reserve fund, the appropriation account has \$383,000 left in it, so if we were to apply that deficit and say, look times have been tough, the reserve fund was there for the times when the Island went through recessed or depressed times so we should take the deficit from that, if we took it all from the reserve fund, the reserves would be reduced to \$214,000 or thereabouts. Turning to the document as a whole and firstly focusing on the revenue estimates or the revised revenue estimates the biggest part of revenue for the Administration comes from revenue from taxes, and these include Customs duty, F.I.L., Departure Fees, Fuel Levy, Liquor Licence Fees etc., we had budgeted for originally \$4.656 million of revenue for that period, but received to date is much less than half of that, just over \$2 million, so the revised budget has been pared back to \$4,210,000 a decrease in the revenue from taxes of \$446,000. There are notes attached to those papers just tabled and in respect of Customs Duty that has been decreased or the revenue expected has been decreased by \$350,000 and that has been based on the following factors. First of all the receipts to the 31 December just past and importantly a reduction in tobacco imports the duty percentage upon which was increased to provide for an additional \$220,000 in the Customs area, based on Tobacco imports for the first six months ended 31 December 1993 the additional amount instead of being \$220,000 expected is now to be around \$80,000. Now the Social Health policy people will be quite happy at that because that seems to mean that there has been a reduction in smoking but, of course the large hike in Customs Duty at the time the budget was put together in June was partially to do with a consciousness about social health but, more importantly revenue on the one hand, social health policy has probably been seen to have a win but our revenue has taken a pounding. In the second and third groups of revenue there are charges and revenue from earnings which is the money paid into the revenue fund from the government business enterprises by way of dividends and fees etc. There has been some revision in those areas as well in fact revenue from earnings from the business enterprises has increased by \$92,000 and in the charges increased by \$29,000 the nett result is the revised budget shows a decrease in revenue expected by \$285,000. Mr President let me just go on to say that one of the larger revenue

items in the first group is Departure Fees and there was temptation to take note of the decline in tourism that we had for the first six months and pair it down the consideration on that has cause no change there is an assumption or a prediction that the tourist industry is on the improve and from the advise that I have had, from accommodation proprietors etc, ...accommodation reservations are looking good, and I think that we can expect the revenue from the Departure Fees to hold its course. Now that is to retain its budgeted expectation, and if we are lucky there will be a substantial increase in the revenue from that area if tourism lifts even by 10% we'll get a substantial revenue gain from that. The other two areas of concern which actually decreased their revenue were in the forestry area, the sale of forestry produce and tanalith plant charges, now Mr Robinson has just assumed responsibility for forestry and I know that he his keen to have a look at why that has occurred. It was sailing along so well in the last couple of years, and reached the stage where the tanalith plant was a viable operation, but with falling sales both in forestry produce and a decline in tanalith plant charges means the question of the viability of the tanalith plant comes up for review again. Mr Robinson will no doubt keep his eye on that. Mr President turning to additional expenditure proposals and these are additional expenditure bids made after the budget was set in June last year. As I mentioned they total \$397,900 and I don't propose to read them all but to just highlight a few of these. One of the items in the administrative area is the land purchase in Burnt Pine of \$105,000 which has bought ... account to reimburse the recoverable expenditure item. It was purchased sometime in June 1993, late in June and was in the recoverable expenditure, it didn't get out and get into the accounts at that time, but that has been fixed up now. And it maybe a temptation for people to say well lets flog it, its worth \$105,000 and put the money into the till. But the reality is that there is a focus on the upgrading of Burnt Pine question and it will feature in next years budget, and I think it would be a folly to dispose of it or to consider disposing of it to early before the upgrading of Burnt Pine Plan is completed, because it is odds on that parking will be required and if so, that land will be as, it was thought to be when we purchased it. However if the upgrading of Burnt Pine and the new plan says otherwise then of course it is an asset and we can unload it if we so wanted. Mr President the next area of additional bids is the education area an extra \$39,000 in education. Many in two areas salaries and wages and Mr Brown earlier referred to I think a 3% increase that has occurred. And there was a substantial increase in the Bursary and Scholarship area, and I think in a paper provided to us it made note of an increasing number of students who are making themselves available for bursaries and scholarships. In the Welfare area there was an additional bid for \$65,000 in social service benefits and in the Legislative Assembly area an additional \$67,400 was required and this has two components to it. When the original budget was compiled the President was not in receipt of Assembly remuneration, and Members will recall that that situation has since changed there was a legislative change. That coupled with the fact that there was a remuneration tribunal increase has caused the need for an additional \$46,900 in remuneration of members. And in addition to that there was an additional \$18,000 required to funds the forthcoming Commonwealth Parliamentary Association Conference here in Norfolk Island. And in the Hospital area its only been pencilled in on that sheet, but in the Hospital area there is a bid for a dialysis machine and lino totalling \$50,000. And lastly there is a new category in there called Norfolk Island Emergency Service it has an expenditure bid of \$32,500 on a corresponding revenue forecast of \$39,000 it is simply a transference of some of the fire service personnel and equipment out of the airport, into a new arrangement called the emergency service, and that will be charging for its services. Charging both the airport and individuals who use the fire officers skills in fire extinguishers and the like. Mr President turning to the third part of the revised budget is the part entitled Estimated Savings and as I said earlier this totals \$491,500 just for members sake if you following the list there was a need to add \$50,000 on both the revenue and expenditure sides to cover that hospital thing. That's why my numbers are different to yours. In the area of savings there were expected to be \$107,300 savings in salaries and wages

and administrative costs. \$100,000 saving in the healthcare subsidy, \$60,000 in the education area and the notes show that that was a considerable saving in the removal and recruitment cost and some savings in some capital works in that area. There was savings anticipated of \$123,800 in the works area, and \$40,000 from the executive members discretionary fund. And the last item which will need some more comment later, is a expected saving in the hospital and medical assistance vote, part of the welfare vote of \$20,000. Mr President the sum total of the revision, the added expenditure and the estimated savings as per the document show a deficit expected of \$168,400 and as a result the very regrettable step of increasing some taxes, levies and charges will of necessity occur to raise additional revenue. These revenue raising measures will be dealt with later in this meeting. Let me in closing provide an over view of the position we have reached in budget terms thus far as I see it. Mr President the budget was always going to be tight and restraint was called for from the outset. The early warning signs of revenue shortfalls should have been sufficient to induce greater vigilance on spending and possible savings. Regrettably in some areas of executive control this was not only not attained, but calculated at new and unbudgeted expenditure was embarked upon. I refer in particular to the way that the unused portion of the healthcare subsidy provision has been gobbled up by fair means or foul, being transferred to the hospital.

MR BROWN: Point of order Mr President. I ask that the words 'fair means or foul' be withdrawn. That's an imputation that is unsatisfactory in this House.

MR BENNETT: Well, fair or unfair means ....

MR PRESIDENT: If there is any imputation that ....

MR BENNETT: ... I will use the word unusual

MR BROWN: Mr President I ask that the word 'unusual' be withdrawn because that to in financial terms is an imputation.

MR PRESIDENT: I would seek that you not use words that would cast a reflection upon members Mr Bennett.

MR BENNETT: Well Mr Brown will certainly have an opportunity to respond Mr President. We have a strong difference of opinion about whether the actions to shift money from one to another was an entitlement of an executive member at that time or not. And I think that it is fair as I will go on to say that it was most certainly unusual some of the activities. I don't use that term in any derogatory fashion, just to say that it was not the normal way of doing it.

MR PRESIDENT: Mr Bennett I have accepted the you have withdrawn those earlier words and that you are now inserting maybe not the usual ways, I don't see any difficulty in that and Mr Brown I will give you an opportunity to speak upon the matter if you would so wish.

MR BENNETT: Mr President it is fare to say that most of the money that was transferred from the Healthcare Fund to the Hospital has been spent on the alterations and refurbishment programme being undertaken. And from all accounts it has certainly improved the Hospital beyond doubt, I mean there is a lot of public comment about the transformation. But with the exception of the last two items dealt with at a meeting on Monday, that is the dialysis machine and the lino that I referred to earlier, none of the members of this Assembly were consulted as to how the Healthcare savings should be dealt with. Members would surely recall that at budget time there was more than \$2 million worth of expenditure bids culled out. I believe members should have been given the opportunity to have decided the next priorities should any major saving had been available. But importantly perceived

savings from particular votes are not savings, this is important, perceived saving from a particular vote are not savings unless and until the revenue has been raised to met that expenditure. I mean the point is that if it is fine for us to budget expenditure of \$7.468 million, well we cant spend it if we only got \$5 million of revenue coming in. Mr President there were considerable amount of funds transferred to the Hospital and Mr Brown and I don't make it facetiously but it does concern me that that is a very great difference of opinion in the way that Executive Members can remove funds in their own particular executive area and I think to that end there is a need to have it sorted out legislatively or otherwise because there is no way if a Member has a responsibility for the budget and revenue that others can go and spend it willy nilly then how on earth can responsibility be sheeted home to one man. I expect to take the responsibility but when I don't know what's going on then I think that grossly unfair. That's all I've got to say just at this particular time Mr President

MR BROWN: Mr President the Paper which has been tabled has been prepared on the basis of the knowledge that was available on trading up to the end of December and because the Administration's accounting system is run on a cash accounting basis that information was in generalo, available within a few days of the end of December. Some things have changed alot since that time Mr President. I'm not being critical when I make that comment but I want it to be clear that when it was necessary for the purpose of the review for the Minister for Finance to pick on a date, and quite properly he's doing a half yearly review, he picked on a December date but if we look at the financial indicators that we tabled at the meeting earlier today we would see that in the revenue area customs duty could well on present projections fall a further perhaps \$100,000 short of even our revised budget, our estimates. The FIL could well fall at least a further \$50,000 and if we were to go through all of these items using accurate figures up til today the 16th March we might find that other adjustments are necessary so my first point is that although we are doing a review based on the figures as they were at the end of December they would appear in some cases at least to have worsened since that time.

The amount of \$105,000 which is needing to be funded as part of this review is an amount for a block of land which was actually purchased in the previous financial year. It was dealt with in a way that its expense was not bought to account in the previous year and is being bought to account this year. To such extent as that is a capital item I think it is fair for Members to regard it as an asset which is similar to cash but one which you can't spend to pay your bills unless you sell it.

In the education area as Geoff mentioned salaries and wages have had to have an extra \$24,200 provided and that is due to the 3% salary increase and the 2% increase in superannuation that were awarded to New South Wales teachers during the second half of last year. Geoff has already mentioned that in the Social Service area, although at the end of December the figures which Geoff himself extracted indicated that in the HMA area there is likely to be a saving of \$20,000 for the year on the most recent information available late yesterday afternoon, that saving of \$20,000 looks like being a shortfall of \$49,900 a difference in total of \$20,000 in one direction and \$49,900 in the other, that is, \$69,900. Geoff was critical of me in the health area. Well I'm sorry he was critical. I've tried to do a good job in the health area. If we look at what health has cost the Island over recent years we have seen years when it has been in the region of \$660,000 from recollection, another year when it was in excess of \$700,000 and the indications are that in the current year we will hold the cost of health at \$408,000 and the budgetted subsidy that is being sought for next year on present indications will be \$435,000. Now I just mention to you that a figure for the current year of approximately \$408,000. That's the total of the healthcare fund and the hospital.

Health is very much an integral thing. The hospital and the healthcare fund are of necessity closely related. The more cheaply the hospital can run the more services it can provide locally to avoid people having to go away and the less or the lower the number of its overseas referrals the more cheaply the healthcare fund runs. Let me give you an example of that. On the 12th May last year, all members

were invited to meet with the Administration's Consultant Risk Manager. Those of us that attended met in Sue Sharkey's office at the Administration because it is in that office that the computer was located which the Consultant Risk Manager had been using to prepare the model that he wanted to show us and he had prepared a financial model to show the impact of various levels of fee increases at the hospital. Unfortunately over a long period of time there had been a feeling on the part of some people that the hospital should remain a poor cousin, that the staff should remain significantly underpaid compared to the Administration, that the building should be allowed to fall into rack and ruin and that unlike education, where people complain loudly, sick people are generally fairly quiet and the conditions in which our old people are living at that hospital Mr President, or at least were living, had become positively third world. They were nothing short of a disgrace and I make no apology for having done my very best to bring those conditions up to a standard in which those people can resume to have some dignity in their lives. I'll come back Mr President to the meeting on the 12 May last year. At that meeting Mr McGuire made a suggestion as to the appropriate fee increases for the hospital and on the basis of that suggestion the total charges would have gone up by \$214,000 for the year approximately and he had calculated that on the basis of previous experience approximately \$140,000 would flow through to additional claims on the healthcare fund and it was on that basis that we decided how much subsidy was to be provided to the hospital and how much was to be provided to the healthcare fund. As it happened for various reasons the hospital revenue has been considerably lower than had been expected. Now that's a good thing Mr President. The number of consultations with Doctors has reduced. The number of pathology tests has reduced. The number of x-rays taken has reduced and the reality has been that through the various measures that were taken on the 31st May last year the claims against the healthcare fund have been very much less than was expected and the income of the hospital has been considerably less than was expected. When we were formulating our budget for the current year and deciding how much subsidy was to be provided I had informed Members of a significant programme of renovations and capital works which I considered to be necessary. At the time it was not costed in detail and Members decided that it should not be included in the budget but that it should be looked at later on. Let me turn at the moment to management of the healthcare fund. One of the difficulties the healthcare fund had in earlier years was that its costs were simply growing out of control. They were growing out of control because people had been kind and generous and warm hearted. Perhaps I've not been those things Mr President. One of the first things that I did was to seek to introduce referral guidelines for the healthcare scheme so that the doctors would in accordance with the legislation need to consider the guidelines before referring someone away for overseas treatment. In the period from the 1st July to the 2nd December in the last three years the number of those off shore referrals had been something in the region of 68 in the first year, 72 in the next year, reducing to 42 in the year just passed as a result Mr President of the introduction of the referral guidelines. The result of it all is going to be that instead of needing \$250,000 of subsidy in the current financial year that the healthcare fund will get by with a considerably lesser amount. In the hospital area through obtaining a significant amount of hospital equipment and furnishings from hospitals on the mainland which had closed large savings were made. Large savings were made by running with less than the ideal number of staff. Large savings were made by continuing to significantly underpay the staff compared to the public service and through the combination of those savings a significant amount of very necessary renovation and addition work has been done at the hospital. Mr Bennett mentioned that \$100,000 of the healthcare funds budgetted subsidy is being handed back in this document and that members are being asked to vote an additional \$50,000 for the hospital subsidy so that it could pay for a necessary new machine that has recently been obtained and so that it can pay to complete the recoving of the floors through the hospital. I don't need to explain to anyone Mr President that the state in which those floors presently are. Anyone walking through the hospital would see that there are gaps of anything up to half

an inch between different pieces of the lino and that is to be replaced in the very near future. Mr Bennett is complaining of virement that I've authorised. I have the ability Mr President to shift money within the various areas of my responsibility. It's not something that I've done on many occasions. I recall that there was an amount of about \$8,800 which was identified as savings at the school and which I provided to the Administration so that a new photocopier could be purchased and so that some new chairs I think could be purchased. The Administration at that stage had one photocopier between the top two floors and people spent their day going up and down between the two floors and waiting for the technician to come to repair the machine when it broke down each time. Not a very efficient way to run the Administration and in our budget process we have not provided funds for it to be fixed and I was able to provide funds in that fashion.

We had people perched on chairs which had the Administration been the subject of occupational safety inspection would have had the doors almost closed Mr President.

Chairs on all kinds of angles, people almost sitting on butter boxes. \$8,800 that was, that was from education to the Administration. There was a further amount of \$30,612 I think Mr President which went from the healthcare vote to the Administration. The Administration in relation to that matter had been at the wrong end of a court case. At relevant times the Administration had employed the doctors and the Administration had not ensured that it had professional negligence insurance for the doctors. Vicariously, if a doctor was sued the Administration was liable and that is what happened and an amount of \$19,000 had to be paid to settle the matter and a further \$11,612 roughly was payable in court costs. Now when that had to be paid Mr Bennett advised me that the Administration didn't have any money and asked if the hospital could pay it for the time being and that's what happened. Back in August/September of last year and I think there was a further amount of legal fees a little later, the hospital made that payment totalling as I said, about \$30,612 on behalf of the Administration. In recent months, by virement from savings in the healthcare fund subsidy I provided those funds to the Administration so that it could repay the hospital. Nothing sinister about that. Mr Bennett has also whinged about a figure of \$20,000 which was charged by the hospital to the healthcare fund for management services during the 1992/93 financial year. A lot of this Mr President is due to significant misunderstandings and it is unfortunate because I think that if Mr Bennett did understand the situation his attitude would be somewhat different. Last weekend I wrote a 29 page facsimile to the Administration's consultant risk manager who has just been on the Island and he was whinging about things similar to those that Mr Bennett is whinging about. The Administration since the 1st July last year has been running the healthcare fund and on the basis of the charges that were levied in the period that led up to the 31st December it is charging the healthcare fund something in the region of \$56,000 per year to manage it. That's about the time you include all the bits and pieces other than reinsurance. It includes telephones, the consultant risk managers fee of \$12,000 which were included in the six months I'm talking of, it included the wages paid to the Administration, it included the management fee, it included the lot and on an annualised basis it's up around that \$56,000 figure.

In earlier times up until the changes that occurred on the 31st May last year, the Healthcare fund was a much more complex thing to manage. The changes that we made on the 31st May greatly simplified it. When the healthcare fund was originally introduced it's accounting was done down at Kingston. That didn't work very successfully for various reasons. For some reason that I don't understand it is very much a them and us syndrome between Kingston and the Hospital. Various people at Kingston seem to just not like the Hospital and seem to go significantly out of their way to cause whatever trouble they can possibly cause. What we are doing today is another example of it but eventually it was decided that running the accounting and such other parts that were being run from Kingston was unsatisfactory and on the 1st July 1991 I think it was it all transferred to the Hospital. From there if you look at the Healthcare components of the hospital's accounts, you find that the hospital didn't charge the healthcare fund anything for telephone calls, didn't charge it anything for wages, didn't charge it anything for

electricity or for computers. It simply absorbed all of those charges and I authorised it to make a charge of \$20,000 in relation to the 1992/93 year, no charge had been made to the 1991/92 year and as I said, the Administration in the six months up to December was charging at the rate of about \$56,000. Now I'm not sure what it is that Mr Bennett is whinging about Mr President but I certainly stand by everything that I've done and I add that in the current financial year I expect that the hospital while keeping the hospital and the healthcare fund within that \$408,000 subsidy compared to a budgeted subsidy level of \$489,300 will do in excess of \$150,000 of capital works and major access acquisition. I'm just disappointed that we are not grateful that we have been able to do that in the course of the year rather than just sit here belly-aching. Thank you Mr President

MR ROBINSON: Thank you Mr President. In regards to the welfare, I'm in the process at the moment of developing an asset test for pensioners and developing a firmer more strict policy in regard to special benefits. Although this will not effect the immediate problem over a period of time I'm sure it will slow down the rate of increase we have seen in the welfare budget. In regard to forestry, Mr Bennett spoke of a great year that we had and that was mainly brought about by the fact that we had 300 applications to cut down pinetrees in that year mainly due to the two cyclones we had in that year. To date there is only 200 odd applications.

They had a further problem with the forkhoist continually breaking down. Mr Bennett spoke of not consulting about funds in a particular vote being viremented without consulting him. I recall asking Mr Bennett about the forkhoist for the tanalith plant. I informed him that when our mechanic last faxed for spare parts for the existing fork hoist a fax was sent back telling us to arrange a funeral and the parts supplier would send the flowers. Now I see that without further consultation Mr Bennett has taken away the \$9,500 in that vote with which I was hoping to purchase a good second hand fork hoist. He's also taken of the African Thorn eradication vote and that was without consultation. I admit I have not been here in the past week to discuss these matters but I don't think it's right he should complain about lack of consultation when you don't do it yourself

MR SANDERS: I'm going to be very brief. Firstly I would like to say that Mr Brown has done an excellent job at the hospital. The shortfall of money always surprises me, because it happens regularly, almost every year. But the same thing has happened for the same reason. We've known about it for six months before that this was going to happen and everybody is very very reluctant to do anything that would not be popular and as a consequence we cut expenses every year. The maintenance of the roads gets worse every year, the maintenance except for this year at the hospital normally gets worse every year and the school. One of the interesting points that was made by Mr Bennett was to do with the land purchase in Brunt Pine. Mr President I asked the question last month as to why was the, I called it \$110,000 I wasn't aware that it was only \$105,000, why was the capital expenditure of that \$110,000 hidden and called recoverable and I asked if that was creative accounting. I'm not too sure who slapped my wrist, whether it was Mr Bennett or you or both but I find it very interesting because here it is Mr President, this recoverable amount is now being replaced. So I would never suggest that anyone is flexible with the truth but however I am pleased to know ....

MR BENNETT: Mr President, let me respond to that last point. When Mr Sanders asked me that question, he asked me that question on the 9th February, and Mr Sanders would be aware that on the 3rd February we met to discuss the budget review for the first time, but prior to that, a week or two before you had the first draft of the budget review anyway which had the \$105,000 in it and that's what gave rise to your question. It didn't certainly appear now, after your question. It was in there. And that's how I responded to your question if you recall. So I'll give you a copy of hansard

MR SANDERS: Mr President, Mr Bennett has the habit of like this fourth draft

that we have before us today, Members got that at the meeting on Monday there being only one other day to prepare for this Assembly meeting which of course was yesterday and I don't know really whether he thinks that the moment some executive hands a document at the very last minute whether you are going to spend from that moment perusing it, well I for one haven't got the time

MR BENNETT: Mr President, let me go on and say that I don't think there's a misunderstanding from my part on the way executives have authority or expect to use their authority in virement. I think it is very clear that the executive member for finance is the one who has the authority to virement and only he. If you turn to the Interpretation Ordinance section 14(a) it says "in an enactment the expression executive member means whichever executive member is for the time being administering the enactment in which the expression is used". Now virements is expressed in the Public Moneys Ordinance and that is clearly an ordinance that comes under my control and so I resent the suggestion that it is open to any member to shift money around under any of their portfolio votes because the process of virement is a serious process. It's covered I think in section 25 of the PMO and I think it is there for good reason and there's no suggestion, or no suggestion could be mounted that I want the absolute control of it because there are opportunities for either executives or other members to bring me into line. For example if a virement was refused they have the opportunity of not only talking to me about it, there's an MLA's meeting, there's an executive meeting, there's this place here where it can be sorted out and it simply is the way that the Public Moneys Ordinance was set up a long time ago and probably for good reason. Mr President in relation to that perhaps confusion with Mr Brown and others perhaps on the PMO or the right of an executive to virement if it is unclear still after reading that piece of the Interpretation Act then I would propose making an amendment to the PMO to make sure that it is absolutely understandable. I mean there are some amendments that need to be made to the PMO anyway or we can include an expression in there so that it is understood by everybody. Now I wasn't criticising Mr Brown's running of the hospital. I make the comment that what he's done with the money is great. What I did say and what I am critical about is that first of all the way the money was transferred and secondly all members of this House deal with budget matters and all members of this House ought to be people who are involved in any major revoting of funds for expenditure. The \$2.4 million expenditure bid cut out of the last budget crossed all boundaries and maybe some of the executives had priorities that it ought to have been considered but there may have been a shuffle.

There may have been a bit going on at the hospital and a bit going to other places but the way it happened there was really no choice. Mr Brown talks about all this explaining, some of the virements that have been made in terms of the money for the Grills case or whatever case it was, and he also talked about management fees. Well that's very interesting the way that the Healthcare Fund was charged for management fees. \$20,000 was charged for a management fee for the year 1992/93 but the charge was only made in recent weeks and that financial year ended on the 30th June last. Good heavens, in the corporate world one would go to jail if you went back and re-arranged the financial statements to include an expenditure that wasn't in there at that time. There also is apparently, and I haven't got the paper

MR BROWN: Mr President I ask that that statement be withdrawn. It's an imputation that I've done something improper with the financial statements and it is not appropriate

MR PRESIDENT: Mr Bennett insofar as it might be an imputation I would ask you to withdraw that

MR BENNETT: Well if it's an imputation it was not intended to be an imputation. It was an expression of what happens out in the corporate world about altering balance sheets

MR SANDERS: And people who make those statements get rolled

MR BROWN: Mr President I certainly ask for that to be withdrawn

MR PRESIDENT: Yes I've put that point and Mr Bennett has explained his situation. I accept that

MR BROWN: He made a further statement Mr President about altering a balance sheet and I ask for that to be withdrawn

MR BENNETT: Well Mr President maybe he could get it into context. We have not seen a balance sheet for the year ending 30th June 1993 and so I guess it is fair to say that if it is yet to be audited or yet to be tabled in this place then it's open and it is obviously not completed and other transactions can occur in it and that worried me somewhat

MR BROWN: Mr President Mr Bennett doesn't know the difference between cash and accrual accounting by the sound of it. I don't know whether he wants an accounting lesson

MR BENNETT: Mr President I still have the floor by the way, but I will respond to that. It's got nothing to do with that at all. If provision wasn't made for management fees in the accounts in the 30th June then you can call it cash or accruing or what you like. It's not there, it's suddenly been put in there so it would have to be a debit and a credit raised in that year

MR PRESIDENT: Yes, all Members if I could just make this point. What we have before us at present is a motion that this budget review paper be noted and that is the major part of the debate. Whilst these sort of factors no doubt are indeed relevant, what I am trying to guard against is that it might hijack, and become the major debate when in fact, that the Paper be noted is the major debate in front of us

MR BENNETT: Nonetheless, Mr President, this is quite important. I mean this was the opportunity to debate the financial position. I will try and state

MR PRESIDENT: Indeed. I recognise that I would just ask you to take that context into account when debating the overall matter

MR BENNETT: Mr President as I've said earlier the alterations and refurbishings done at the hospital has received alot of public comment and I think that Mr Brown has to take the credit for having the courage to take whatever action he had to take to make sure the funds were there to cause that to happen. He went on then to say that the hospital and healthcare area is in a better financial state now then it was say in the years 1991/92 and 92/93. I think he talked about subsidies in those two years of \$700,000 and \$600,000 or thereabouts and went on to say that the subsidy for this year is \$408,000 but what he neglected to say is that in addition to that and I think it is fair to take it into account is that the raised hospital fees were expected to bring in \$216,000. I understand it won't reach that high. The healthcare levy went up so there was an additional \$150,000 went into the healthcare fund and the HMA daily payments went up \$12 per day per patient so those things really need to be added on to the \$408,000 to get a comparison with other years. I mean, I would be the first to admit that healthcare has stabilised and now appears to be operating comfortably. It is a little bit early to call. We have a few months to go before the end of the financial year but it certainly seems to have settled down somewhat to the days of great uncertainty.

Mr President the last comment I wanted to make was about the \$56,000 considered to be the management fee or the cost of the Administration running the hospital and healthcare fund. Well I don't know where those funds come from. I mean, the

advice to me this morning was that you need to exclude any consulting fees because that really has nothing to do with the Administration. If the hospital pays \$20-30,000 as consultancy to the Risk Manager then that has nothing to do with Administration Management costs but there's \$10,000 budgeted for the management fee in 1992/93 and \$10,000 in 1993/94. Of course, in addition to that you have now a half of one salary that is in the area of healthcare management. There are other services which are not clearly identified, for example, there is a fair amount of EDP support given to the hospital. Well I see that as coming out of the \$10,000 management fee and I don't see that as excessive at all. To call up \$56,000 I have a little bit of difficulty because if it was on the basis of \$56,000 for this year for management fee then a calculation of \$20,000 against healthcare for the hospital would have been reasonable but I think that the \$56,000 is overstated and therefore possibly

MR BROWN: ...but they're your figures

MR BENNETT: You're talking about Wyatt and all

MR BROWN: ...but they're your figures for the management by the Administration of the healthcare fund

MR BENNETT: We are talking about management fee

MR BROWN: I'm talking of cost of management. I'm talking of telephones, I'm talking of everything. Everything that's in there

MR BENNETT: Mr President we are on different wavelengths and I don't want to go on with it

MR KING: Mr President I only want to comment in respect of Mr Brown's defence of his actions. Quite frankly I didn't want Geoff to think that he was a lone voice in the wilderness. I appreciate the work that Mr Brown has done at the hospital. There is absolutely no doubt about that. It is a good result and well worth while and I also accept that the practice of the legal right of an executive member of this Government to virement funds and transfer funds from one place to another for changed and altered expenditure but the argument that Geoff raises in respect of practice and convention in relation to the expenditure of moneys has in fact been circumvented by Mr Brown's practice. Now again, it is not illegal what Mr Brown has done but that doesn't make it right. I mean, if I were for example to, I mean I had earlier identified the prospect of fairly huge savings in the roads areas. Now I had the legal right to virement that savings perhaps into the tourist bureau and direct it to more promotional funds or more trips on the Bounty.

I had the right to do that Mr President is what this argument is all about. I would have had the right for example to backdate a rent account for the tourist bureau for payment into the public accounts but I think you and I know Mr President what would happen if I did those things. I would have Mr Sanders crawling all over me like a rash and there is little doubt about that. The fact that Mr Sanders raises no comments or criticism in respect of Mr Brown's actions doesn't surprise me one little bit but I have to support Geoff in his contention that the manner in which money is being shifted around by Mr Brown like he was playing monopoly is not in accordance with the expectations or wishes of this House

MR BROWN: Mr President I am fascinated. Do you know how much I have shifted by virement into the hospital account. Not a cent. Not one red cent. Do you know how much I shifted to the Administration so that it could pay for a court action where the hospital had advanced the moneys because the Administration accordingly to the Minister for Finance, didn't have them in earlier times, as I said earlier something like \$30,612 and you do know how much I shifted from Education to the Administration so that it could acquire a photocopier and enable

people on each of the top two floors of Admin to have a photocopier and avoid the situation where they were walking up and down all day, and as I said, waiting for large parts of the day for the technician because it consistently broke down, about \$8,800. I don't know what it is that we are worrying about. There seems to be some suggestion that I've backdated a document. I haven't backdated anything. What I've authorised and authorised is the correct word, is the payment of an account for \$20,000 raised by the hospital from recollection at the end of January 1994 in respect of the period ended 30th June 1993. Now I will acknowledge perhaps it should have been raised alot earlier but that's all. Mike was quite right when he said executives have the ability to make use of the virement provisions. Geoff made the mistake that many non lawyers make of finding a convenient piece of law and reading it out but not knowing what it means and the fact is, that every executive in the Norfolk Island Government has complete power at law over every executive area and so all that the section means that Geoff read to us is that any executive is able in fact by use of the virement provision to shift funds anywhere within the budget. There is then the requirement the details of that virement to be tabled and that's normally done by Geoff at the next meeting but I really think that we are getting ourselves very upset about something that someone stirred a few people up about obviously, but really it's not even a storm in a teacup, there has not been one cent shifted by virement to the hospital by me

MR SANDERS: Mr President I was very surprised that Mr King as Minister for Works and Minister for Tourism seems to think that he could virement money from the roads into the tourist bureau which is an undertaking. I'm fascinated Mr President that there was even that assumption. There have been only two executives in the life of this sixth Assembly that have ever had the courage to do what they were elected for. One is John Brown and the other one was myself

MR BATES: Mr President I didn't intend to enter into this squabble among the executives as I see it but I think the work that's been done at the hospital by John Brown with the bringing in of the dialysis machine and what have you up there are commendable. I think perhaps he's gone about it in the fashion which we are used to John doing things and I think if I was the Minister for Finance I think I would be a bit upset if I was responsible for the finances of the Island and found that Ministers were sort of pulling the rug out from under my feet and moving funds around of which I was not aware of and I think that if we develop into that situation we are really heading for trouble. I think our Minister for Finance might as well resign and let the Ministers go and move the funds around where-ever they are if that's the case. We must have somebody overall responsible for things and I'm quite sure that alot of the things that John did could have been done with Geoff's blessing if John had gone about it a slightly different way but I'm sick about hearing these arguments. I think we have got to make sure that we don't get into these situations of Ministers just moving funds around to suit themselves. I think that's a matter for another day and I would move that the motion be put

MR PRESIDENT: The question is that the motion be put

QUESTION PUT  
AGREED

That is resolved in the affirmative I therefore will put the motion originally before us that is that the Paper be noted, that is the budget review draft paper

QUESTION PUT  
AGREED

The ayes have it thank you.

**SUSPENSION OF SITTING FOR LUNCH**

Honourable Members it's about ten past one at this moment. Are there any other Papers this morning. Do we have a great statement period this morning. One very lengthy one? If that be the case I think we should break for lunch now. I thought we might try and get a bit further on before we break for lunch but if there is a couple of lengthy items I think that now is the time so Honourable Members I think we break for lunch and we shall come back at say, a quarter past two, would that be convenient for all, would that be achievable for you all. It's now 1.10 and we come back at 2.15. Good. We will do that, we will suspend until 2.15 Honourable Members thank you

#### **RESUMPTION OF SITTING**

MR PRESIDENT: We reconvene after the luncheon adjournment Honourable Members. We have just concluded presentation of papers and we are moving to statements. May I firstly make this statement and it relates to closing time for notices. Closing time for notices that is for a trial period of two months will be at 10 o'clock on the Friday prior to the Wednesday sitting day, and this adjustment is of course at the request of the majority of the Members

#### **STATEMENTS**

MR BENNETT: Thank you Mr President, the first statement is to correct a misleading statement I made in the House at the last meeting, I was waiting for Mr Sanders to draw it to my attention but at the last meeting Mr President, Mr Sanders did ask me a question about the amount of money that would be available to the public purse if upgrading of the terminal at the airport were not to continue, and I had anticipated the question and just went straight into the answer my opening words were technically speaking none, that should be morally speaking none because technically its possible for the government to shift money out of anywhere. Now the next sentence puts it into context, so its only really that first short sentence that is incorrect and if I mislead the House I withdraw it and replace those words

MR SANDERS: My apologies Mr President for being lax and not drawing it to attention

MR BENNETT: Mr President, I want to make a statement about the proposed signing of a new operating agreement with the Telstra Corporation. Members will be aware that the operating agreement signed in 1988 expired on 30 November 1993 and it was hoped that we would get one to replace it soon thereafter, however there wasn't a great deal of urgency because the operating agreement in 1988 said that if we don't conclude discussions by 30 November 1993 the operating agreement just goes on for a further period of a year. Mr President the negotiations have been quite complex and it has had 1 or 2 set backs along the way in the initial meeting with Telstra in August of last year they arrived on the scene and wanted to rearrange the accounting principles that applied to telephone calls on and off the Island, to the effect that our revenue would be worsened by \$350,000 per year, now that clearly was not acceptable and they disappointingly went away to reconsider in the interim period the Optus Corporation had expressed an interest and they to came to talk to Norfolk Island, now they didn't have a cable link or access to the cable link but they did have and offer a satellite communication service. There proposal was interesting except that it would have meant quite a considerable outlay by the Norfolk Island Government in the equipment but then there was a reasonable surety that the revenue stream might be what we are accustomed to having. Following that you will be aware of course that the cable broke and there was some doubt as to whether they were going to fix it and that meant that the satellite communication option was open to both Telstra and Optus to bid upon, as indeed the Clear Corporation of New Zealand and New Zealand Telecom were invited to express and interest. In November I received a very lengthy proposal, a reconsidered proposal

from Telstra and the Administration plus a consultant have had a good look at it to ascertain whether what's been offered is going to suit the Norfolk Island situation. I should say that the proposal had two options, option one, includes the words "the provision of a comprehensive set of services at charges which should enable budgetary requirements of Norfolk Island to be met without significant increases in consumer tariffs, that was one of the objectives. Now the Telstra Corporation were very keen to retrieve or to make up losses which they purport to have lost in the Norfolk Island service over a number of years, and they claim amongst other things that they had subsidised services to Norfolk Island as a form of community service obligation, and they tied that back to the fact that they thought Norfolk Island was considered part of Australia and the Telecommunication Act of the Commonwealth applied and so it went on. So in the new proposal they provide for a reduction in the telephone traffic tariff but have added sweeteners I suppose you would call it, to the overall agreement to make up that shortfall, the sweeteners just by way of interest, include access to audio text which is a world information bureau which would have one of its bases located here and the revenue stream to the Island would be a minimum of \$150,000 per year. They also built into the package the cost of the payphone that is the telephonenumber pay phone the software development which was \$44,000. They offered training on an annual basis of \$10,000 per year and also access to the leased circuit income. As I said on the surface it looked fairly attractive but it has taken a lot of effort by the Administration and the consultant to sit through and find out the pitfalls in it for us, but bear in mind that we will be stitching this up for a period of five years and it is important to get it right. That process has been done our response to that proposal has been sent to Sydney and by a telephone conversation in recent days they seem quite happy with our response and the rearrangements that we have asked them to consider to our gain I might add, and I expect to visit Sydney with the Secretary to Government sometime next week for the purposes of concluding the negotiations stage and it will follow by a visit to Norfolk Island later by Telstra to sign the six million dollar contract here on Norfolk Island. Mr President there are a number of features being included in this field which the Island has not had access to before and there include such things as audio text I mentioned, payphones will replace the coin phones here on the Island and indeed as a result of that will provide an extremely good source of new revenue for the Island from the collectors market of telephone cards. There will be a Norfolk direct arrangement put in that is if you travel anywhere in the world and you want to ring Norfolk Island many countries don't have the facilities to hook you through, well that facility will be provided there is some negotiations yet to be had in respect of, the fact that we don't have an exchange open 24 hours a day, but we are hoping that we can do a deal with Telstra so that the out of hours calls coming in from Norfolk people who want to ring home from the other side of the world could be directed via the Sydney exchange. More countries will be hooked into reciprocal rights with Telstra so that if you go to a number of countries like Greece and Egypt and those places where you cant make a call, you cant make a collect call or anything from there, they will negotiate a reciprocal arrangement with those people, and also finally access from Norfolk Island to the 0055 information numbers which you see quite a lot of now and also the 008 numbers, the dial free numbers and many magazines now simply advertise simply that number and no other, and for local people wanting information they generally have to ring somebody in Sydney and get them to ring and so forth. So those additional pieces will be added to the package and I hope that at the end of the day it comes out to our advantage, it looks as though it will and it will be subject to their agreeance to reducing their increase in the take in the next few years or reducing the impact of that for a while until other revenue sources catch up. That's for your information

MR PRESIDENT: further statements this morning? No further statements, then we move to messages Honourable Members

**MESSAGE NO 66 FROM THE OFFICE OF THE ADMINISTRATOR**

MR PRESIDENT: I have received the following message from the Office of the Administrator. It is message No 66 and it reads. On the 15 February 1994 pursuant to subsection 21(2) of the Norfolk Island act 1979, (a) I declared my assent to the Retail Price Index Amendment Act 1994, Act No 1 of 1994 and the Postal Service Amendment Act 1994, Act No 2 of 1994 and (b) I reserve the following proposed law for the pleasure of the Governor-General, Commons and Public Reserves Amendment Bill 1994 dated this 15 day of February 1994, signed Alan Kerr, Administrator.

#### NOTICES

#### **NO 1 - CONSTRUCTION AND OPERATION OF A NEW INTERNATIONAL STANDARD HOTEL - CALL FOR EXPRESSIONS OF INTEREST**

MR KING: Thank you Mr President. I move that this House requests the responsible executive member to call for expressions of interest for the construction and operation of a new, international standard hotel of at least 100 bed capacity. Thank you Mr President. Mr President I believe that it is time for us to be realistic about the future for tourism for Norfolk Island. We have seen over recent years the effect of new products entering the regional market, and in fact we have also seen their level of promotional funds that they put in to their destinations, in fact a staggering level of promotional funds with which we can't compete, that has been a major contributing factor to our loss of market share. Mr President I raised the same arguments in this proposal as I raised unsuccessfully in my proposal for budget type accommodation. The profile of the market place is simply changed, it has in fact changed considerably over the years, over the past 10 years or so. I believe that we must change with it if we are to survive, if there is a segment of the market which we don't cater for then we must change our attitude and I don't believe that we can afford the attitudes of old simply because they no longer fit the bill Mr President. Mr President I am not alone in this opinion, there are a great many in the community, in the industry both onshore and offshore who share my opinion. Last July I travelled with the Chairman of Tourist Bureau to Australia and New Zealand to talk with wholesalers and airlines. I took the trouble on my return of compiling a report some 10 typed pages, a report containing my observations and the comments from those of whom we spoke. I distributed that Mr President, among Members and I fully expected Members to come to me with that report having read it as I know they all would, very carefully, I fully expected them to come to me and say, well Mike what do you think we are going to do about some of the opinions that have been expressed here during your trip, do you think we ought to do anything? Well I guess the Members were a little bit preoccupied Mr President, because no one came and spoke to me. But I guess it is important in this debate to refer back to that report. Many of the wholesalers with whom we spoke were concerned about the quality of service and the facilities in the Island. Some in fact were more specific in their comments, and I would quote to you the comments, or the words from the report. Mr President one wholesaler expressed and I read from my report, expressed the opinion that "Norfolk was in need of 5 star accommodation and also in need to cater for the lower end of the market in terms of budget type accommodation for special interest groups" I'm not returning at this point in time to budget type accommodation, let me quote a further part of the report "the need to lift standards of accommodation and service in Norfolk Island was also mentioned including the need to provide some up range accommodation" mentioning as an example that in their marketing, that is the marketing of this particular wholesaler, that in their marketing of for example for Fiji, it is the highest priced rooms which is sold first. Now there other options about this, these are just some of the written options that I believe Mr President we ought to be taking some note of. I refer you also to the comments of a Commonwealth Government department, made in their submission to the Parliamentary Standing Committee, which as you know is inquiring into among other things air travel to Norfolk Island. And I quote "The accommodation on the Island is

restricted in its range catering mainly for the middle ground, there is almost no accommodation for the backpacker, or the luxury visitor" it goes on "The standard of accommodation on the Island may also be falling behind those available on the mainland for the modern tourist. There is one superior hotel on the Island, but many hotels and guest houses do not have the amenities such as etc etc, some tourist seek" Mr President I believe that it would be foolish of any government to go to the trouble of gathering opinion and simply ignoring it, and doing nothing about it, I believe that it would be equally foolish to ignore growing un-solicited comment from visitors, industry commentators and even industry participants. Mr President, the proposal is not new, I haven't taken the time to look back on Hansard to see why it failed on previous occasions. I suspect Mr President that opposition to it then was probably underscored by self interest and I expect that self interest will probably bubble again to the surface in this debate. However, I would ask Mr President that Members keep in mind during their contribution to this debate that the predominate and loudest call in the business sector is for the government to target the more affluent free spending tourist. I submit that that would be difficult to achieve if we don't provide the accommodation standards and facilities which that group looks for. I think with those short words Mr President, I may join the debate again at a later time but I would like to sit back now and listen with interest to the debate of others

MR ROBINSON: Thank you Mr President. Mr King we are having trouble filling the hotels etc now, why build more empty accommodation units, or accommodation places?

MR KING: I expect that there will be a whole host of questions, I'll just note them as the debate

MR BROWN: Mr President as is my normal course in matters of tourist accommodation I declare an interest in that I am a director of a company which together with its bankers and its receiver owns and operates some tourist accommodation in Norfolk Island. As such I think that I have a fair knowledge of the industry Mr President. I also am a director of an associated company which operates wholesale and retail travel agencies in Sydney, Brisbane and Melbourne known as Pacific Unlimited Holidays. And that is the largest wholesaler of package holidays from Australia to Norfolk Island. It also wholesales and retails holidays to a number of other pacific destinations which I have spoken on here from time to time, including the Cook Islands and Vanuatu in particular, but including a range of other islands, Western Samoa for example. It always interests me to hear people say that Norfolk Island needs five star international accommodation, because what people are usually saying when they say that is, we would like to be able to get that accommodation for the same price that we are paying now. Because they are not wanting to really pay for it Mr President, the visitor that comes to Norfolk Island would like to be able to get his complete package holiday including his 7 nights accommodation and his airfare for \$450 rather than pay perhaps \$450 per night for his luxury accommodation. We hear that properties in Fiji sell their up market rooms first, well its important to have the whole story when you hear that Mr President. It's important to know whether they sell them at up market prices, it's important to know whether they have a practice in conjunction with a particular wholesaler they might be dealing with, of using the up market rooms as a form of attraction, it's also important to know whether the particular hotels were built in order to satisfy a perceived need for international five star hotels and whether they continued to be owned by their initial owner or whether they went broke, and were purchased at a significant discount and whether it is only that significant discount that enables them to market themselves now. There is up market accommodation in Norfolk Island Mr President, I wont name the properties but there are a number of apartments that are very much of an international standard. And there are a number of other properties that are of a very high standard, and if each of those properties was running at 100% occupancy I have little doubt that the

industry on the Island would react by up grading more rooms to that same standard. But the fact is that they don't do that, they don't operate at a 100% occupancy, and other people are not up grading to that standard. When Mike mentioned this New Zealand wholesaler on an earlier occasion who had said to him that Norfolk Island needs five star accommodation and budget accommodation I said I wonder how many nights that wholesaler would guarantee to purchase each year if someone were to go out and build it? The answer is none, its all very well for someone to sit in an office in Sydney or Auckland or wherever, and say gee it would be good if you had this and it would be good if you had that. The question is would it receive business. Now I suppose it is not for us to prevent people from their own folly, if people want to spend a large amount of money on building an international standard hotel perhaps we should let them. But we should be sure that we are being consistent, other properties on the Island have been built up over the a large number of years and people have created a goodwill, which deserves to be recognised, in the case of other properties they may have been sold from time to time over the years and the purchases may have paid goodwill, which deserves to be recognised. I'm presuming that Mike's proposal is that the licenses for the rooms in this proposed facility would be sold, not just given away. I'm presuming that all of the usual health and building requirements would apply and that we would not have the situation that applies in other parts of the Island were a restaurant spends large amounts of money to up grade itself by the standard required by our authorities only to find someone in a singlet and thongs serving fish and chips at a cliff top barbecue taking their customers away. But if Mike is saying that it is proposed to sell the licenses then that may well be a source of significant funds to go towards replenishing the Island fund, or perhaps to go towards some kind of infrastructure project. Certainly as long as the five star international property was going to built by local builders and they were not going to have to import labour to do the work, it would provide a very definite stimulus for the economy while it is being built. And if as part of servicing the staffing needs of that property we are going to give it commitment to take more of an interest in tourism training, so that more local staff are available then that probably would be a good thing to, because at the moment it would need to import the overwhelming majority of its staff. The fact is that I don't think it has a snow flakes chance in hell of every happening Mr President, unless we are saying that we want Japanese people to come here and build such a hotel. If we look at some of the places that have been mentioned to us, as places in which up market accommodation is popular, we frequently find that there are places to which there are direct flights from Japan and we frequently find that the people in fact using those rooms are Japanese people. I suppose we do have to recognise that were you have massive differences in currency exchange a room which is expensive to us may seem cheap to a Japanese person. But I don't think that anyone in Norfolk Island wants to see a Japanese owned hotel in Norfolk Island, and I don't think any bank in Norfolk Island, I'm looking at some of the recent comments by our Minister for Finance, he isn't going to be to interested in finding anyone. Let me quote you some of his words "It occurs to me from Mr Summerson's comments that his knowledge of the tourist industry in Norfolk Island centres on the activities of the Resorts Group, it seems to me from his comments that any initiatives I take or strategies that I employ are only acceptable to him if they enhance his ability to service the debts of the groups creditors, who don't form part of my constituency

MR PRESIDENT: Point of Order

MR BROWN: Sorry to interrupt Mr Brown said Minister for Finance I think it might be Minister for Tourism

MR BROWN: Mr President I apologies

MR PRESIDENT: Not a point of order, but if you got ..

MR BROWN: I was certainly referring to the Minister for Tourism and I certainly apologise if I used the wrong word. As far as I'm concerned said the Minister for Tourism the resorts group is now foreign owned by its creditors the original island shareholders have no foreseeable chance of recovering their investment, and as a Norfolk Island Government Minister I have no obligations to foreign interests, so insofar as any bank lending in Norfolk Island is concerned statements like that must be somewhat concerning. I understand that Mr Doyle the bureau's consultant to whom the Minister for Tourism would be happy to pay \$100,000 per year has in fact said that Norfolk Island needs an international standard hotel. Well I disagree with him there and frankly about the Norfolk Island product I think I know a lot more than Mr Doyle, I do respect Mr Doyle he is well known in the industry but it is also well known in the industry that he has a predilection for overseas travellers at the expense of ones traditional market. And if our bureau has not said to Mr Doyle, that is not to occur in the Norfolk Island context, your to stick to our traditional market. Then it is not Mr Doyle's fault that he's continued to go down the path that he has always gone down in the past. I certainly am concerned that our Minister for Tourism is prepared to put at risk the livelihoods of all of the other operators on the Island, and I am particularly talking here of the smaller operators. If he was right and if what people were going to take is the high priced accommodation then there are a lot of small operators who are going to be put out of business. I don't know that's his intention, but if he is right, which I don't agree he is, but if he is right he'll be putting a lot of them out of business, and I don't think that's our role either. The fact that 1 employee in 1 wholesalers office in New Zealand said to Mr King that he or she would like to see some 5 star accommodation and some budget accommodation doesn't mean that the whole of Norfolk Island has to change. I don't support this initiative, Mr President

MR BENNETT: Mr President the motion calls for expressions of interest to construct and operate a new international standard hotel, I don't support the international hotel and never have, in fact it is against the policy that exists at the moment, but what I do support and have consistently since the Paradise Hotel went down, that the Island could do with a first class hotel, a first class modern hotel, not an international luxury hotel. I agree with the policy that was made a long time ago and I still think that the comments that were made in relation to it, which formed subsequently a policy of the Norfolk Island Government many of them still relevant. I won't quote you but, most Members would have that report on tourism, it at that time was the airlines that were pushing hard for an international luxury hotel, and I don't think that it cut to much ice at the time, but there was a lot of support for a first class hotel and you will recall there was a lot of support for the reconstruction of a hotel on the Paradise site, and had it not been for Heritage urgings it may well have occurred. You will be aware that the Administrator of the day for example, was very much in favour of that. I agree with Mr Brown that there is presently available some high standard accommodation but I don't believe there is sufficient of it, talking to some tourist accommodation operators here, they and I guess, may be they would like additional licences rather than making the conversion, but have said that they do pretty well out of it. The motion as it is, is a little bit of a chicken and egg situation, because as I see it the Act would need to be amended to first of all to create the possibility, so I don't know whether you call for expressions of interest, find that there is something that's suitable then amend the Act or amend the Act first then go looking. But the Act simply says, or it determines legislatively the number of units, the number of beds and the number of houses. I agree with Mr Brown that such a first class hotel was to emerge that the licences should be sold and not given away. And lastly Mr President I don't know how many beds would make a first class hotel viable but the 100 bed capacity just stops me in my tracks a little, I suppose there is not a lot of difference between 100 and 84 which was the Paradise Hotel registration, and I understand at the time that I suppose that if it was to go along the track and a lesser amount, or number of beds

were made available or sold to them, then I wouldn't be at all disturbed. Then lastly Mr President and importantly another one of our policies talks about encouraging local ownership and not overseas ownership, in fact I think there is some restriction on overseas ownership anyway and so I wouldn't want to see that lifted at all, I mean if it couldn't be financed and built locally then I'm not interested in attracting international source funds for it, that's my few comments

MR SEMPLE: Thank you Mr President, just very briefly. This proposal of Mr Kings is purely an expression of interest the last time Mr King did raise the question of introducing a budget style accommodation, many if not most people around this table felt he was heading in the wrong direction and he should be looking up market, according to Mr King's has been borne out to be correct, with discussions that he has had with Members of the travel industry overseas. I think though if there is in fact room for a new type or a standard of accommodation on Norfolk that will encourage more tourists, or a different type of tourist then I think it should at least be looked at, and not scrubbed out completely before the situations thoroughly assessed. Thank you Mr President

MR BATES: Thank you Mr President. I intend to support Mr King on this I sometimes get the impression that no matter what Mr King puts up, certain Members are going to go against it, even if it is a good idea. The Minister consistently tries to do something for the industry in which he is responsible for and repeated gets accused of trying to destroy it. If we don't assist our Ministers to get on with their job, if we try to undo what they are trying to do right across the board there going nowhere, and I think that is a pretty fair statement, I don't think this Assembly is going very far for those very reasons. I like Mr Bennett, am not very keen on the concept that this may be built with overseas interests and that profits as it may eventually make go overseas. This is an expression of interest and I certainly would not be encouraging for instance Japanese funds building this, but if there is local interest well, I think we've at least got to test it, and find out and I'll certainly support him on the expressions of interest. I certainly don't want that to be interpreted that's a red light, a green light to go ahead and build this hotel I think there is a lot of water to pass under the bridge before that happens. The location of it the concept of it, a whole host of things, and its early days and unless we test the field we will never know

MR ROBINSON: Thank you as regards to Mr Bates saying that local interest, I think everybody would agree with that. But I know for a fact there are several locals who have large plots of land that they have deliberately bought and had for quite sometime now with the intension of doing just what Mr King is after. But another concern I have Mr King, with more restaurants in the market when we already have more than the number of restaurants we need, is not going to help the existing restaurants very much, and in fact I had a deputation of some restaurant owners requesting that I put a moratorium on any further sale of food licences, and I must admit I'm inclined to agree with them. So if you could answer the restaurant problem I would appreciate it

MR BROWN: Mr President, before we go to far with this I wonder if it would be a good idea to get in touch with the various travel wholesalers to Norfolk Island and to ask them how many additional room nights they are able to guarantee to the Island each year, its got to be additional, how many additional room nights they are prepared to guarantee to the Island each year, in the event that such a property was built? May be we ought to have some idea of that before we go much further because if in fact people are saying we will guarantee you a very significant number of additional room nights, then some of what I have been arguing may in fact be invalid. I don't think they are going to give any guarantee at all Mr President, particularly when they find out what the property would cost to build and therefore find out the consequent rate for its accommodation. I wonder whether we ought to seek some comments from the ATA after all this was dropped on people

late on Friday and the only knowledge the ATA would have had about it would have been what appeared in Saturday's paper. But it would be interesting to see their thoughts, there are people who generally make their thoughts known, we don't always agree with them, they certainly could be said like most people to be a bit self interested in some ways, but it would be interesting to see their thoughts, because many of their Members have no doubt thought about altering some of their existing accommodation in order to provide a more up market type of accommodation, it would be interesting to know whether they are planning to do it in the near future or in the not to distant future, it would be interesting to know whether they have come to the conclusion that it is simply not viable, it would certainly be interesting what they would see as being the consequences of such a change. We certainly do need to give some thought to those who for in some cases, many years have been wanting to build flats and enter the industry, are we proposing to say to one group, you can have 100 beds but to say to the rest of the people who have been knocking on the door for quite some years, no we are not going to deal with you. I would hope that we are going to do a lot more before we signal any significant support for this proposal today. I hope that we would certainly at the very least be adjourning debate today, so that there is time for an amount of public comment rather than to have us pursue what in Mr King's case could be suggested to be somewhat of a dislike for existing foreign interests, and it could be suggested, perhaps quite validly that a large part of the reason for his sudden interest in constructing an international hotel is in fact quite unrelated to any perceived need for additional rooms. Finally Brian made the suggestion along the lines he thought this Assembly was going nowhere, unfortunately I agree with him, it is not often Brian and I agree but, particularly in the case of the tourist industry the time really has come where we ought to be prepared to take a step back to reassess the complete industry and to make some decisions without basing them on whether we like or dislike somebody, but to make the decisions based on what's going to be good for the future of this Island

MR SANDERS: Thank you Mr President, Mr King referred to in the paper as Mr Brown said that foreign ownership of the hotel's, I'm fascinated that he feels that he should have no support for that foreign ownership, this would indicate to me that every working man on the Island that has, what would normally be considered as a normal housing loan which is supported by the financial backing of either the Westpac or the Commonwealth that this shouldn't be so, because those banks are owned by, or the major shareholding is owned by those on the mainland, I find it an irresponsible statement to refer to the finances of the bank which is so supportive of this Island, is not needing support. Mr President, Mr King periodically, not periodically, all the time totally ignores the tourism policies that are in existence, have been proven policies, and are still there and I feel that if there is a thought to these policies are out dated, then the policies should be changed Mr President, before we come at ideas like this. He also speaks of gathering the opinion of persons overseas, I like Mr Brown do not consider one or two people, the major persons that are expressing a view, most people that I am aware of that like these expensive stuff especially if it is discounted by the proprietors, there is excellent accommodation on Norfolk Island Mr President, there is very very good, there are rooms here that I have seen that are as good as any that I have seen, and they are medium type rooms, but all of these account for or are accounted for within the charges that the accommodation houses charge. What I am trying to say Mr President is that almost anybodies whim on their type of accommodation is covered on Norfolk Island. This or these accommodation houses would be delighted if they could get better than half occupancy, probably would be more delighted if the tourist bureau did a little bit more promotion rather than criticising their effort. Mr President, Mrs Yager wrote a letter and gave it to me and which I circulated and perhaps I could just read the first little bit if you don't mind. Mr President every time I speak Mr King wishes to interject, could I ask you to look at standing order 74 I think it is. Is it 74 or 64, one way or the other he should not speak while a Member is speaking, if he wishes to act like a little school girl

MR PRESIDENT: Order Mr Sanders I note what you have said and I have also noted that you on occasions may interrupt people, if it was a major interruption I would certainly take care of it. Please continue

MR SANDERS: The letter reads To Whom It May Concern, Sir I sincerely hope that all the Members of the Six Legislative Assembly will wakey wakey, and watch carefully how often your Minister for Tourism and Works changes his mind. A few months ago he wanted to have some cheap accommodation bill because the existing ones were to expensive, now he wants expressions of interests for the construction and operation of a new international hotel of at least 100 beds capacity. He reminds me of our weather, very, very changeable but we have to put up with the weather. Some of the other parts of the letter are irrelevant to this debate so I will leave it there Mr President, but I thought that the first half of Mrs Yager's letter was excellent. Mr President the motion in the notice paper reads that this House requests the responsible executive member to call for expressions of interest, I think the whole thing in a nut shell Mr President is the wording of responsible executive member, I do not consider Mr King actions responsible at all

MR KING: Point of order

MR PRESIDENT: Yes

MR SANDERS: In my opinion I don't consider it responsible move

MR PRESIDENT: Yes, well we need to take in to account, you know you've quoted standing orders to me before and I need to quote them to you now. If you are going to make imputations against a member I need to ask you to withdraw it

MR SANDERS: I think its an unreasonable motion. And I believe as Mr Brown... ..blatant attempt to ... Steve Horton who was General Manager of the Norfolk Island Resort Group. Thank you Mr President

MR PRESIDENT: Any further participation?

MR KING: Thank you Mr President. I honestly can't understand why in this forum, which is suppose to have a little dignity in its operations, that we can't sit around and debate a fairly simply motion, in fact it is not a motion which in its self is going to lead to a final outcome. That we can't sit in this House and perform with a little dignity and debate constructively and rationally, without using all the emotion charged descriptive words that the likes of Mr Sanders uses in his vocabulary. I'm just a little cold about it all, I mean I don't mind listening to, I'll be some time Mr Brown, I don't mind listening to constructive debate, that's why I put it on the notice paper, no one is ignoring any policies, Mr Sanders suggests that I ignore the tourism policies all the time, emphasis on "all the time", I'm not ignoring any policy on this particular occasion, what I'm putting to the House is the suggestion that maybe we ought to be looking at relaxing our policy, I thought it was quite a sensible approach to do I'd rather do it this way than go out and authorise it myself, I mean then they might have something to complain about and start calling names and making rather emotional statements. I welcome Mrs Yager's letter, well it wasn't directed to me but, it was directed at me, I understand what Mrs Yager is saying and in fact that's quite a valid argument to raise, the fact that I appear to be as changeable as the weather. But what you are loosing site of here, and perhaps what the writer of that letter has lost site of is that I have earlier spoke of my objective in relation to bungalow budget type accommodation was not because the local current accommodation is to expensive, I said at that time that we weren't catering for a particular segment of the market. And that is precisely what I am saying in this proposal, we are not catering for a particular segment of the market, that's the simply fact of

the matter. I recognise that Mr Brown might have a different opinion to that expressed by not one wholesaler but a number of wholesalers Mr Brown, and the airlines as well. I mean ... I pretend that I sit in my office all day talking to these people day after day, but I have regular contact with them. I want to say Mr President that the objectives that I pursue here are in fact the same objectives that I was pursuing on the occasion that I promoted budget bungalow accommodation.

This proposal simply focuses on the other end of the market. Now Mr Brown has introduced the debate I had in the paper last weekend with Mr Summerson, the Receiver, Manager of the Norfolk Resorts Group. Mr Brown and Mr Sanders have both indicated that this motion has nothing to do with my desire to see up market beds in the Island, that it has ulterior motives, each of those statements means the same thing that what I am trying to do is not so much shaft Mr Horton, as Mr Sanders so eloquently put it, but I, if this proposal, let me say quite categorically, that if this proposal assists a local group in a takeover bid for the Norfolk Resorts Group then that as far as I am concerned would also be a satisfactory outcome. I'm not hiding from that, but I mention again that my motives a generally well founded and sincere and they are based on community opinion, opinion that I am not in a position to ignore Mr President, I'm supposed to be a Minister of this Government, I'm suppose to be progressive, I'm supposed to take initiatives to examine things and consider things. I'm not the least bit embarrassed or uncomfortable Mr President with the stand that I've taken, concerning the Norfolk Resorts Group, in fact I suggest that the entire Assembly should join with me in my stand, I believe that it is the only logical and sensible attitude the government can adopt. The fact of the matter is that the Resorts Group is now in the hands of its major creditors, there is no remaining equity for local shareholders. The Receiver, Manager himself Mr President, told me that the Groups profits are sufficient only to meet its interest payments on its debts. How do you reconcile that statement Mr President, with Mr Summerson's recent statement that the Group is not prepared to invest more capital locally until the government gets its act together. What he really meant was, until Mike King gets kick out. I have to ask Mr President what capital, what capital indeed, if the Group was accumulating capital reserves it wouldn't be in receiver management. Mr President I put it to members of the Norfolk Island Government has a legitimate interest in the affairs of a Group which effectively controls 35% of our only industry. When you weigh up the known facts, the known facts Mr President, the present trading status of receiver management, the huge losses incurred by the Groups creditors, the loss of initial investment in the Group, the Groups doubtful capacity to accumulate reserves then the government's interest must logically lead to concern for the future. Concern which can only be eased by a properly capitalised takeover. Mr President I'm totally sympathetic to Mr Brown's position, and his desire to regain his shareholding or investment in that particular company. But the facts remain Mr President, Mr Brown ought to join me over here in the failed businessman's class, in fact he should sit the other side of Mr Sanders, and maybe we can both draw from Mr Sanders foresight and intelligence. Thank you

MR SANDERS:           Only if he wanted to succeed

MR BROWN:            Mr President, we have just listened to some of the most outrageous things that have been said in this House for a long time. We have listened to a Minister for Tourism busily bagging various people, without having a clue about what it is he is talking about. Not the foggiest idea. He has just talked of losses of creditors in the Norfolk Resorts Group, well I'm not to sure there are to many creditors left in the Norfolk Resorts Group.

MR KING:             ... talking about the older ones. I know a lot of creditors ..

MR PRESIDENT:        Order

MR BROWN:            I would be interested to see the information upon which Mr King

is relying when he makes some of these quite outrageous statements. He has made it very clear Mr President, that what he is on about, is try to get stuck into the Norfolk Resorts Group, to use his own words, if this proposal assists the local group in a takeover bid for NRG that would be a satisfactory outcome.

MR KING: It would also be a satisfactory outcome

MR PRESIDENT: Order

MR BROWN: That is an outrageous thing, for a Minister to say in relation to a matter within his portfolio. Let me add a couple of things Mr President, this proposal would do no harm to the Norfolk Resorts Group, its my understanding that they would certainly be proposing a 100 bed extension, of one of their properties. It wouldn't hurt Mr Irvine either, my guess is Mr Irvine would probably propose a 100 bed extension to one of his properties. The people it would hurt would be the little people Mr President. And in his desire to get even with people who don't appear to have done what he wants them to do, Mr King is quite prepared to seek to destroy all of those little people. The reality is that he has done no real research to see whether there is a true demand for what he is talking about. He says that he has spoken to someone in an airline office, well I don't know who he has spoken with, but there are plenty of people in airline offices that don't know to much about Norfolk Island either, Mr President. He says that he's spoken to one or two wholesalers, well we don't know which wholesalers, nor do we know whether he spoke to the new girl that had been working there for a month and a half, or someone who has been involved in running the place for a long while, I would be interested in seeing some market research which tells us whether or not there in fact is a demand for this product. And if there is no demand for the product we are being mugs in considering calling for expressions of interest. But I would urge Mr King, insofar as he is continuing tirade in relation to Mr Summerson, Mr Horton and Norfolk Resorts Group

MR PRESIDENT: Mr Brown could I just draw attention to your earlier requests of the Chair to ensure that there were not imputations made against members, and I endeavour to accommodate those when they were raised. I would ask you to equally take that into account when you are making a presentation to the House

MR BROWN: Mr President, I'll change the word tirade, to attack, I don't think anyone could dispute that there has been a significant attack. It would help if in launching such attacks, Mr King would attempt to get some of his facts right, because to make such attacks based on facts which are simply in error does him no credit

MR PRESIDENT: Further debate Honourable Members?

MR KING: Perhaps just a few brief words in closing Mr President. There are somethings that I haven't responded to, I hope that Mr Robinson is now clear, that this really has nothing to do with the trouble filling the existing beds. I hope that he now understands that what I am seeking to do here ultimately is to cater for a different type of tourist. The type of tourist that we have been crowing about wanting here for a long time. I take Mr, I hear Mr Brown's call for consultation with the ATA, consultation can take place from now forward if this motion goes through today, and I intend, I don't intend to seek an adjournment on it today, I intend to hopefully see it through to finality. The ATA can lobby me, lobby us, talk to us, we can consult with them to I don't know to the extent of over the period of several months, I guess because this thing is not going to come to ahead over night. I'm testing the waters Mr President, I want to know whether there is anyone out there that shares the confidence that I have in the future of this place as a tourist destination. I believe they are there, I'm not interested in Japanese coming here and building a hotel, that's only emotional claptrap from

Mr Brown, for heavens sake

MR BROWN: Point of order Mr President

MR PRESIDENT: Yes.

MR BROWN: The word "claptrap" is an offensive word, and I'd ask that it be withdrawn

MR KING: I'll withdrawn Mr President. I am not interested in the slightest in going to the Japanese people and ask them to build a hotel here in the Island. I'm on about the interests of the local people, the local people Mr Brown, I'm not on about the interests of the Japanese, or the National Bank over in the mainland, its the local people I'm concerned about, if there is a possibility of their making a substantial, positive and worthwhile investment in business here in the Island, then I would want to provide that opportunity. And that's precisely who I am targeting. If there is no one locally who wants to do it I'm not interested in other people doing it. Market research is it for the government to go out and do the market research, surely that's for the entrepreneurs to do. Even Mr Brown being the businessman he is, even though he's failed, as I have failed, would know damn well as an entrepreneur that he wouldn't put the money up, until he does the market research, not for the government to do the market research. Thank you Mr President

MR BROWN: Mr President, I move an adjournment

MR PRESIDENT: The question is that this motion be adjourned and made and made a motion for a subsequent day of sitting?

QUESTION PUT

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

The result of voting Honourable Members, the ayes five, the noes four the ayes have it. The matter is adjourned for a subsequent day of sitting.

**No. 1 - NORFOLK ISLAND GOVERNMENT TOURIST BUREAU - APPOINTMENT OF AUDITOR**

MR KING: Yes thank you. Mr President, I need to seek leave do I at this point in time

MR PRESIDENT: Yes to bring it on

MR KING: I seek leave

MR PRESIDENT: Leave is granted

MR KING: Thank you for helping me through that. Mr President I move that for the purposes of subsection 18(1) of the Norfolk Island Government Tourist Bureau Act 1980, this House resolves -

(a) that the appointment of Graeme Emerson as auditor be revoked; and

(b) that Donald Wilson Langdon a partner of the accountancy firm Hall Chadwick be appointed to be the auditor for the purposes of the Act

Mr President it is not absolutely essential in terms of the Norfolk Island Government Tourist Bureau Act that the auditor of the bureau's financial affairs be the same person or group that audits the accounts of the government, the Administration. It has in recent years proved more practicable that that happened and I certainly think that it is desirable. This simply follows that thinking, and seeks to appoint the same firm of auditors who have recently been appointed by this House I think to audit the Government accounts. Thank you

MR SANDERS: There's one point I would like Mr King to know about. Is he nominating a person or a firm

MR KING: No a person in a firm

MR SANDERS: Does it have to be

MR BENNETT: Yes

MR SANDERS: It appears that the answer is "yes"

MR PRESIDENT: Further debate? Then I put the question, the question is that the motion be agreed to

QUESTION PUT  
AGREED

The ayes have it, thank you

## **No. 2 - DOGS REGISTRATION AMENDMENT BILL 1994**

MR ROBINSON: Thank you Mr President, not a long one we hope. Mr President, I present the Dogs Registration Amendment Bill 1994 and move that the bill be agreed to in principle

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

MR ROBINSON: Thank you Mr President, I have pleasure in presenting the Dogs Registration Amendment Bill, the purpose of this Bill is to provide for a tighter system for registering dogs and to provide that the Registrar shall issue dog tags. The Bill will make it compulsory for dog owners to affix a current tag which will serve as proof of current registration. The Bill will also empower the Minister to appoint persons as inspectors and gives an inspector power with permission or with a warrant to enter a place if the inspector reasonably believes that there is an unregistered dog at that place. The Bill provides that an unregistered dog maybe seized and destroyed, it also provides that a registered dog molesting stock or a person may also be seized and destroyed. That's the dog doing the molesting not the person of course. The Bill will provide for the Administrator to make regulations under the principle ordinance, this will enable the Administrator to prescribe fees for registration of spade or whole female dogs, and neutered or whole male dogs. The regulations will also prescribed areas where dogs are prohibited and to that end the beach side of the Kingston esplanade shall be a prescribed place. Dogs are already banned for the area under the current Ordinance.

The Bill provides for the seizure of a dog in a prescribed area, and if such dogs are not claimed within 48 hours of the owner being notified they may be destroyed.

The costs of detention, feeding and destruction shall be a debt due to the

Administration. I believe these measures significantly enhance our control over and registration of dogs and I commend it to the House

MR CHRISTIAN: ...Mr President, ...

MR SEMPLE: I to commend Mr Robinson, with the long overdue amendments to this Bill. However there is one question that does give me quite some concern. If an unregistered dog is impounded for the 48 hour time limit before being destroyed, if it is not claimed, what facilities have been provided or will be provided for the dogs detention, are we going to find ourselves in the fascicule situation where in fact no pound exists and unregistered dogs are still allowed to roam around despite it being against the law

MR ROBINSON: I believe that the charges will be, the dog will be impounded at the vets residence, I'm not absolutely sure on that, but I believe that's the way it was intended to work

MR SANDERS: Thank you Mr President, I whole heartedly support Mr Robinson's Bill, but I feel that the minor amendment could resolve the problem that I have, and also one that Mr Semple has. And I would like the amendment to read 48 minutes, rather than 48 hours, and that way we wouldn't really have the problem of what happens to it

MR PRESIDENT: Further debate? No further debate.

MR ROBINSON: I move that the debate be adjourned and resumption of debate made an order of the day for the next sitting

MR PRESIDENT: The question is that debate be adjourned, resumption of debate made an order of the day for another day of sitting

QUESTION PUT  
AGREED

The ayes have it. Thank you

### **No. 3 - DESERTED WIVES AND CHILDREN ORDINANCE REPEAL BILL 1994**

MR BROWN: Mr President, I present the Deserted Wives and Children Ordinance 1923 repealed Bill 1994

MR PRESIDENT: If we could just tidy the matter of leave. If leave granted for it to be brought forward? Leave is granted, Mr Brown I accept that motion

MR BROWN: Thank you. I present the Deserted Wives and Children Ordinance 1923 repeal Bill of 1994. This is a short Bill which repeals a 71 year old ordinance concerning maintenance for Wives and Children who have been deserted by the husbands, or for the mother of a illegitimate child abandoned by the father the child without means of support. The Ordinance has had no practicable affect since the passing of the Commonwealth's Family Law Act in 1975 which prevails over it. In 1986 Mr President, you advised the then Administrator that the Ordinance would be repealed as it had become redundant. And so 8 years later the repeal Bill is being presented today to honour that commitment. Members will note the clause 2 of the Bill gives it a life of only 1 day after it comes into operation. This is a conventional drafting measure to ensure that the repeal Act does not itself clutter up the legislation tables. This simple Bill Mr President is a long overdue legislative housekeeping measure, and I commend it to the House

MR CHRISTIAN: ...

MR PRESIDENT: Further debate? No further debate? Mr Brown

MR BROWN: Mr President, I move the adjournment

MR PRESIDENT: The question is debate be adjourned, resumption of debate made an order of the day for the next day of sitting

QUESTION PUT  
AGREED

The ayes have it.

#### ORDERS OF THE DAY

MR BENNETT: Mr President, under standing order 178 these are taxation Bills and need no leave. Mr President there are three Bills to be dealt with and I would be intending to deal with them as a cognate debate, and there also is a notice of a direction unsigned direction in relation to one other revenue raising measure and I propose that we deal with them all together initially and obviously down the track we will be getting to the stage of voting

MR PRESIDENT: Would you just identify the three Bills for us please Mr Bennett

MR BENNETT: Mr President there is the Customs (rate of duty) Amendment Bill 1994, there is the Departure Fee Amendment Bill 1994, and the Fuel Levy Amendment Bill 1994, and the notice of direction is a direction to the Liquor Bond Manager through the Finance Manager in respect to beer

MR PRESIDENT: And your requests is that they be tackled in a debating sense together, but we will of course vote upon them separately

MR BENNETT: Yes Mr President, the very essence of having to bring taxation Bills in at this time means that we will require them to be dealt with through to finality today, or those parts of them that are acceptable through to finality today, and as in an earlier debate, I think Members are well clear of the need for additional revenue to make good some of the short fall in the budget. So at the time we come to deal with the voting on each of the pieces of legislation I'll make that also a little bit clearer. Mr President I had these circulated this morning to Members ... note that set out to try an explain first of all what the amendments were, and the Customs Amendment Bill proposes a shift upwards from 9% to 10% in the general category and from 6% to 10% in the food area. The Departure Fee Levy Amendment seeks to increase the departure fee from \$20 to \$25 and the Fuel Levy Amendment seeks to increase the fuel levy from 10♥ to 20♥, and in addition to that Mr President an arrangement which is done by executive direction is a draft direction in relation to an additional 10♥ levy to be charged on the retail price of cans of beer and that the levy at the rate of 10♥ per 375mls be charged on the retail price beer products sold at the Liquor Bond. Mr President these measures were debated at some length at the meeting of MLA's on Monday and its fair to say that there is without exception there is not total support for every piece of legislation or the other. It's occurred to me for example, arising out of Monday's meeting that the increase in duty on food and the departure fee levy amendment appeared to have sufficient numbers at that time to make the proposal or cause the proposal to be defeated, but because of the nature of the debate and the strong views that some have in relation to each of these it was thought that it would bring the whole, all of the measures on, to allow members who support the changes to perhaps persuade others to reconsider. Mr President I gives me no pleasure at all to have to promote or bring to the House taxation measures, it was made clear as I said this morning, that when the budget was prepared in June we knew it was

tight, we took the decision then not to include in that budget with the exception of a specific customs amendment bill any increases, and any impose as a measure of our concern about the financial state of the Island's economy. But earlier today we spent sometime talking about the deficit in the budget that we have to confront.

When Members began discussing the various measures by which revenue to cause the deficit to be lessened, examined the options that were available to them there really are not a great number, not a great number that would increase or raise sufficient revenue in the time available to have any effect at all, so I guess in those terms this was rather selective. But I want to say that in relation to all other fees and charges the study is under way, and I did foreshadow a month or two earlier that come the 1 July or the next budget then there would be a wholesale review of all fees and charges many of which have not been increased for 10 years or more. But it was not appropriate to deal with that particular paper and those proposals today and it would have been a legislative draft persons nightmare to have had dealt with 40 or 50 pieces of legislation in time for the meeting. Mr President it is fair to say that even if all of these bills were to get through the quantum that they would raise in the time between now and the end of the financial year would not be sufficient to cause the deficit to be wiped out completely. Members and certainly the public are entitled to ask what the Legislative Assembly is doing about revenue raising measures, what it has done in that context over this last year and what it has done to curb expenditure to cause the need for revenue raising to not exist, well there has been a lot done in terms of curbing expenditure and I think that there's people in the main have taken the responsibility seriously in trying to contain expenditure. There is an expenditure review committee which was formed before Christmas, that is has been set upon a task to review a number of the Administration's operations and the way we do business and such like, obviously it can not do everything at once, and it is a long and on going programme, we have settled on three or four major things and as they are dealt with recommendations will flow back here. In respect to what fund raising measures we could have latch on to in the time I did mention in the budget debate last June that it was hoped that the phonecards for example might be in place before the end of this financial year, and the income from that would have flown straight via Telecom in to the revenue fund and we were talking several hundreds of thousand of dollars in that respect. In an earlier statement I mentioned there has been a delay in finalising the operating agreement with Telstra which would bring about that possibility and at this time the target date for the introduction of phonecards has been set at 1 July so there will be no in flow to this financial years budget from that, but let me say that there are very good prospects for raising a lot of money in the phonecard issue, particularly the first edition, and several hundreds of thousands of dollars would be expected. There was also reference to another collector revenue raising measure, and I was talking in terms of coinage, I had hoped to have heard formally for this meeting the proposal to mint a \$10 NCLT silver coin, effective from the 1 July 1995 advice would have been received today but its yet to arrive, I'm fairly confident that the informal advice was fairly sound and in that case we can look forward not again in this financial year and not in the next financial year but commencing 1 July 1995 access to another wonderful stream of revenue which will come predominately from offshore, by way of numismatic coin collectors and there is intended at that time to be a series of them so there will be one per year for a few years. But it doesn't help solve the problem with our budget for this year. Mr President turning individually to these for just a moment to make clear what each of the bills set out to do. The Customs (Rate of Duty) Amendment Bill 1994 this Bill seeks to amendment the Customs Ordinance by increasing the rate of general duty from 9% to 10% and seeks to increase the duty on food, foodstuffs, confectionary and beverages other than liquor from 6% to 10%. In common with the other two revenue bills to be considered today, this measure is a result of the annual budget review as I have mentioned. It is with great concern that the House when it was informed of the declining nature of the Island's public income, and that in company with other non legislative steps to reign in expenditure, certain unpalatable steps which we would not have had to

make in brighter economic circumstances are essential. Mr President turning just briefly to the Departure Fee Amendment Bill as I mentioned in my opening words it seeks to change the principle act by changing the departure fee for persons leaving Norfolk Island to \$20 to \$25 this will bring the departure fee in line with Australia, who last year raised its departure fee to \$25. I am very conscious of the importance to tourism to Norfolk Island and that this increase will not be universally supported however my responsibilities as Minister for Finance makes clear to me that it is essential for any growth in tourism to be accompanied by adequate government services and I reluctantly have concluded there is little choice but to recommend this measure to the House. Thirdly, Mr President the Fuel Levy Amendment Bill 1994, this Bill as I mentioned seeks to amend the rate of fuel levy from 10¢ per litre to 20¢ per litre this is the first increase in the levy since the original act was passed in 1987 and I recommend this step in full knowledge of the essential nature of motor vehicles to the members of the Norfolk Island community, however it is clear to me from receipts for this financial year that the increase is necessary. I might make it plain for the information not so much for members but for those that might be listening that the fuel levy annually brings in approximately 160 - 170 thousand dollars to the public coffers, and four times that amount is allocated to the annual road maintenance and construction programme, therefore it is clear that every cent of the fuel levy is applied to the roads programme supplemented by significant other funds. And lastly Mr President, in a paper circulated a few minutes ago, it is the copy of the proposed direction to the Liquor Bond Manager through the Finance Manager in relation to an additional 10¢ levy on the price of canned beer and stubbes sold at the Liquor Bond and that the levy at the rate of 10¢ per 375 ml be charged on the retail price of other beer products sold at the Liquor Bond. Mr President I haven't gone on to talk about the customs duty in any detail but, as one of the measures involves increasing the, or a proposal to increase the rate of duty on food, foodstuffs, confectionary and beverages then I declare a pecuniary interest, as a principle in a food importing and retailing outlet on the Island and obviously as the benefits are likely to flow in that direction I will not be taking part in the debate or voting on it. Mr President just in closing, the debate on Monday at our informal or our MLA's meeting was spirited and it will probably be so now, there are fairly strong views about a number of these and this is the opportunity for members to have their say.

Thank you

MR SANDERS: Mr President, I quite happy to start the ball rolling.

MR PRESIDENT: Could I just remind members that the idea is that the debate can be in respect of all the pieces of legislation and the direction that Mr Bennett has referred to, but we will be voting upon them individually

MR SANDERS: I was going to address them all in one go. Firstly I'm very disappointed Mr President, that Mr Bennett has elected to not to participate in the debate or as he said from voting I don't believe that he should hide behind a pecuniary interest, he has declared that pecuniary interest and I believe that as Minister for Finance he should openly declare himself to the public as to whether he supports or whether he doesn't support, and if he is not prepared to do that I don't believe that he should be the Minister for Finance. But however, I would like to say right from the outset Mr President that I support the 10% of customs across the board, that's across the board other than for motor cars and cigarettes and for booze, and the reason for my support is that the 1% added to the duty free goodies that are sold on the island while I acknowledge that it is an essential increase the money does have to come from somewhere, and if an article of 100 dollars at cost can not support the increase of 1% plus the retailers mark up on top of that then I believe he's sailing to close to the margin then he shouldn't be handling the goods anyhow. Food Mr President is going to be a very contentious issue in the debate in the House today, Mr President we pay 6% now, most housewives, if you ask them how much they spend on groceries everyone of them would tell you a total

amount which included all the household groceries, not just food, groceries, there would be the toilet paper and the soap and all that stuff, that stuff has 9% on it anyhow, so in effect there's only an increase of 1% most wives or housekeepers or whatever they may be, even on a medium size family I would be very, very surprised if it may an addition of \$5 per week, in fact I don't think it would make \$5 a week. The interesting thing of course is everybody on the Island has to pay it, including those that avoid financial institutions levy, if they want to eat they have to pay it. Mr President I don't think its an unreasonable income tax, anybody wishing to live on Norfolk Island they do so at their own free will, and I believe that they should contribute to the running of this place. Mr President I don't support the increase of 10♥ on beer I very rarely drink it myself, but I find that's a working mans drink and I don't believe he should be penalised at any stage for a little bit of pleasure out of his life, so I certainly wont be supporting that part. The fuel increase, I'm not at all happy with it, but I am going to support it because those that prefer to walk or use the push bike or something or other, are quite at liberty to do so, they do not have to spend the money. Saying that Mr President, and I am aware that there are a few people around this table Mr Christian and Mr Bates and what have you, that are of the opinion that everybody else should pay other than themselves, but however, and Mr King, I have broken the ice. Thank you

MR KING: I'm not sure whether I would be able to persuade Mr Sanders to a different view, maybe he might sit back and relax for a minute and listen to what I've got to say and may be we can come to an agreement on more than what we've done here in our little tick the box exercise that we just did here now, I general I'm a little bit disappointed in the manner in which these bills have come before the House, and I've got to say it, it smacks to me of the urgency with which the FIL was blasted up 300% in the days when it became apparent to the Assembly of the day that the budget was dropping in to a deficit situation and almost overnight the quick fix was to quadruple the FIL, did it not go from 25♥ to \$1? The urgency and haste of which that measure was taken is reflected now in the debate on the application or effect of the FIL, Mr Sanders brings it up from time to time, what we have now is a number of taxing measures before us in bill form, with an urgency tag on them to see them through all stages today, and it arises from the sum total of about 30 minutes discussion at an informal meeting and quite frankly I think that's bloody awful

MR BROWN: Point of order Mr President, I'm not sure the Minister just used an inappropriate word, ...

MR KING: What did I say?

MR BROWN: Bloody

MR KING: I beg our pardon, Mr President

MR BROWN: I ask that it be withdrawn Mr President

MR PRESIDENT: Thank you Mr Brown, Mr King ... withdrawn Mr King

MR KING: Thank you. I could detect from the tone of voice used by the Minister for Finance when he made is earlier presentation that his heart and soul is not in this, he is uncomfortable about it, quite clearly, and he has good reason to be uncomfortable about it, he faces a deficit bill, a deficit budget for the year, which in its self I explained earlier is not a horrible earth shattering situation, nevertheless he has decided to bring forward some bills now which will have an effect of improving the budget situation and I guess making it look a little better come the 30 June. I'm not sure that's sufficient objective or sufficient cause Mr President to deal with these bills in the urgent manner that we

have without proper consideration, you know have we really addressed the elements of the capacity to pay, have we addressed the social implications. I'm going to be accused of, or asked questions I guess if I were to simply go ahead an scratch all of these proposals here today, I'll be faced with a question ...

**Extract**

MR KING:                   where will you find the money Mr King? What's your proposals. Well I guess I could take the easy way out and say well I would have preferred to have given a great deal more time to consider them. I wasn't aware that on Monday's meeting that we were going to have this situation lobbed on us, nevertheless I have considered it over the last couple of days Mr President and I will be offering some support in some of these measures but only in a minority of them. I would likely support, subject to what the comments of the other Members, I would likely support the 1% increase on general customs duty but it concerns me, I get screamed at every month for an apparent or perceived failure to consult with the the industries with which I deal. On this occasion there has been absolutely no consultation whatsoever with the Chamber of Commerce. Quite frankly I think that's a slap in the face to them but nevertheless if I'm to support anything I will support that minor measure of 1% increase. I will not in any way shape or form agree or support a 4% increase in the duty on foodstuffs. I need to say a little more about that Mr President on that particular point. ....to tax the beer by 10cents per can. Unlike Mr Sanders who drinks a great deal of scotch I drink a great deal of beer. A lot less these days then in my younger years but nevertheless I have an interest in this but it is not for that reason that I'm not going to support it. I'm not going to support it simply because we slugged it last year, less than 12 months ago, ten months down the track we're giving it another slug and it's far too easy to go out and slug what to some might appear to be luxuries of what form, but what to others is really a part of social life and recreation and a way of life in this region. If I'm to support any of the major measures here Mr President I would be supporting the Departure Fee increase. Now that might sound strange coming from the Minister for Tourism but I believe that it is effectively easier to swallow, easier for those who will be paying it to swallow and with due respect to a visitor in the gallery over here, the bulk of the departure fee will be paid by our visitors. They will not know that it was formerly \$20. All they will know is that they are paying a \$25 fee which is comparable or equal to the departure fee currently paid in the Australian mainland situation. I don't see it as being a measure which is going to have an unfavourable impact on visitation to the Island. I won't be supporting the Fuel Levy. Certainly it's a doubling of the Fuel Levy. I won't do it for this reason, that what we have in Norfolk Island for the supply and sale of fuel is essentially a monopoly situation. A monopoly situation into which the government has never made any enquiries as to pricing practises and consequently the retail price. Now everywhere else in regions surrounding us the consumer has the benefit of changes in various market forces. Now I can't - I may be wrong - but I certainly can't recall any fluctuations in the price of petrol at the bowser here in Norfolk Island on occasion but what happens elsewhere, I mean they go up and down as the market fluctuates, as the market forces fluctuate there is the benefit passed on to the consumer. We never see that benefit here. Petrol goes up and it stays up. It goes up further and it stays up further. All we're doing is pushing it up higher and higher. That's my appreciation Mr President

MR CHRISTIAN:           Mr President I've got my views on what I think about these various things and I still haven't figured out where we're going to raise the extra money from if these don't go through but these are my thoughts anyway. With the customs rate of duty in Schedule 1 I'm not against the item going up by 1%, not at all. I'm certainly against the food being increased by 4%. Baby foods and cereals and stuff like that are dear enough on the Island as it is. I think it's too heavy an impost to do. With the departure fee I'm not too concerned about that either way, whether it goes up or it doesn't but .... too great an effect if it does go up .... serious numbers. Fuel levy I'm quite in favour of it going up. I haven't any worries about that at all. A lot of vehicles here use far more than

they need to anyway so if it cuts down on a little bit of the use I don't think it will hurt anymore. Re the ten cents on the beer, although it may be the workers bit of extra at the end of the week, so is his food and I would rather see the price of liquor go up ten cents then food go up and that's my feelings on it. As I say Mr President at this stage I haven't figure out where the extra money is going to come from, I can't see any great harm in running a deficit budget this year either but those are my feelings on it

MR BATES: Thank you Mr President. The Norfolk Island government is finding it increasingly difficult to fund its essential services, justice, education, welfare and health. This is all the more evident because there is a worldwide economic slump and although there are signs of improvement in some economies and signs that our tourist industry may be on the up, all our traditional revenue items are still in decline. Now Geoff as our Minister has certainly tried hard with alot of success to reduce spending and is still following up some of those areas but he and others around the table do not always fully acknowledge that government spending in the community is an important part of our economy. By that I mean that if he reduces a number of employees in the public service then there are fewer funds spent in our shops. If we reduce our roadworks there is less work for those in the crushing industry, if we reduce our building maintenance activities or capital projects there is less work for outside tradespersons and less materials purchased from local retailers. The multiplier effect of reduced government spending has its own detrimental effect on our economy. This is not to say that Geoff should not try to provide essential services as efficiently as possible and to maximise resources as much as he can and I think he has done a very good job in that area. Having said that, it is also essential that he not neglect the harder part of his portfolio and that is the raising of sufficient revenue to meet the commitments of the government. This is a task in which there are no winners, least of all the Minister himself and to a large extent the Members of this House. In the past some Ministers have chosen to take the easy road and neglect revenue raising because it is unpopular. They have certainly not made Geoff's job any easier and I am pleased that he is at least tackling the problem and not just fobbing it off with his head in the sand. No matter how the government tries to obtain revenue there will be someone who knows of a fairer way so long as they themselves are not effected. It always has to be the other bloke who should pay. Mr Sanders has suggested that I'm one of those who thinks the other bloke should pay. I intend to support the increase in beer, reluctantly, and like Mr King I will regard that as my drink. If I go out an socialise I drink beer. I've probably had a drink with most of the Members of beer this afternoon but I will be supporting the ten cents increase in beer because I think that that is one way where I can share the problem we face. I have two thoughts about the fuel. I intend to support the increase in fuel, again because that is one that effects me personally quite a bit. It's probably not well known but 20% of my direct costs when I take people out fishing is attributed to cost of fuel, or certainly will be when it goes up a further ten cents. It will raise the costs just on the fuel levy alone from \$6.00 to \$12.00 every time I put the boat in the water and that amounts to \$2-\$3 per tourist head so I don't think Bill's justified in saying that I'm running away from something that may effect myself. However, Mr President I cannot support the 4% increase in duty on food or the 1% increase on other goods. Food on Norfolk Island is expensive. And generally speaking, wages are low. We are facing a 20% freight increase from New Zealand and I feel that for those families who are struggling to stay afloat. I also believe that it is the retailers, especially those catering for tourists who are feeling the greatest effect on the present state of the economy and we should not increase the costs of the good intended for sale to the tourists. Mr President I dislike being negative and I wish I could come up with something more constructive then simply refusing to support this increase. I know that Geoff has a few ideas in the pipeline that will be more popular ways of raising revenue but I would like the whole community to offer constructive suggestions over the next few months while the 1994/95 budget

is being prepared. I sincerely request that they be positive and constructive comments and not just self centred and destructive. We've probably all heard the negative comments several times by now, so let's pull together and overcome the present difficult situation. Mr President I believe Norfolk is again at the crossroads and if we want to continue on our chosen path of internal self government the only way we are going to succeed is by setting aside self interest and working together for the overall benefit of the community. If this means that difficult decisions have to be made then we must make them but I do believe that the proposed duty increases of 4% on food and 1% on other items is not yet warranted until other avenues have been expanded. Thank you Mr President

MR SEMPLE: Thank you Mr President. I, like I guess everyone else around here and on the Island don't like the idea of additional duties and levies but it's a fact of life that to maintain standards that we have come to expect rises do occur and everyone should and must contribute. Elsewhere there's a little thing called income tax where everyone in the community pays their share. On Norfolk where income tax are two dirty words there exist a variety of alternative taxes, levies and duties which effect different groups of people in the community in different ways. Some pay considerably more than their share whilst others are laughing all the way to the bank. Until all Members of some future Assembly can agree on a local income tax, and I repeat, a local income tax, to be instituted there will always be divisions in the community and debate such as this. However, until such time money still has to be raised. An increase in the duty on food whilst unpalatable if you'll excuse the pun, I believe is a step in the right direction. As Mr Sanders said earlier everyone has to eat, rich and poor alike, they will all have to contribute and not just the select group as is so many of the people who are effected now. I'll be supporting the increase in the duty on food from 6 to 10% and even though I'm not overly thrilled with it I'll also be supporting the other amendments as well. Thank you Mr President

MR BROWN: Mr President it's a shame that we are need to look at having to raise more money but the fact of the matter is that if the projections that are set out in the paper that Geoff tabled this morning come to pass without raising any additional funds we will have only \$214,800 in the bank as at the 30 June and as I said earlier there are some big questionmarks Mr President on some of the revenue items. In particular on customs duty and FIL. I think that many would probably agree with me that we must at least take a view that there is a risk of each of those falling short by \$50,000 compared to our revised budgeted amount and we are aware that rather than saving \$20,000 in the HMA area, the Hospital and Medical Expenses for approved persons we are going to be likely on present projections to be \$50,000 short. Those three items between them Mr President make up \$170,000 and if you took \$170,000 from that \$214,000 Revenue Fund balance projected for the 30th June we would be projecting a balance of only \$44,800. We would only have to have one or two comparatively minor things go wrong and we would be having to report at the end of the year that we are out of money. Mr President, we can't do that. I would like to see some areas of our present spending reduced. I think that there are areas where we should be contracting work out rather than continuing to try to do it ourselves. I think that there are other areas where if we were prepared to ignore who we like and who we dislike we might find that we could do things better as well but as we stand today there's not a great deal of prospect of any of those things happening in the short term and we've got to ensure that there is sufficient revenue to pay the bills. For that reason, distasteful as they may seem, I cannot see that there is any option but to support the majority of the measures that Geoff has put before us this afternoon. The one I have difficulty with though Mr President is the Departure Tax. A visitor to the Island already has \$36 added to his airfare as a result of our airport charges bearing in mind that his travel agent gets a 10% commission on that, the \$36 grows to \$40 and we are already charging \$20 for the departure at the airport so our visitors are already kicking the tin to the tune of \$60. In my view that is a very significant cost burden Mr

President. It's a far larger problem than the lack of an international five star resort, it is a larger problem than the airfares themselves, it is a larger problem than the rates which are being charged by the tourist accommodation proprietors because those are charges that we have introduced. I know that some of the accommodation proprietors have suggested that a \$5 increase in the departure tax is more appropriate than increasing the charges to them and I suppose it's a true thing that if charges are imposed on a tourist accommodation property, somewhere down the track it's the customer that ends up paying but that may well just be an argument that the increases that Mr King is presently proposing in that area are not appropriate. I think we sting the tourist hard enough Mr President without stinging him another \$5 on his departure tax. I'm prepared to support the remaining measures

MR ROBINSON: Mr President I intend to support the majority of these bills of Mr Bennett's but I was just thinking, if we had our offshore mineral and fossil fuel rights we could licence exploration and charge a royalty on hydrocarbons extracted then we wouldn't be worried about 4% on food and all the rest of it however, I intend to support the majority of Mr Bennett's proposals

MR SANDERS: Thank you Mr President. A couple of matters, Mr Bates said that he isn't one of those who doesn't like to pay because he's quite happy to pay another ten cents on his can of beer and I do understand how much he enjoys his beer. I enjoy having one with him. Mr President what Mr Bates didn't say of how much extra this fuel levy was going to cost when he takes clients out fishing is that he hands that cost on so Mr Bates in actual fact doesn't contribute a damn think apart from ten cents on the can of beer that he has for his pleasure of which he doesn't have to drink if he doesn't want. Mr President Mr Christian as I anticipated was also not going to support it. Mr Christian is another one who thinks everybody else should pay other than himself. Mr King is one of those. Mr President I will happily withdraw my support for these increases if the Members who have not got the courage to support it would just offer the rest of us an alternative of how to raise the money that we need so that all of them so that all of them can get paid

MR BENNETT: Mr President at the opening of the meeting I mentioned that I wouldn't be participating in the debate and I really meant not voting on it and I certainly will not vote on that part of the customs amendment that deals with food. I personally don't agree that a 6% to 10% is warranted. I think that's too great a quantum leap and if that's the way it is I wouldn't have supported it. Mr Sanders wanted to know how I felt about it so I'll tell him. I have the same difficulty that Mr Brown has with the Departure Fee. I am a beer drinker. Ten cents a can of beer, I guess that has been a measure that's been around in a number of recommendations for a long time including, I think the Revenue Working Group and the Fuel Levy I also support. Just for Mr Sander's edification

MR BROWN: Mr President I might be able to help Geoff a little as he will know the duty on food isn't paid on the whole of his landed cost, it is paid on just part of that landed cost and so it need not have a proportionate effect on the price at which the food is put out in his shop but the way to overcome his concern about passing on a margin on the additional customs duty might be for him to make probably, and inconvenient but nevertheless to make a change to his costing structure so that he in fact doesn't put a mark up onto the increase in duty and that would enable him to solve the problem and vote with his conscience today instead of trying to please everybody by not voting

MR SANDERS: I was quite happy to break the ice in this matter. I was quite happy that almost every word that I uttered was contentios. I'm rather surprised that the Minister for Finance who is looking for support or whatever from around this table isn't prepared to do anything constructive himself. Now if he's not

prepared to assist in the matter that he is responsible for then he'd better start getting his debate ready for how he is going to explain to the public how we've blown the total amount of our reserves because of his inaction

MR BATES: Mr President, something that is probably not widely known and something which I've been doing a few figures on, I think at this point in time is worthy of pointing out. Back in 1988, our taxes, and most of these things that we have spoken to here today are taxes other than the beer issue which is just an increase in the price of beer - it is not a tax in the concept that the others are, but in 1988 taxes which included very little of FIL because although it was in existence most of that was not being collected as revenue it was going into the Water and Sewerage Scheme, but our taxes which did include a small part of FIL and Customs Duty and all our other taxes made up 65% of the government's revenue. That's the money with which it funded those services I spoke about before the administration of education, welfare and health, justice, those types of things which don't earn money in their own right but are services to the community. The rest of our revenue came from other things. It came from interest we received on our money, it came from charges which we made for services that the Administration renders and it came from profits and management fees and other things like our Administration Business Enterprises, Electricity, Telephones, Airport, Lighterage, Water and Sewerage, those types of things. I was very interested to note that there's been quite a large drop off in Customs Duty but of our present revenue base or our revenue received in 1993, our taxes amounted to 59% of our total revenue, that was a drop of 6% so it could be saying that as far as taxes go, from local revenue we are contributing 6% less in the total need to run the Island. On the other hand, revenue from the services has virtually doubled. I haven't got the exact percentages in front of me of the revenue from the services themselves but it's gone from something like 18% of our total budget to something like 36% but in actual dollars it's doubled. Now I think they are good trends and I mention them because no doubt there are going to be rumbles when people see that we are increasing taxes so I just make the point that we as a community are paying 6% less of our revenue in taxes than we were back in 1988, thank you Mr President

MR BENNETT: We haven't heard from you Mr President, that was the only thing

MR PRESIDENT: If I just have that opportunity. Mr Deputy President thank you for the opportunity to also say something on these matters. Mr Bennett when he opened the debate on another matter earlier in the day identified to us that we had something like, within the present financial year, a prospective deficit of something like \$168,000. He also mentioned a number of other factors such as we had purchased land which in this financial year, this is the land in the middle of Burnt Pine which had a price tag on it of about \$105,000-\$110,000, so you will see that a good deal of that proposed deficit has really been converted from cash availability into an asset that still retained that sort of value although it may not be immediately available to us in cash. If you took say, \$110,000 out of that it really leaves us with something like \$50,000-60,000 prospective deficit in this financial year. One has got to take into account however, that Mr Brown has drawn attention to the fact that there are some additional areas that may require some finance. I think he talked about Customs may have a prospective diminution and there was some social welfare area that might have some additional amount of say \$50,000 odd. If we took those two into account it probably raises the figure again therefore to the \$150,000 mark so we are talking in general terms about \$150,000 prospectively being needed in this financial year if we wanted to balance our books in this particular financial year. Can I just put that aside for the minute and mention a number of other things. Mr Bennett has mentioned that there is an ongoing review of fees and charges, a significant review which if taken into account has the prospect when it is complete although it is quite clear that it would not be complete necessarily in this financial year, to be an additional revenue earner for us. He has also pointed out to us that there are prospective

new imposts such as phone cards and coins that are in the making and that they have prospective revenue for us, not in this financial year again, but in the times to come of some hundreds of thousands of dollars. Very good revenue earners for us if they come to pass. In addition to that, you might say on the other side of the ledger, there is the Expenditure Review Committee which is looking at how money is spent so that they might be economies, efficiencies and other things gained to ensure that we don't spend more than we have to and that that we do spend is spent with the greatest efficiency so all of those things are going along the track and it's prospectively so that we might have say \$150,000 to find in this financial year. If that is the case and knowing that these are difficult times and in saying that they are difficult times of course it means not only difficult times for the communities Assembly and Government but also difficult times for individual members of the community and people who are in business in the Island themselves so in that sort of situation it wouldn't trouble me to any great extent if in fact we didn't manage to totally balance the budget in this financial year. I don't mean a great deficit, but you know, if it was \$10,000, \$15,000, \$20,000 or even \$50,000 so be it in these difficult times because what I've said is that if those other things come to pass there is a great capacity to be able to make up in the year that may follow, especially if the phone cards and coins come to pass. So having said that, or I wanted to say that because it colours my view in respect of these four taxing methods that are in front of us now. Because times are difficult I've got to say that even more so, find it difficult to support something that would increase the price of food, notwithstanding what Mr Sanders has said. I understand what he has said, but you see, in the community there are people who have greater capacity to meet the food bill than others and with this method we would be placing an impost, a significant one, an additional 4% in this case, and whilst Mr Sanders is very correct in saying that one shouldn't confuse the grocery bill with the food bill, food is a component only of the grocery arrangement, that's true, however, food is expensive on Norfolk Island now. We all know that. That's nothing new. And it is increasingly difficult for the housewife and people with families, f large families especially and indeed especially those who might be on a lower income bracket, to make the dollars go round. An additional 4% would I think, make it very difficult for some and I think we should make an effort to try and carry on at the level that we have at this moment in respect of food in lieu of putting it up. The next bit in the customs duty is only 1%, that's the 9 to 10% and that's to be across the board. I've got to say that I have less difficulty with that than the food but I'm not inclined to support it and I'll tell you why and what I'm saying now will probably apply to the Departure Fee as well. We are talking about the principle industry in this place of tourism and it's expensive to come here now. Others have pointed that out. I agree with that and if you add another 1% upon those items you would want them to buy in the shop, you would want them to buy so that their money turns around further in this community, it may not sound a great deal 1% but I think it would be an added disincentive for people who we do now want to encourage to buy so I think I would probably not support that move. The other is the Departure Fee. That's a \$5. An increase for \$20 to \$25. The same principle applies. The same principle which is that tourism, the principle industry, we are asking the visitor to pay alot. Fares to Norfolk Island now are very high and that's another \$5 which would need to be asked of them. May turn some off. I don't know whether \$5 would turn them off or not but it is another factor and I would prefer not to do it at this stage. Which leaves us with the two others. The other is the Fuel Levy Bill and the ten cents on beer. Well I've got to say that if I had my preference I wouldn't do those either but I do recognise that some additional funds have got to be addressed and one can't just say no to everything. One has got to make an assessment and see which is the lesser of the evils in these particular instances and I think the Fuel Levy is probably more accommodatable and I think the beer one is more accommodatable. That doesn't mean that they are going to be easy nor that one should just willy nill think that's alright, bang it on. I think that they probably will make it more difficult within the community but then again it has been said that we've got to raise some

revenues. Now I don't know but I think that they probably would raise around, Mr Bennett you did give us an assessment, maybe around the \$50,000 mark in the balance of this financial year which if we turned to those sort of figures, round figures I must say that we mentioned earlier it means that we may raise that amount therefore deduct that from the \$150,000 and maybe we still have \$100,000 to meet in this financial year. If that's how we've got to play it in this financial year, knowing that there are greater prospects in the year to follow because of those additional things that Mr Bennett has commendably I've got to say, pointed out to us as being prospective revenue earners, that's the way I would prefer to play it for the balance of this financial year and I would cast my vote in those terms

MR SANDERS: Thank you Mr Chairman. Mr Buffett has spoken of, the same as others have of how terrible it is for some of these increases and I must admit I agree with him but I think he completely missed the point that Mr Brown made that the duty is on the FOB prices, it has nothing to do with the landed cost so there is, particularly with our high freight rate, I think it's over \$300 from Australia for general cargo, \$300 divided up into how many rolls of toilet paper there are in a cubic metre you would find it probably exhorbitant and those goods are already 9%. On the goods that are, for a better word the low duty items for the tourists, a \$100 item would not be increased by \$1 because the duty is on the FOB thing so it perhaps is only to be 75 cents or some similar amount. Looking around the table it is pretty obvious that the package as a whole is not going to be successful and I've got half a mind to not support any of it and leave the whole blasted bundle in Mr Bennett's hand and let him sort it out seeing as he's not prepared to do anything about it

MR BUFFETT: Mr Deputy President I would hope that Mr Sanders wouldn't adopt that attitude. I think we've listened to each other around the table and whilst there has been some bantering I think there has been some good contribution to the debate to point out some of the difficulties that we perceive as individual members but also point out some of the difficulties that we observe in the community and we are endeavouring to put them on the table and at the end of the day find a solution and I would hope that all members would contribute to that notwithstanding that we might not all agree of course but our two bob's worth should all go to the centre of the ring I feel

MR SANDERS: Thank you Mr Chairman I must point out to Mr President that I was only joshing because I've always stood up for what I believe in regardless of the consequences, I will be voting as my conscience sees fit

MR DEPUTY PRESIDENT: Thank you. Any further debate gentlemen? We'll take them one at a time of course and the Customs Rate of Duty Amendment Act 1994. There being no further debate I put the question that the Bill be agreed to in principle

MR BUFFETT: Could I just make a suggestion Mr Deputy President. There are two parts to that. One is the 1% and one is the 4%. I have a view about both of them which agree to handle both of them but there may be some who would find a difference in their view and I invite you to handle them seperately

MR BENNETT: ...was to agree to it in principle and then in the detail stage is to deal with it clause by clause

MR DEPUTY PRESIDENT: That is indeed what I was planning to do Mr Bennett. So if we could have agreement in principle Mr Buffett would that be appropriate and then we'll handle the detail stage clause by clause

MR BENNETT: I so move Mr President

MR DEPUTY PRESIDENT: I put the question that the Bill be agreed to in principle

QUESTION PUT

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

Thank you gentlemen the ayes have it, now we get to the detail stage of the bill. Clause 1 which is just the short title do we agree with clause 1

QUESTION PUT

AYE

Thank you. Clause 2, this clause provides for amending item 1 in the First Schedule to the Customs Ordinance 1913 by raising the general rate of duty from 9% to 10% and for amending item 2 in that schedule by raising the duty on food, foodstuffs, confectionary and beverages other than liquor from 6% to 10%

MR KING: Mr Deputy President I would seek whatever leave is necessary to move an amendment

MR DEPUTY PRESIDENT: Leave is sought, is leave granted Members? Yes

MR KING: I would move Mr Deputy President the deletion of paragraph 2B also the deletion of the word "and" appearing at the end of clause 2A

MR DEPUTY PRESIDENT: Thank you. Do you understand that Members

MR BUFFETT: Could I just seek clarification. I think you're trying to ensure that we vote on the two of them seperately

MR KING: No. Well I'm willing to withdraw my motion Mr Deputy President

MR BUFFETT: B will be a seperate part to vote on so that if you want to knock it out you can vote that way when it comes around

MR KING: I'm sorry I've complicated things and I withdraw my amendment

MR DEPUTY PRESIDENT: We will vote on Clause A and Clause B seperately and that will save the confusion so 2. the First Schedule to the Customs Ordinance 1913 as amended, Clause 2A in item one by omitting 9% and substituting 10%

QUESTION PUT

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

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- 66 -

MR KING	AYE
MR SANDERS	AYE

Thank you gentlemen the ayes have it now we move to Clause 2B in item 2 by omitting 6% and substituting 10%

QUESTION PUT

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

Thank you gentlemen, it is lost. 4/4

MR BENNETT: Mr Deputy President that being the end of the detail stage I move that the bill as amended be agreed

MR DEPUTY PRESIDENT: Thank you. I put the question that the bill as amended be agreed to

QUESTION PUT

MR BROWN: Could I just check something Mr Deputy President. I'm not sure whether the Business Committee determine whether these bills should be dealt with as urgent bills. If it didn't do so perhaps we need someone to move that Standing Orders be appropriately suspended in order to finalise it today

MR DEPUTY PRESIDENT: Thank you Mr Brown. I understand that Tax Bills do not need to be. Would that be correct

MR BENNETT: I still think that there is probably a need to address the urgency

MR BUFFETT: Let's do it for abundant caution. Mr Bennett will move that

MR BENNETT: I so move Mr Deputy President that so much of Standing Orders be set aside so that it would not prevent these bills from being dealt with through to finality today

QUESTION PUT

AGREED

Thank you

MR SANDERS: The point that I was asking is that Mr Bennett should use the words all of the bills be an urgent bill and I don't know whether he used the word all or whether he was referring to just that one

MR BUFFETT: No the intention was the three bills

MR BENNETT: Mr Deputy President I now move that the bill as amended be agreed

MR DEPUTY PRESIDENT: Thank you. I put the question that the bill as amended be agreed to

QUESTION PUT

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

Thank you gentlemen, the ayes 6 the noes 3 the bill as amended is passed. We move on now to

**AN ACT TO AMEND THE DEPARTURE FEE ACT**

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

MR DEPUTY PRESIDENT: Thank you Mr Bennett. I put the question that the Bill be agreed to in principle

QUESTION PUT

AGREED

MR BUFFETT	NO
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Would you like the House called Mr Buffett

MR BUFFETT: No, not necessarily

(informal discussion around the table)

QUESTION PUT

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

MR DEPUTY PRESIDENT: The ayes have it gentlemen. The Departure Fee Amendment Act is agreed to in principle, seven to the ayes two to the noes. Do you wish to dispense with the detail stage

AYE

Any further debate?

MR BENNETT: I move that the Bill be agreed

MR DEPUTY PRESIDENT: I put that to the House that the bill be agreed to

MR SANDERS: Mr Chairman, which bill are we voting on now

MR DEPUTY PRESIDENT: The Departure Fee Act

MR SANDERS: Right

QUESTION PUT

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

MR DEPUTY PRESIDENT: Thank you, the ayes have it gentlemen six to three

MR SANDERS: So the Departure Tax is now \$25

MR BENNETT: ... This is the Bill

MR PRESIDENT: This is the Departure Fee one

MR DEPUTY PRESIDENT: The Departure Fee Amendment Act

MR BENNETT: In principle?

MR DEPUTY PRESIDENT: Yes, in principle. We have debated it, there being no further debate? We put the question, I therefore put the question, the Bill as agreed to in principle

QUESTION PUT

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

The Bill is agreed to in principle, seven for the ayes, two for the noes. Do you wish to dispense with the detail stage? Any further debate?

MR BENNETT: Then I move that the Bill be agreed

MR DEPUTY PRESIDENT: Thank you and I put that to the House, that the Bill be agreed?

MR SANDERS: Mr Chairman, which Bill are we debating now?

MR DEPUTY PRESIDENT: The Departure Fee Act

MR SANDERS: Right

QUESTION PUT

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

Thank you the ayes have it six to three.

MR SANDERS: So the Departure Tax is now \$25?

MR BENNETT: Yes

MR BROWN: Mr Deputy President I wonder if I could just indicate the as a result of the confusion I have just voted in the opposite way to that which I intended, but it has made no difference to the actual outcome

MR DEPUTY PRESIDENT: I was wondering for a bit there Mr ..

MR BROWN: It has made no difference to the actual results so I don't seek to correct it

MR SANDERS: It's better than the Mickey Mouse calculator

MR DEPUTY PRESIDENT: Mr Buffett do you wish to take over?

MR PRESIDENT: Thank you Mr Robinson. Honourable Members we are now addressing the Fuel Levy Amendment Act 1994, and I will firstly ask whether the Bill be agreed to in principle, because I am assuming that debate has been exhausted on this particular matter, the Fuel Levy Amendment Bill, vote on whether it be agreed to in principle

QUESTION PUT

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

The result of the voting Honourable Members, the ayes eight, the noes one, the ayes have it. Thank you. Do you wish to dispense with the details stage. Then I would seek a final motion, which is that the Bill be agreed

MR BENNETT: I so move Mr President

MR PRESIDENT: The question before us that the bill be agreed, this is the Fuel Levy Amendment Bill

QUESTION PUT  
AGREED

The ayes have it, and that Bill is passed. Now we have looked at the three pieces of legislation but Mr Bennett we still have your motion, in respect of the beer matter

MR BENNETT: It is not a motion, Mr President, it is in effect a notice of direction that I have in draft form and which I give as an executive member that I've noted the debate on that aspect and I note that seven members present support that action and that is sufficient for me to exercise my executive direction

MR PRESIDENT: If you wanted to convert that to a motion I would receive it so, but that really depends upon how you would care to have it. It may be something like, that the following direction be endorsed, which is what we have had circulated to us, will that help

MR BENNETT: I so move Mr President

MR PRESIDENT: Thank you. Any further views to be put, I think not because it has been exhausted, the question is that that motion be agreed

QUESTION PUT

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

The result of voting Honourable Members the ayes seven, the noes two, the ayes have it, the motion is passed. Thank you. We have tidied that package Honourable Members of taxing the pieces of legislation and the motion.

**No. 1 - NORFOLK ISLAND HOSPITAL ENTERPRISE ACCOUNTING VALIDATION BILL 1994**

MR BROWN: Thank you Mr President, Members will recall that the purpose of this Bill is to overcome a difficulty which arose when at the 31 May last year we separated the accounting of the Hospital to the Healthcare Fund, prior to that time the Healthcare and Hospital were separately accounted within the hospitals accounts, but since the 31 May they have been totally separated. In order to have more meaningful financial accounts it is preferable that the financial accounts for the year ended June 1993 be for a full year with the hospital and healthcare fund combined, and that the separation occur for accounting purposes as from the 1 July 1993, and that is the purpose of this Bill, Mr President. The passage of this Bill will enable the audit of the accounts for year ended 30 June 1993 to be completed

MR BENNETT: Mr President, I just have a question for Mr Brown, just having a look at the Hospital Act and the Validation Act, I just wonder whether the provisions that call for waving the need to do so the annual performance report and the audit, in fact relieves the executive member from dealing with section 9, 10, 11 which is the strategic plan, is that intended to be included in that

MR BROWN: Mr President, I don't have all of that with me, excuse me. I

think we have sorted that out Mr President, we are talking of enabling the legislation to be prepared on the full 12 month basis with a separation occurring from the 1 July 1993 the annual performance report will then be first due in respect of the year ended 30 June 1994 but the requirements for preparation of the strategic plan and so forth to which Mr Bennett was just asking questions, is unchanged the strategic plan is being prepared.

MR PRESIDENT: Any further participation? No further participation. The question before us Honourable Members is the question that the Bill be agreed to in principle, if there is no further debate I will put that question

QUESTION PUT  
AGREED

The ayes have it. Do you wish to dispense with the details stage? Yes we so dispense. I will seek a final motion, Mr Brown?

MR BROWN: I move that the Bill be agreed

MR PRESIDENT: The question is that the Bill be agreed, and final debate? No then I'll put that question, the question is that the Bill be agreed

QUESTION PUT  
AGREED

The ayes have it. The Bill is agreed

## **NO. 2 - TOURIST ACCOMMODATION (OWNERSHIP) AMENDMENT BILL 1993**

MR KING: Thank you Mr President, this is the second reading of the first part of what I call loosely my tourism package. A package which has been the subject of debate over many months in this House. Simply put Mr President it is a Bill which will effectively prevent the single ownership of more than a prescribed share of self contained apartments within the accommodation industry. Its an endeavour to met the concerns of members, expressed during earlier readings, or earlier debate, those concerns were that my proposal might have the undesirable effect of extending a dominant market share to a single owner to the Island. I agreed with those concerns Mr President and met them by bring this Bill forward. On the last occasion a couple of members expressed the view that the Bill was discriminatory, even though it served to meet the concerns that were expressed by members, well I guess it is discriminatory Mr President, but it is discriminating in the interests of the industry and the Island, it will have little immediate effect if my following matters fail, but it will nevertheless have a beneficial effect in preventing in the future and undesirable dominant market share. Thank you

MR ROBINSON: Mr King is this going to once again create more vacant places that we will need to fill?

MR KING: Mr President, I know this is a sort of 4 part package, I'm sorry but I had hoped that people had a better appreciation of what it was about. This Bill is simply designed to put in place a mechanism which will prevent a dominant market share of particular segment of the industry, that is all it does. It is a measure which will if the next motion passes allow the imposition of a 20% ceiling on the ownership of accommodation apartments, it has nothing to do with capacity, nor the ability of operators to fill the units

MR BROWN: Mr President, this is part of as Mike says a package of some 4 Bills, I don't support the package I'll therefore not be supporting this Bill

MR PRESIDENT: Any further debate? No further debate, then I will put the question which is that the Bill be agreed to in principle

QUESTION PUT

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

The result of voting Honourable Members the ayes five, the noes four, the ayes have it. Thank you. Do you wish to dispense with the detail stage?

MR KING: Mr President I have foreshadowed an amendment. Is this the appropriate time?

MR PRESIDENT: Yes please that's to cross out 1993 and put 1994 is that what it means?

MR KING: Yes

MR PRESIDENT: Is that amendment agreed. That amendment is agreed. The question then is do we agree the balance of the Bill

QUESTION PUT

AGREED

The balance of the Bill is agreed and we now seek a final motion

MR KING: Mr President I move that the Bill as amended be agreed to?

MR PRESIDENT: The question is that the Bill as amended by agreed. Is there any final debate, then I put that question

QUESTION PUT

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

The result of voting the ayes five, the noes four, the ayes have it. That legislation is passed

**NO. 3 - TOURIST ACCOMMODATION (OWNERSHIP) ACT 1989 - APPROVAL OF PROPOSED TOURIST ACCOMMODATION (OWNERSHIP) REGULATIONS 1993**

MR KING: Mr President I mentioned at the last sitting, that it is an unusual requirement for the Tourist Accommodation Ownership Act that Regulations

concerning trigger market shares need to be given the nod of approval by the House before their prescription rather than after as is the case with most statutes. This is a necessary step to putting in place the proposed 20% maximum share of self contained apartments. Thank you

MR BROWN: Mr President I didn't support the introduction of this concept in any event but I wonder if Mike can tell me whether any owner of any existing properties presently exceed his 20% figure

MR KING: No

MR BROWN: Mr President as I don't support the package I will oppose this but I am pleased that we are not actually impacting it on any existing operation

MR PRESIDENT: Okay. Thank you. Further debate? No further debate

MR KING: Mr President, I think I have to move an amendment here, yes I need to move an amendment in the tabled proposed regulations, in that the last line of the title of the regulations be changed from Tourist Accommodation Ownership Regulations 1993 to 1994

MR PRESIDENT: And that is the extent of the amendments is it?

MR KING: Yes that's correct

MR PRESIDENT: Okay then, thank you. That amendment is received. Any further debate? I'll put the amendment firstly, if we have exhausted debate, the question is that the amendment that is from 1993 to 1994 be agreed

QUESTION PUT  
AGREED

The ayes have it thank you. We now come to the motion as amended. The question is that the motion as amended be agreed

QUESTION PUT

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

The result of voting Honourable Members the ayes five, the noes four, the ayes have it. That motion is agreed

#### **NO. 4 - TOURIST ACCOMMODATION ACT 1984 - DETERMINATION OF QUOTAS**

MR KING: Thank you Mr President, for the purposes of this debate I need to be a little repetitive and hopefully not to the point of boredom, this motion is a motion seeking to give effect of my rationalisation of registered beds and registered units in the Island so that in the apartment area units may be constructed but, not so that they fall below the ratio of 2.5 beds to 1 unit I need to say again Mr President that we cant afford to live by the old rules, it was perhaps appropriate in past decades to give small operators the opportunity of

sharing in the tourism boom. Basically in those days Mr President everyone who had a quid to invest in some accommodation was given an opportunity to share in what was during a rather lengthy period an average growth rate of 20% of tourism, 20% per annum. Mr President such was the nature and attitude towards the development of our industry and the configuration and spread of accommodation houses, that the configuration of accommodation houses and beds fitted almost perfectly the trends and habits of the traveller of the day. The end result today Mr President is that 74% of our accommodation complexes out of 10 units or less, with apartments having an average ratio of about 3.8 beds to 1 unit, and that may have been suitable 10 or 20 years ago but times have changed Mr President and we must change with them. Mr President there are ample statistics available revealing that the traveller of today is more inclined than previously to take shorter holidays more frequently during the year, and that's clearly evident in our own statistics regarding the average length stay. It is also very clear from statistics Mr President that the lead up time or the period of planning for a holiday is becoming increasing shorter, there is in fact more spur of the moment travel. These facts have clearly lead to an increase in proportion of F.I.T.'s or fully independent travel, and there are statistics available which show that that group of traveller is increasing at the rate of about 2% per year. Mr President we must consider that whilst these trends continue and we are unlikely to see any change in the foreseeable future, that with our current bed configuration we are experiencing an increasing inability to be able to effectively and fully use our registered beds. Mr President I say that we have a responsibility to these small operators to take account of these changing times, and to enhance their ability to use their beds more effectively. I'm fully aware that in years gone by Assembly's have taken a stand on the issue of beds and units, but I can't accept that authority should remain adamant and un-yielding when times demand change. Mr President the difficulties I have described have been again acknowledged by industry participants, trade participants, and again those opinions which should be respecting, wholesalers again are quick to tell you of the problems they have in selling smaller properties, basically because those smaller properties are unable to extend to those wholesalers a free sale component, or through Mr President the properties simply not having the capacity. Now I would refer Members again to the lengthy notes I made following discussions in July last year with wholesalers and airlines, and I'll also refer Members to the comments made by Ansett in its recent submission to the Federal Parliamentary Standing Committee which sums up the attitude of both airlines. Ansett said this in their submission Mr President when addressing the difficulties or when expressing opinions about why there is little demand for Norfolk Island, they say "it is a requirement that all visitors to the Island have accommodation organised before they arrive" that's okay, they go on to say "there are only 1,256 beds available on the Island, this is actual beds not rooms, if a person stays say 5 days and occupies a room in which 2 beds are located, he or she uses 10 beds," that's the same of what I'm talking about they finish by saying "this is quite a critical limiting factor". Mr President I don't believe there is any down side to this proposal, that they can be no detrimental effects, the proposal acknowledges current trends and supports the situation of smaller operators who are presently locked in to the thinking of old, and that's all I intend to say at this point in time Mr President

MR SANDERS: Thank you Mr President. As I said when the Bill was introduced in the first place, this is nothing other than a means of small operators creating more accommodation. Mr President in the first instance the thing that control the amount of beds in the unit, was the amount of air space, and operators jammed as many beds as they could into those rooms that allowed them to accommodate so many cubic feet of air space per person living in the unit. I claim that if they want to put 10 beds in 1 room that they still only had 1 room, this allows them to extend their accommodation and is being selective where those that haven't spent the money as the other operators have are gaining the benefit from it. And I believe this is a highly improper proposal, for my bit I certainly don't intend to support it

MR BROWN: Mr President, the gate was opened many years ago and closed never to be opened again. Everyone knew the rules, things were simplified a little later when it was made possible for a property who felt it was not viable or which wanted to dispose of its licenses for what ever reason to sell its licenses to another operator. To just pick on one small segment of the industry is not appropriate. If we are going to provide increases they should be provided fairly to everyone that is presently in the industry, on a equal proportion. But even then there is a serious question mark that has to be addressed, there are a significant number of people Mr President who have been wanting to enter this industry for many years, and who under the rules have not been able to, is it fair to them that we are talking here today of giving extra licenses to some people, giving no extra licenses to others who are already in the industry and therefore would be unfairly disadvantaged, and taking no notice at all of those who have been wanting to enter the industry for some time. A further matter that I have raised on earlier occasions is the question of whether it is appropriate to be giving away additional licenses in any event? I certainly feel and I'm sure that many Members agree with me that if there is to be consideration of the allocation of additional licenses, there should be a fee, and it should be a significant fee to reflect the value of those licenses. I think a lot more work needs to go into this particular Bill before it is ready to be even considered by the House let alone passed by it, at an appropriate time I propose to move an adjournment Mr President

MR KING: Well just a final closing word Mr President. This is not a matter of me picking on one small segment of the community. I thought for a moment there this Mr Brown was talking about the wrong Bill, I think he is going to use similar words when I talk about the next Bill in respect of taxing. He was not what he was saying to me is that there are those who will not benefit from this proposal, now I don't hide from that, I've never hidden from that, what I have said is that authority in Norfolk Island having regard to the profile of the traveller of the day and of the time, put in place or allow 74% of our current day complexes to become, or to pop up all around the Island with a result that now 74% have 10 units or less. They have a great difficulty operating in this current day having regard to the profile of the current day traveller, now we put them there, we gave them these registered beds, we must give them an opportunity to use them more effectively. Its not a matter, I agree that some people wont benefit from this proposal, that is because their current configuration is already less than 2.5:1 so they are able to more effectively use their beds. The hotels I think are somewhere around 2.2:1 or so, I'm talking here about an average ratio across the apartment area of around 3.8:1 and I'm talking about approving the reduction of that ratio to 2.5:1 the annual result of that will on average find may be a smaller complex will be able to put on 1 or 2 rooms to spread their beds a bit further, and say to the wholesaler here is a free sale competent, you sell that freely to the person who walks in off the street instead of having to suffer as they suffer now in letting the potential traveller to Norfolk Island leave the office and go away, they will be able to conduct and complete that sale more readily on the spot. I would very much like to accommodate all those who wish to enter the accommodation industry I have earlier said that I don't hide from the fact that I favour total deregulation of the industry. I've already said that I haven't been particularly happy at the way the industry has developed here in the Island over the past 10 or 15 years. I won't have the support for total deregulation, and I'm a mug to think that I should proceed in that direction, but sure I would like to deal with those people but regretfully I can't, what this proposal does is to seek and extend an ability to existing operators to use their existing beds, I'm not giving any more beds, and that is why I don't intend to propose a fee in respect of them. And quite frankly Mr President, I have been 10 months in developing this package, consulting with the industry, debating in this House and I'd no way shape or form intend to support a further adjournment of it today. 10 months its been in train thank you

MR SANDERS: Thank you Mr President. Mr King stated that we gave these small operators licenses for these accommodation houses, and that we owe these people something or other. Mr President as far as I'm concerned we owe the people that have put their money where their mouth are, if these small operators are not able to compete, the heat in the kitchen is to great they should get out

MR KING: Words of wisdom Mr President

MR BROWN: Mr President, to such extent as Mike is basing his wishes on a suggestion that by providing someone with some additional units their are able to provide freesale facilities to wholesalers, I think he is missing the point when it comes to the small operator. For the small operator to want to offer freesale facilities to every wholesaler, bearing in mind the number of them that exist, many of them wouldn't be able to even provide 1 unit to each wholesaler

MR SANDERS: Point of order Mr President

MR BROWN: Mr President I am talking in the language of the industry, we have across here a Minister who is busy bagging me again, who has used those words, he has talked of freesale, freesale means that you provide your reservations facility to the particular wholesaler that you are dealing with

MR SANDERS: Mr President point of order

MR PRESIDENT: Mr Brown you've ...

MR BROWN: Thank you Mr President. And every operator will attempt to deal with everyone of the wholesalers, they wont restrict themselves to just one wholesaler, now the way that this is being overcome in the Norfolk Island accommodation industry in the case of the smaller properties, is that they've got together and put together a booking service, they call it NIBS, and through that service, through that centralised booking service any travel agent of wholesaler is able to quickly contact that office and to get a quick response. Its a good initiative and its working well, that's overcoming the problem that Mr King was talking of, but there never was a real ability nor was there ever a likely hood that it was going to happen for small properties to simply allocate their freesale to all of the wholesalers. To do so turns out Mr President to be an administrative nightmare. Mike is talking of increasing the number of units. Geoff earlier today made reference to the 1981 Select Committee into Tourism and I notice that he had with him a copy of that Select Committees Report, I don't know how many of our Members have read that report, or how many are familiar with it, but that report set out a number of recommendations, and it set out considerable detail to support each of the recommendations, on the basis of those recommendations in the very early 1980's a set of tourism policies where adopted, and those policies with very little if any change have been ratified by each successive Legislative Assembly. Such an important key was it to those policies and so important was it seen by the Select Committee that if my recollection is right the freeze on the construction of additional units and the freeze on putting additional beds into units, actually began before the Select Committee had even delivered its report, it was seen as absolutely critical to the future of the tourist industry in Norfolk Island. Phil Page while he was Minister decided that he wanted to open the door a little bit and allow one final readjustment, and he did that and he made it very clear he was sitting either where Brian or where Lester is, I can almost remember the day, as Phil looked toward heaven and sought his inspiration and told us that this had to be a once and for all adjustment, and that there could be no further adjustment. There was a stage prior to the Select Committee Report when you could in fact, build additional units by taking beds from the units that you had, and sticking them into your additional units, and people at the time thought, that that didn't changed the number of beds and so it didn't matter. The Select Committee very

quickly woke up to that, and realised that if there is a particular average occupancy of a room, of a particular room density, and if that is say, 2.1 people which is around about the figure that it used to be, then a unit with 10 beds in it on average was likely to have 2.1 people, and if you split that unit into three each of those 3 units on average was still likely to have 2.1 people, so you went from 2.1 to 6.3 potentially as a result of doing that. The Select Committee and successive Assembly's have felt that it is very important to preserve the attractions that bring visitors to Norfolk Island. A significant attraction is the peace and quiet and the scenery. And the more construction that we allow the more visitors we attempt to attract the more we will put at risk each of those attributes, successive Assembly's have realised that if they fiddle with things to the extent that the industry falls apart they won't have done anyone any favours, and what we are proposing here is to fiddle with things. Now there was a stage as I recall it, when many people were able to stick almost as many beds as they liked into a room, I've forgotten how it worked early in the peace, but it's been very much a question of people's own choice that they find themselves with units with a significant number of beds in them. But I don't think that other operators in the industry should be penalised because someone chooses to put 10 beds in a room early in the peace, has chosen to continue to have them, but doesn't manage to fill them. The critical component from the point of view of numbers, is the number of units. The more you increase the number of units, doesn't matter the fact that the bed numbers may stay the same, the more you create the potential to just add that one straw that will in time break the camels back and put the tourist industry in to a similar category as the lemon industry the banana boom, fishing industry, the whaling industry and the numerous others that have come and gone in Norfolk Island, there is no alternative on the horizon for the tourist industry at the moment Mr President, and it's most important that we not put it at risk. Mike did mention Mr President, that he doesn't propose to impose a fee for the provision of additional units licenses, he can rest assured that having got hold of that unit license those that have them will be able to turn around and sell them immediately if they wish, because that is what our system is. There is a value which is being given by the allocation of a unit license, and at the very least in fairness to the remainder of the industry we ought to be ensuring that we charge the full value of that unit license, but there is still the difficulties that I have mentioned Mr President, such an action would not be fair to people who have had applications pending for many years to enter the industry, and it would not be fair unless everyone presently in the industry was able to increase his number of units by the same proportion Thank you

MR KING: Thank you Mr President. I wonder, I may have missed it, I just wonder whether Mr Brown in his normal practice declares his interest in the industry, in the beginning of this debate

MR BROWN: Mr President if Mr King didn't hear it earlier in the meeting when I did so, I have not usually made a practice of declaring it in relation to absolutely every occasion the matter comes up in the same meeting, I'm sure that he is aware of it, but I will happily do it again, I'll happily disclose that I have an interest in the accommodation industry and that I am a director of a company presently in receivership which owns together with its bankers three accommodation properties on the Island, and I am also a director of a wholesaler retailer travel agency with offices in each of Sydney, Brisbane and Melbourne which is the largest wholesaler of package holidays to Norfolk Island and the combination of all of that as I have said before Mr President I think gives me a degree of knowledge of the industry and the ability to perhaps be of some assistance to Members around the table in relation to it

MR SANDERS: Mr President, could Mr Brown repeat that again in case Mr King didn't quite catch it this time

MR PRESIDENT: Order

MR KING: Thank you Mr President, and thank you Mr Brown that's very helpful. To adopt Mr Brown's thinking is to concede that there has been no change in the industry in the past decade. To fail to respond to change is a failure to be progressive. As to the prospect of these people selling these new unit licenses, will let me ask you, who is going to buy them, its within the limits and constraints that I am imposing in this package, the people who are able to use those limits can get them in the package anyway, so they are hardly going to buy something which they can come down here and apply for, for nothing so there is no market to resell them. I acknowledge Mr Brown's experience in the industry and it is helpful from time to time, but unfortunately Mr Brown is not the tourism minister as much as he may like to be, I am until this House decides otherwise, it is up to me to take initiatives and that's what I have done in respect of this, I have brought this forward, I've listened to the debate and I've gone over it during a period of 10 months and I seek finalisation of the motion today. Thank you Mr President

MR PRESIDENT: Further debate?

MR BROWN: I move the adjournment Mr President

MR PRESIDENT: The question is that this motion be adjourned and made an order of the day for a subsequent day of sitting

QUESTION PUT

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

The result of voting Honourable Members, the ayes three, the noes six, the noes have it. Any further and final debate Honourable Members? No further debate. Then I will put the question that the motion be agreed to.

MR BROWN: Mr President, are we dealing with a motion or a Bill?

MR PRESIDENT: I have interpreted that I am at Order of the day No 4 which is a motion Mr Brown, unless I have misread something and I would be happy if you would point it out if that is the case, but I think it is a motion. The question is that the motion be agreed to?

QUESTION PUT

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

Result of voting Honourable Members the ayes five, the noes four, the ayes have it that motion is carried.

**No 5 TOURIST ACCOMMODATION AMENDMENT BILL 1993**

MR KING: Thank you Mr President. Now this is the final step in my package. Again Mr President there is little need for me to go over old ground in detail other than to summarise my thinking as it now stands. Basically I am addressing the tourist accommodation tax which was established in ... dollar terms 10 years ago and has never been reviewed. It was acknowledged then as representing a 3% tax, ie. a tax receipts equivalent to 3% of industry growth, yet today it represents a tax of less than 1% of industry growth. My proposal simply seeks to restore the 3% contribution, to restore it not exceed it but to restore it. It seeks also Mr President to change the basis on which the levy is calculated from one of levying each unit quarterly irrespective of whether or not it has been occupied to a basis of levying each bed only if it is occupied, in other words the tax will be paid only if there is earnings. Mr President I'm not sure what the industries reaction was in 1983 to the then proposal to levy a tax of 3%, the debate makes no reference to industry consultation, and I can find no reference to industries submissions at the time. I expect that at that time having suffered a down turn of some 24% in the proceeding 3 years, that the industries reaction would have been much the same as it has been to my current proposal. I took the rather unusual step Mr President of consulting with the industry which I intended to effectively tax, and essentially asking the industry to give me reasons why I shouldn't increase the level of industry taxation, although I hasten to add, I see it rather as restoring a level of taxation rather than increasing. Mr President I first advised the industry of my proposals in May last year, and it was at that stage that communication line was established between myself and the Accommodation Travel Association which is the industry organisation. It wasn't until the legislation was introduced in February, that I was invited along to talk with the industry, the earlier consultation with the industry having produced some letters which gave me the very clear impression that indeed there wasn't a great deal of support for a proposal to tax them, but that consultation had really been exhausted. 19 May 1993 the ATA wrote to me in a letter referring to my package and said, and I quote, "the majority of members agree there should be changes and agree with your objectives as set out in your paper" that was May 1993, 10 months ago. Nevertheless when I spoke to the industry again in February 7 I think 5 or 6 somewhere around there, early February I took the additional measure of saying to the industry having spoken with them that they can if they wish, and I will have regard to it, provide my with a written submission, now they have done that and they have circulated that to members, regretfully at the end of a 10 month period of consultation the document was produced to us only last Friday I think, certainly within the last week. When I spoke with industry last month they had made a concession at that stage altered from the earlier expressed view in May 93, that they believe there ought to be some change, some increase in the levy, but it ought not be to the extent that I propose, they have since altered that view, they expressed a view at that stage that they would prefer to maintain the current basis of the levy, i.e. on a per unit per quarter basis, and that position remains in the industry. A number of claims were made to me during that meeting with the industry, that it faced, that is the industry faced a decline in returns and increase in expenses, and it was as a result of that largely that I ask them to provide me with some specific case studies and factual data to enable me to consider their claims. Unfortunately having read the document a number of times Mr President I am not persuaded to alter my approach, my intension was clearly to have the industry supply me with documentation as I mention, to substantiate their claims, now I don't want to be disrespectful to the ATA, and I won't be, but deep in the body of the submission which all Members have received, are the really salient words, and that is on page 9 of the committees, the Association says and I

quote "the committee found it difficult to provide reasonable comparative individual case data as suggested by the Minister". Found it difficult, must have found it impossible because there is none. Mr President, without such data I am left with no alternative but to rely on my own analysis and the factual information that I do have. The submission suggests, that is the ATA submission, suggests that the average establishment receives only 10% return on gross turnover. Again I say that this figure is not substantiated unfortunately, and I am left to reconcile that suggestion with the inconsistency of the table contained in their own submission which suggest on a conservative analysis a return of 37%, now I am also left scratching my head when I compare the suggested 10% return with the average 74% return revealed in the select of financial statements which I have in my possession. Now I mean, forgive me if I appear to be disrespectful, but I am sorry I cannot accept the suggestion, unsubstantiated suggestion of 10% return. But I can accept Mr President that perhaps there is the odd accommodation establishment through poor management, or perhaps poor patronage is maybe only achieving a 10% return. I simply can't accept that on the information available to me now that a 10% return is either typical or average, now I might be proven to be wrong, and if I am Mr President, I will happily bring forward an amendment bill which will include some hardship provisions, in fact Mr President if this bill is successful, I will refrain from commencing its operation until July 1 to enable those things to happen. The ATA submission appeared also to assume that my objective in this change, was to assist in the balancing of the budget, well its not, it is what can be called an industry development tax, I mean we can't go on with the paltry promotional dollars that we have, if I'm going to come back to this House within a couple of months time, seeking additional dollars to go out there into the market place and bring more tourist here, I've got to be able to find the money. I'm giving it back to the industry Mr President, it is not for the purposes of balancing the budget, I'll give it back to the industry. At this point in time I would like hopefully to be able to direct that money to either additional advertising and promotion or the upgrading of the Burnt Pine area, which I want to give a deal of attention to during the coming financial year, or maybe both hopefully. My second objective Mr President, was to restore the levy to what I saw was a fair and equitable level of contribution, and when I say give it back to the industry in terms of promotion, the fact being that even though promotion funding by the public coffers has increased 300% during the time that this level of industry contribution has remained the same. I must find that additional level of promotional funding if we are to compete Mr President as a tourist destination. Those are my objectives I shall sit back and listen to the further tirade from my opponents. Thank you

MR BATES: Thank you Mr President. I understand that the final Bill before us is part of Mr King's total package on endeavouring to do something for the industry and I intend to support the Bill, but in supporting it I must say that this morning I had a visit from two of the members of the ATA, and they put forward a few points, which I think in fairness I must try to bring out some of the things that they said. One of the things they said, was they were endeavouring to talk to all members, and that they had only been able to talk to some because of commitments and that they were still going to talk to some later in the week, and of course later in the week is a bit late for this piece of legislation, but Mr King assures me that this particular aspect of it that they agreed to do some 10 months ago, in principal and its only just in recent months that their have turned around and considered it not appropriate. Some of the points made to me this morning were that the industry has suffered large increases in costs associated with advertising, I hope I've got this right, the costs of including their product in the brochures of the wholesalers on the mainland, in some cases is doubled and even worse, I think they said they were spending something like 5 or 6 hundred dollars a year per unit, just in advertising in mainland brochures and they also bought to my attention that if this piece of legislation went through there would be increases in accounting costs both in from their point of view and also from the

Administrations point of view in checking that the right amounts were received and they made the point that perhaps there was the ability for some shrewd operators to dodge their full payment. I put it to them that I thought that \$1 per hot bed night was a fairer way of charging it because those that had a 70% occupancy were paying more than those that maybe only had a 35% occupancy or something like that, they said the occupancy rate is about 51% and I put it to them that I thought it was fairer that those that have the greater volume of guests pay more than those that don't, but they were still fairly adamant that they would sooner pay a fixed rate and know where they stand, than be involved with this particular thing. I mention the fact that with the \$1 too much would they be happier if it was say 75¢.

I think they would have been, but I think the main thrust was that the flat rate suited them better. But having brought that to the attention of members, I think that this is a package and I've supported the other parts of the package, I just wonder how difficult it will be if part of the package goes missing, as I said before I intend to support the total package, but I make those points known to members because these couple of gentlemen had tried to speak with other members and had been unable to.

MR SEMPLE: Thank you Mr President. I must admit that I was a little bit surprised at some of the things that were in the submission by the ATA. Over the years when I have spoken to Accommodation Proprietors, previously many many of them have been opposed to the fact of a set levy, they would have much preferred a hot bed tax. And to read in this submission where they claim that they are unanimously opposed to this tax that Mr King has tried to bring in surprises me. They are a couple of other things that surprise me in this submission too. On page 5 they make reference to Ansett's great deal programme bringing in an extra 900 visitors over the next six weeks or so, and they say based on tariff alone, an extra \$162,000 will be brought to the Island, and this is even with a 30% cut in our tariff to promote this deal. They go on to say, that money spent on tours, shopping, hirecars, meals etc., and that contribution to the Island of \$612,000 could perhaps be anticipated. The ATA submission argues that this Ansett programme will in fact mean extra bodies on beds, but there will also be a down side, and the down side is extra wear and tear on the units. Now it makes me wonder, all accommodation proprietors I'm sure would relish the thought of having their places filled to capacity all year round, after all I'd thought the primary aim of most people in business was to make money, but I am probably wrong, perhaps the accommodation proprietors do really prefer to have their establishments 50% full so the bedding and furnishing will last much longer. With the current grading system many, if not most are having to replace far more often the necessary as it is. Perhaps the grading system should be seriously looked at, where accommodation proprietors are not forced into upgrading and throwing out items simply because there the wrong colour this year or because the appliances are a superseded model, and there is one more point, in reference to commissions paid to travel agents it states " a mutually agreed upon rate of 20%" I wonder if all accommodation proprietors do abide by this or are there still some, as there has been in passed years, who claim to only pay the agreed upon percentage, yet in fact pay more to encourage agents to send them more business. High commissions, more tourists, higher profits for some, yet under the present system all proprietors must pay the same set unit levy. Mr King's amendment will help overcome this situation if it in fact does exist. As Mr Bates said if you are getting more business at your establishment, you pay more, if for some reason or other you don't do as well, then you don't pay as much. I will be supporting Mr King's Bill.

MR SANDERS: Mr President I am going to be very brief. I'm not supportive of any further increases to be imposed on the poor old tourist that comes here, particularly as we depend on him for everything that happens on this Island, and rather than be repetitive on what everybody else has said I will not be supporting the Bill.

MR BENNETT: Thank you Mr President. I have some sympathy towards what the intention of this Bill. I mean it is a levy that was imposed in 1984 and ten years later it is still the same, and I think that at the time it was put in it didn't seem to be any expectation that it would stay at that rate forever, and ever. In the course of the last month we have been looking at the fees and charges contained in the Norfolk Island Legislation and have collated them and are in the process of having them reviewed and in the course of that as I mentioned earlier, we have come across a number of fees and charges that date back about 10 years or so, and it simply is I don't think it is acceptable at all that we should leave them at that rate forever and ever, and then be afraid to more them to a rate that ought to reflect the rate when it was imposed plus a indexed basis. We've had to take some hard decisions today about some revenue impost, and this is I guess a revenue impost but it is not aimed at this budget it simply aimed at I think at bringing forward or bringing into 1994 terms the rate that was set 10 years ago. There have been numerous comments by a number of people over the years about indexation for fees and charges and this is an example of the type of thing that drew those comments. I think the most recent formal comment came from the revenue working group and the recommendation ant they highlighted three important levies that ought not to escape indexation, we simply ignored that we have ignored it year after year after year, now the tough question is how we go about attending to it. Well we are going have those tough decisions in about 50 or 60 cases when we come to deal with the fees and charges legislation come July, and we will be agonising over the same sorts of things. It was interesting the hear that some of the ATA had agreed in principle with this type of draw back in May 1993 but I think that the timing of this particular levy is obviously one of the things that really upset them. In May 1993 they could have looked forward to some adjustment coming up sometime during that year and maybe in time to have it reflected in any new rate sheets that they were going to produce, but they have in fact from what I understand, produced the rate sheets which locked them in for a year out perhaps and I can understand their reluctance to except or their fight to prevent an increase now because they see it as something that they are unable to pass on into to their ... sure there is the option of putting an add on at the end but I am not sure whether the accommodation proprietors themselves would be that happy at that aspect. Having said that I then heard Mr King say perhaps the fee adjustment would be delayed until July, I have some sympathy towards that others have said perhaps the shift from the \$44 per bed per quarter to \$1 per night for a hot bed is to great and maybe in recognition of the fact that we perhaps could have got this in, in time to have dovetailed with their new sheets, new rate sheets then we perhaps should bring it in in July at a lower level than \$1 with a view one year later to bring it up to a \$1 perhaps. I would have thought and indeed as Mr Semple said that it was the belief by many that the industry accepted the hot bed tax as being far more reasonable than the flat rate on every bed and that surprised me as well to see that the view had changed and they found difficulty with the concept of the hot bed. I would have thought that for a variety of reasons other than the fact that they would only being paying a levy on a bed for which they were earning revenue would be imminently more attractive than paying on a bed that may not ever have a body in it throughout the year, and the other attraction I would have thought would have been the fact that it was progressive rather than a lump sum four times a year, which is sometimes a struggle to find and if you are paying as you are earning then you are paying it in once a month, once every two months, once a quarter that you've aren't it would seem to have been a much more interesting proposition for them. Mr President I haven't had the opportunity of talking to the ATA in fact that's tomorrow morning to I feel some difficulty with the motion in that respect but I still feel confident that had it not been for this motion today then it would have been the review of that figure would have been picked up in the major review of fees and charges anyway, the executives will recall this has been circulated to them and recommendation in this document have not been made about legislation which is in executive members own portfolio and that was to encourage the executive members to look at the fees and charges in the legislation for which

he is responsible and then to come back with some recommendations. Now in the absence of that the ERC or even myself or whoever finally puts the final preparation on this document will deal with every fee and charge so we reach the stage where they are all current and we deal with the question of indexation so we never have to chase the tail 10 years hence on our fees and charges because it is always difficult to do. In closing my preference for this would be to review or to re-look at the charge \$1 per night and perhaps to stagger it with an amount effective on July 1 with another amount at 12 months down the track to bring it progressively up or some other structure. I will be interested in comments about that aspect. Thank you.

MR BROWN: Mr President, I was interested to hear the Minister for Tourism making reference to the report that the ATA has provided to all of us and giving the report a bit of a hard time. He was suggesting that their information at page 10 of the report wasn't consistent with their chart at page 12. I think it is a shame that he did not invite the ATA to comment on the difference that he thought was there, before bagging them and suggesting that their figures didn't balance. When one looks at their chart on page 12 and they come up with a particular cost per person per night adjusted for average number of guests and occupancy and so forth for specific properties, looking in there I certainly can't see where their interest bill is located, I can't see where the owners wages are located, I can't see an item for depreciation, there are a lot of things that are not in there that could quite easily explain the difference that Mike is talking about. He then went on to tell us that he maintains detailed financial information on many businesses on the Island, I think that is something that will put shudders through the business community Mr President, to think that the information about these businesses is maintained in Mike's records so that he can come out and attract them. He has suggested that there are accommodation properties earning as much as 74% profit, based on turnover, well I would be fascinated to see that set of financial statements Mr President because there is something unusual in a property that is able to earn 74% of its turnover as profit. One could almost be certain that it doesn't include such things as depreciation, but no account is taken of return on investment but little account is taken on repairs and maintenance and that absolutely no account is taken of salaries for the owner for example. I think if we are going to be making decisions based on what we think properties might be earning the very least we could do is to say, listen we've got this information from you, there are a few bits that we are confused about that maybe because we are a bit dumb, but could you explain them to us. If we were to do that, and if no satisfactory explanation could be provided, well then we would be entitled to be a bit sceptical. But as it is I think we should be paying far more attention to the document than we are at present, I think there are areas where they are misguided, for example, I am no great fan of the Ansett Big Deals Programme, or the Ansett great Deals programme. My own view is that the Great Deals programme encourages people to come here at a cheap price who would have come at some stage not too far down the track at a full price. And that, I suggest, is the explanation for people saying to us, "Look at what Great Deals is doing, we're getting great numbers and yet our tourist numbers is still not increasing". The reality is, I don't think Great Deals does anyone any good and in order to get it, not only do the accommodation proprietors pay a significant commission to Ansett but they give away a few free nights as well. The difficulty that I have in addition to this, in the area of Great Deals is that I have a feeling that from Ansett's point of view, the Great Deals programme is directed every bit as much at wiping the wholesalers out of the industry, and I'd like to just provide a few words of warning as to what could be in store for Norfolk Island if this were to occur Mr President. It's all somewhat relevant to the general thing that we're talking about. We know that wholesalers have had their commission structures adjusted by Ansett in recent times with effect from two weeks time. In fact the commission that they are left with after they pay the retail agent has been halved and that, as I understand it, is leaving them in a position where their ability to fund advertising and promotion of

Norfolk Island generally is very much diminished. To the extent that according to this some of the wholesalers are asking for additional funds towards advertising and others are putting more and more demands on in terms of brochure support. But I'd like you to think about a few other destinations. I'd like you to think about what happened in Vanuatu when Ansett Airlines were the sole carrier. I'd like you to think about what happened in the Cook Island when Ansett provided service from Australia to the Cooks. I'd like you to think about the arguments that occurred when Ansett was running Polynesian Airlines, and I'd like you to think about what happened to Hamilton Island. Now I don't say this to be critical of Ansett, but I say it in the hope that people will be aware of the fact that there could be a very big danger in allowing one organisation to all of a sudden totally control the tourist industry in Norfolk Island, because if we get to the stage we're out of Australia, Ansett is in effect the sole wholesaler as well as being the only carrier. They will have tremendous power to put pressure on the industry in Norfolk Island, and if they were to pack up their dilly-bag and go home at short notice, as they have done from other destination, they could leave real difficulties behind them. Now, I haven't said that to be critical of Ansett. I've said it in the hope that we will be aware of the risks that can be run and that we will continue to be cautious that we don't allow the industry to be put into that sort of risk. To turn back to the present problem, as I said, I think it's unfortunate that Mike didn't say to the industry, "I think there's a few inconsistencies in what you've given me, can you clarify them?". I'm opposed to the whole of this package, so I'm opposed to this Bill as I've said before. But for example, one of the difficulties that this Bill creates is that it does not appear to make any provision for and FOC guest - a guest who is being accommodated free of charge, and there is a constant flow of such guests who might be journalists or who might be visiting travel agents or who may be other people involved either in the tourist industry or in its promotion. And here, if such a guest comes for four nights, the accommodation house will pick up a bill for \$4. Perhaps not a massive amount, but there is a stage of which that \$4 is, sure as eggs, going to go on to the person's bill, and he's going to see government tax, \$4. Earlier today we agreed to add \$5 to the departure tax. The tourist is now paying \$36, plus the agent's commission, on his airport charges, so he's paying \$40 there. He's now paying \$25 in the departure tax, and although I acknowledge that there has already been an accommodation levy but at a much lower level, the fact is that that levy will now rise from perhaps the equivalent of \$2 a week, to \$7 a week. That is yet another \$5 increase on the cost of a visit to Norfolk Island. We must have a concern at some stage that we run the risk of killing the goose that laid the golden egg Mr President, and for that reason too, I'm opposed to the proposal. Thank you

MR KING: Very briefly Mr President. I need to respond to Mr Brown's claim to those listening, that I hold detailed business information on businesses that conducted here on the Island, the Administration or the Government maintain a registry of companies up the road. One doesn't have to be Albert Einstein to know that you can walk up the stairs and do a company search, in addition to that statements are readily available from real estate agents who list in their businesses accommodation houses for sale. The impression that Mr Brown gave that I have stealthily accumulated all this Big Brother knowledge about businesses in the Island just doesn't hold water. I am interested to hear Mr Brown's closing remarks when he all but, concedes that the industry is going to pass this on. I don't know whether they will, I rather hope, foolishly I guess that they wouldn't, they certainly told me, poo-hooed me actually when I suggested to them that's what will probably happen, but Mr Brown is conceding that they are going to pass it on, well if that concession is to be accepted, what's the point in my consulting with the ATA its not going to cost them anything anyway. I don't have any more to say on the matter Mr President.

MR ROBINSON: ... an adjournment while you sort out your differences over the

ATA report, while you consult with them and talk with them about it.

MR KING: I'm happy to respond to that Mr President. I thought I had covered that point adequately during my debate. I have consulted with the industry for a 10 month period, and I am not prepared after pushing this thing around up hill and down dale, suffered the opposition that I have done, I don't mind constructive opposition Mr President, please don't get me wrong, but the nature and manner of the opposition that I have had to endure over the past 10 months with this thing has not put me in a frame of mind where I care to continue it and I would be seeking finalisation, in fact I wrote to the industry in very early February I think, no middle February trying to hasten their submission to us on the basis as I expressed in my letter to them, that I intend to finalise this matter one way or the other at the March sitting.

MR BENNETT: Mr President, I had understood Mr King to say that he was inclined to want to introduce this levy from July 1 so that sort of suggests to me that today isn't really the "d" day for its conclusion. I think there are a couple of things that need to be considered further, I hadn't considered for example, the situation of FOC guests, that worries me, if by virtue of the levy that was paid on the beds that were occupied gave rise to a reluctance of the accommodation industry to be so willing to support and accommodate the freebies that they have to, then that needs some consideration. I mean I don't have any difficulty in having just as we have in the landing charges area, concessions for those people who are not paying a fare, in this case a person who is not paying any accommodation. You mentioned hardship provisions, and I wasn't quite sure exactly what that entailed or might entail, whether you've got something in your mind that you are developing, or anticipate that this may cause some difficulty for some, and therefore you are prepared to accept or to consider further some hardship provisions in legislation later on. And finally I think that from my own part, I think some more consideration needs to be given to the rate and if July 1 is the objective date then I really don't see where today's got any urgency. If it loses its momentum there its going to get pick up in here anyway, but just turning to the list of fees and charges again for a moment, I'm a little bit disturbed by what I hear in this debate on this particular one, that there is reticence about adjusting fees that haven't been adjusted for 10 years in the accommodation area, there are 50 or 60 other areas in here that we are going to have a whole lot of difficulty with, and I would be staggered to think that we are going to progress to debate this and find that most of them will get tipped out because the rises seem to be to great or to sudden or whatever, maybe its a case of those things that we have no interest in at all will be the easiest ones to make decisions on, and I think we really have to think about the need to bring all fees and charges up to some sought of level, in line with 1994 terms and from that point on if we make some adjustments or add some adjustment mechanism to either the statutes provision ordinance so that they never slip back again, then we wont have this agonising tussle each time. I mean it is an awkward time to ask anyone to pay any more for anything, the industry has been down, the Island has been recessed and heavens above the impact alone of the impost we have passed today, one would have thought was enough and hear we are turning towards them again and making the ultimate change which is the one that has languished for 10 years. So on that basis I would hope that Mr King might consider some, perhaps an adjournment or some alteration to this, because in its present form I want support it, I agree with the concept of adjusting the fee and I don't think that I can in the circumstances agree to a \$1 per night for each tourist at a tourist accommodation house.

MR BROWN: Mr President, I agree with Geoff. If Mike is content that any increase will not be applied in any event until July there is no urgency for it to be dealt with today, and extra month after all would give him time to sneak around the real estate agents a little longer and see whether he can get an additional statements as to financial affairs of businesses on the Island. I dare say the

estate agents are sitting up there shuddering at the moment wondering whether they will get another listing. But the fact is that any amount by which we choose to increase this particular charge, one way or another is eventually going to be passed on to the tourist. There simply is not the ability for us to continue to increase charges against people and to expect that they really will absorb them, its not going to apply with the fuel levy, that's going to mean increases in all kinds of charges, its not going to apply with this levy. Now the reality is there's a limit to the extent that we can rob dollars from tourist, and there is a stage at which the tourist is going to say, "enough is enough, I'm not coming". And once the tourist isn't coming there is no \$1 per night and there's no more money and we have killed the goose. I think another month to think about it would do no one any harm and at an appropriate time I propose to move an adjournment, Mr President.

MR SANDERS: Thank you Mr President. I have indicated that I have no intention of supporting this Bill. But my lack of support has nothing to do with, I don't believe in taxes, and as Mr Bennett suggests, my opposition to the Bill is that there are people around this House that expect everybody else to pay, always its the other person to pay and in this instance its the poor old tourist, make him pay again, just so long as we don't have to pay. I believe Mr President above all things that we must be seen to be responsible and part of being seen to be responsible is that we must be prepared to kick the can ourselves. We always have the choice if we don't like it we can always leave and we can go to that society that pays income tax, but I don't believe we can continue to sit here year after year after year and like Mr Christian and Mr Bates and Mr King and say "Ohhhh I cant support an increase in this" but he still wants his wages and he still wants them every week and that's the can that they come out of. As I said Mr President I don't intend to support this but its not because I don't believe we should increase taxes.

MR KING: Thank you Mr President. I wasn't intending in any way shape or form to place a tax on accommodation proprietors when they provide beds free of charge to visiting dignitaries or agents and if that is not catered for in this legislation, then I can cater for that later on, and in the mean time can certainly exercise some tolerance about it. Geoff asked about the hardship provisions, well I haven't got the foggiest idea, I haven't got anything clear in mind about that, what I am saying if it can be substantiate to me that there is clearly a 10% return on gross, typical or average through the industry and that by taxing them I am going to tax them out of existence, then I will either repeal it or I will provide some sought of provision to alleviate the distress that that has caused. I don't know what form it would take but I'm not at this point in time prepared to give any further consideration to the rate I've mentioned and placed great emphasis on the fact that I am simply restoring a level a taxation, I am not increasing it, I see it as being totally unacceptable that we had to wait 10 or 11 years before we .....but importantly why I need passage of this today is for my forward planning, I told you that I need, you need, we need the Island needs more promotional dollars. If I don't know where its coming from I don't have any prospect of getting those additional funds. How am I going to plan my budget, how am I going plan my campaign for next year. Again I go back Mr President to the point I made earlier, that there has been 10 months consultation on this 10 months up and down dale in this House I would like to see it through until finality today

MR SANDERS: Thank you Mr President, I have one other concern, and that is that Mr King and a couple of others around this table are more concerned with the return that a person gets from his investment. I would consider that that is none of their blasted business. The other thing that concerns me is something that Mr Bennett raised that there should be hardship considerations. Is that our considered ... businesses that things are going tuff, or can they do like everybody else and go down the tube, Mr King himself was have loved the dole provision, he might have

even lasted a little longer, but however, he didn't he went down the tube

MR BROWN: I move the adjournment Mr President

MR PRESIDENT: We've gone round the table now Mr Brown, the question is this Bill be adjourned and made an order of the day for a subsequent day of sitting

QUESTION PUT

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

the result of voting Honourable Members the ayes four, the noes five. I think we are at the stage now of putting the motion that the Bill be agreed to in principal. Final debate? I put that motion. The question is that the Bill be agreed to in principal

QUESTION PUT

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

the result of that voting Honourable Members, the ayes five the noes four, the ayes have it. We move to the detail stage, the detail stage is really changing 93 to 94, 1993 to 1994 is that agreed? That is agreed. Is the balance of the Bill agreed? Would you like the House to be called at that stage? The question is that the balance of the stage be agreed and would the Clerk please call the House on that question

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

The result of voting Honourable Members on that question is the ayes five, the noes four, the ayes have it. We are now at the stage of having an amended Bill.

MR KING: Mr President I move that the Bill as amended be agreed to.

MR PRESIDENT: The question is that the Bill as amended be agreed to?

MR BROWN: Mr President, I move that debate on this question of the adjournment ... made an order of the day for the next sitting

MR PRESIDENT: The question is that the debate on this Bill be adjourned and made an order of the day for a subsequent day of sitting

QUESTION PUT

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

the result of voting there Honourable Members the ayes four, the noes five, the noes have it. I put the question which is the Bill as amended be agreed to

QUESTION PUT

if the Clerk would be kind enough to call the House

MR SANDERS: Mr President in the final analysis in the adjournment debate does it list who supported and who didn't?

MR PRESIDENT: The result of the votes appear in Hansard

MR SANDERS: Yes, because I think it is very important that the public know who in this House isn't prepared to co-operate

MR PRESIDENT: I'll just remind you of this final question, that the Bill as amended be agreed to

MR KING: I was just going to call a point of order that the question be ...

MR PRESIDENT: Yes there is I'm about to put it. I've just quoted it to you, and I now put it. The question is that the Bill as amended be agreed to. I'm sorry we've taken that and we are now asking the Clerk to call the House on that particular matter, so if the Clerk would do so

MR SANDERS: I'm sorry if Mr King has got you muddled up Mr President

MR PRESIDENT: I'm afraid you did that Mr Sanders

MR SANDERS: Oh. My apologies Mr President

MR BROWN: Mr President, just to ensure we all know we are going, we are now calling the House in relation to the final vote on the Bill

MR PRESIDENT: The Bill as amended be agreed to, is the question before us and the Clerk is now calling the House, please do so

QUESTION PUT

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

the result of voting Honourable Members the ayes five, the noes four, the ayes have it. That Bill is agreed.

#### **NO. 7 LIQUOR AMENDMENT BILL 1993**

MR PRESIDENT: The next item order of the day No. 7 I will not call Honourable Members its been indicated to me that is not ready to proceed, so I wont take time with it. We have concluded orders of the day

MR BENNETT: Mr President I seek to leave a motion that has been circulated to Members this afternoon

MR PRESIDENT: Is leave granted? Leave is granted

MR BENNETT: Mr President, I move that it is the wish of this House that His Honour the Administrator exercise his powers under section 35(1) of the Norfolk Island Act 1979 to dissolve the Assembly and that His Honour determine the earliest practicable date for a general election, and further that the Clerk acquaint the Administrator of the passage of this motion. Mr President Members are entitled to be surprised at this motion coming forward by me today, they may be surprised from the point of view that an opportunity to express the same opinion was given to Members in December, and I didn't support that motion to dissolve at that time and for a variety of reasons which I went into, but perhaps most importantly had we had gone to the poles at that time I would not have re-stood, and I didn't want to go out of the Assembly and not face the electorate again, I didn't want to run away from them, but I have rethought it all the circumstances and the manner in which we conduct the Assembly and the Government in this place is, has not improved I feel frustrated by it, the community are also as I understand it, not at all happy at the way we go on, so I don't have any difficulty about facing the wrath of the community should this motion get up. The Assembly and indeed the Government ... it ought to be, should be a collective and relatively cohesive force for the good of the whole of the Island, and its in that area that it is not functioning, it has been riddled with personality clashes, divisiveness, vilification and whatever. As I said many in the community see this Assembly and the Government as being faction riddled and divisive, acrimonious as a group who are not progressing important issues. I suppose they are entitled to make that comment, only in recent days I happen to look at the legislation tables which is really a measure of the performance of the various Assemblies and its interesting that in 1992 there were 14 pieces of legislation passed in this House, but only 2 are substantial pieces and by substantial I mean reformed Bills, rather than just simple amendments. Now if you take out, there were 1, 2, 3, 4, 4 appropriation Bills that were down to about 10 Bills passed in that year of 1992. And 1993 it popped up to 28, but interestingly enough in that year only 2 substantive pieces of legislation 1 of which has only been passed in part, or has been not passed, but commenced in part.

There are a number of appropriation Bills in that as well, but there are also are a number of pieces of legislation, or I should say all the rest of them are amendments but a number of those amendments were amendments to patch up things that we hadn't got quite got right, if you recall we had a staggered passage through that year and didn't get a lot, we didn't get them all right all the time. And

turning to the regulations, in 1992 regulations were made 12 times, and in 1993 only twice, both of those were employment. I think the community has had a right to question whether we are getting on and dealing with the substantive issues that they see necessary for us to deal with. I can well imagine that there will be some in the community who will be disappointed perhaps outraged, by a motion of this type to go back to the poles, however I feel confident that there are sufficient issues around and sufficient discontent and sufficient anxiety about the way we conduct ourselves that more people than not would see that this was an advisable course. I had hoped that, mainly I guess that the New Year might have brought some peace and harmony to this place so that we could have worked together as a group, but it hasn't work. The first hour of today's sitting I don't think would have done any parliament anywhere any credit. I think the community is also perhaps ready to express their displeasure about the way in which some of us as individuals have carried on, for example, their are obviously going to say plenty about the budget situation, and obviously these fund raising bills are part of it, people need to express their point of view, either I haven't been tough enough, to tough or haven't managed it properly. I mean I've got a letter in my box the other day from Norfolk Resort's actually, but it does say, it talks about the inept Norfolk Island Government financial performance, so obviously there are views out there that my task as Finance Minister hasn't been all that hot, and people are entitled to express their views at the poles, perhaps Mr King in his tourism portfolio might, in the community might express a view, Mr Sanders wanting to have the communities view on the indemnity questions for example, or the question that we dealt with the year before, I think the education area Mr Brown is something that the community got a little bit rattled about, perhaps it might like to view, Mr Robinson I don't think people have escaped your constitutional ... these are lots of things on the side, individual issues that the community want to have a say in, lets go to the poles and see whether we cant express a view about the group as a whole, and I don't think that we should hold our heads up that high. But I am disappointed by having to take this step I had rather thought that irrespective of the wide vision of politically philosophies that you get under the way we elect people to this place, and that we none the less might have been able to get on an run as a government, but as a government it hasn't really worked, more decisions than not are made by individual executive members rather than them being government decisions so to speak, and I think that as a result they are sensitive but perhaps important issues which arise to which there is no rational debate or any rational decision taking might well be an individual executive member of a couple making decisions, and I'm not sure whether that's the way I at least perceived the government operating. Mr President as I said it is with some regret that I do this and I as I said, I'm entitled to take the criticism for not taking the opportunity in December, and I explained why I didn't, but I'm still entitled to be criticised about that, thank you.

MR SANDERS: Thank you Mr President. I support Mr Bennett's motion, I support it on the basis that this Assembly has basically turned in to a bit of a shambles. As Mr Bennett correctly said there has been individual views taken by individual members which to some extent should not have happened. I believe that because of those individual views that have been expressed that nothing is going to work in this Assembly until the public has indicated whether they approve of our actions or disapprove. And I believe that if they don't like us they should kick us out and if they do like us well we'll get back in. I intend to support the motion

MR ROBINSON: What concerns me is, will we have enough time, well will the next Assembly have enough time to get together a budget, given that its not going to be long before June is here and we will need one. That is why I understood that this question came before the House in December so that if it did get the go, whoever came in would have plenty of time to organise their new budget and that's a concern to me especially given the tight financial times that we are in. I would also like to crank up a couple of bills myself that have been sought of on the

verge of coming towards the House but haven't quite made it yet. However I'll leave the debate and see what happens

MR BATES: Yes Mr President, I'm of two minds about this, I accept the arguments both ways. I do dispute the fact that we are judged on the number of pieces of legislation we pass through the House, I think that's a little bit strange, and if that's the case will we sit down here and pass 50 pieces of legislation and everybody says you've done a good job, I don't think that's the crux of the matter. But I think its a pity that the Minister for Finance has two years in the job and no doubt the formulation of the next budget is going to be a difficult one for anyone, and I think he's well on the way of having some ideas into that and I think the loss of continuity of the three years in the job would be disappointing to say the least, I would certainly like to see Mr Bennett formulate the next budget having had two years of doing things his way and the crunch has now come where the next one is going to be very difficult. I also think that some of the debate around this House of picking on one and other, I think is regretted and I think that is generated in certain areas and I think that is bad but, if you look at the make-up of this Assembly, no one person in this Assembly has got away with things his own way, Mr Brown certainly hasn't, Mr Bennett certainly hasn't and Mr King certainly hasn't and I think it would be a shame if we had Assembly where everybody said "yes sir", "yes sir", "I agree entirely", if we all agree with each other 100% down the line, I think it would be a worse Assembly than the type of Assembly that is prepared to put its views forward and go ahead, and as I said no-one has dominated the actions of this Assembly. Rightfully so I think Mr Bennett was probably unhappy about certain methods that Mr Brown used to get work done, and I think that upset him, but I think if I had been the Minister, I might have been upset over some of those issues too. But at the end of the day the work did get done and I think that we all agree that a lot of that work is a credit to Mr Brown, in the area of the hospital. So we all have our own ways of doing things, but just to simply say that because we disagree we should throw it in and get out and let somebody else have a job, I think we could clean up our act a little bit with the debate around this House, and I think there is no doubt we all know where most of the problems from that area lie, so there is no need for me to point it out. I'm of two minds, I'll accept what comes out of this, I think its a pity if this Assembly couldn't run through until about next February, and I think we are at a crossroads, the tourist industry may be is starting to pick up, I think it would be a shame if the Minister's couldn't finish the job that they set out to do. Thank you Mr President

MR BENNETT: Mr President, could I just respond to two matters that were raised, one by Mr Robinson and one by Mr Bates. Mr Robinson's concern was the continuity with the budget, Members will be aware that normally the public service has the budget submissions, and they have a period of a couple of months where they deal it into shape and it normally comes to us in and around the end of April and we debate it in May and had two meetings in April in June to pass that so, I don't see that there is any difficulties in the continuity with the next year's budget, it will still go through its normal public service process and in time for the new group that get into this place. Turning to a comment Mr Bates made I didn't mean to infer that the community judge the performance of the Assembly solely on legislation, but what I will say is that there was an expectation in the community that a lot of the major issues which are still yet to be dealt with are not dealt with, and they see that we are not progressing we are doing a lot of patching up here and there but we are not dealing with some of the larger issues, we don't have a programme of legislation as such, as a government each executive member has got his priorities and each one because we don't have a programme set by, the government has to battle to get resources to get it through, and that's perhaps one of the reasons why Mr Robinson's Bills which he's been waiting on have not come to light thus far, so there's a lot more in it than simply the community judging us on legislation, and I didn't mean to infer that that was the sole reason whatsoever,

thank you

MR CHRISTIAN: Mr President, I've been aware for quite some time that there is a ... for a new election and they are not very happy out there at all. I don't think its quite true ... but I intend to support the motion

MR KING: Mr Brown and I ... trying to out fox each other here to try and get the last say.

MR SANDERS: I think Mr King has been out ...

MR KING: Yes, I don't have the patients of Mr Brown you see to sit back and wait. I agree with what Ernie says there I think there is an opinion out there, but obviously we all have to be careful to understand that the opinion we do gather out there, is invariably only gathered from those of whom we associate or those who share our political views or philosophies, there are other views out there, we don't really know, its only the electorate that will really tell us whether we are right or wrong. During the debate back in December last year I opposed the dissolution of the House then, that was bought forward for slightly different reasons I think although the debate on that occasion touched on the conduct of the affairs of this House, and the affairs of some individuals. But basically the reasons were somewhat different, but I opposed it then on the basis that it wasn't in the communities interest that we in fact had to much to do and we ought to get on with the jobs, but frankly Mr President I don't have that view any longer, I do believe that we are really just limping along. I think that is even clear from today's proceedings that we do have some grave difficulties maybe I am wrong in my assessment but perhaps it is for the electorate to make the decisions in the matter. I don't have any personal difficulty with dealing with political adversity and belligerence, even throw in a touch of bullying and intimidation I', not terribly fussed about that but I am concerned when Members come to this House if fact, to other meetings armed only with bitterness and spitefulness and the only real contribution that some of those people make is to the obstruction of government in the Island. A larger parliament can perhaps absorb such sort of malcontent, but I think in a small community, small parliament like ours it simply means unrest and unease which flows out the door of this parliament down the steps and out into the community. I feel it out there. I work down here almost every day of the week, part of every day of the week, sometimes in the evening, as does Mr Brown sometimes we are even able to engage in polite and pleasant conversations out under the stars. But I must say that is in the later hours of the day when we are both a bit weary and perhaps we really don't know what we are doing. I see misuse and in fact what I regard as being abuse of authority on an almost daily basis and I believe that even today we are being treated to further examples of what I term, as ministerial excesses, I see relationships between members of this House which leave me simply wondering who owes who what, and wondering about the extent to which one compromises himself because of favours owed

MR BROWN: Point of order Mr President. Mr President to such extent as Mr King was making an imputation in relation to any member, its totally inappropriate statement to be made in the House

MR PRESIDENT: Mr King I should remind you about ensuing that there are no imputations against members

MR KING: Yes indeed Mr President, well I'll simply close Mr President, by saying again that I may be totally wrong in my assessment I'm often left stumbling in the dark as to whether I'm going the right way about things or the wrong way about things, sometimes I feel in fact that I've simply become a little bit of a whinger and a whiner in my old age, others may have a different opinion about the acceptability or otherwise of what is going on around us here, and I respect that

opinion but, regretfully I believe that we have reached the stage that we need some guidance from the electorate

MR SEMPLE: Thank you Mr President, I think it was December I was one of the four that voted for the dissolutionment of the Assembly, after reasons that Mr King, Mr Christian and others have mentioned, I'd have to support Mr Bennett's motion here too, I would think

MR ROBINSON: I understand that will help us to solve the problem that this motion gets up, of the member of the House who accordingly to legal opinion is no longer a member so that would help solve that one too I guess

MR BROWN: Mr President, I certainly don't agree with some of the things that Geoff has said to us, and in particular I would like to support Brian when he said that our job is not to sit down here and pass as much legislation as possible. In fact some would take the view that the less amount of legislation that we pass the better we are in fact doing our job, because quite clearly in other bodies view, the less government is involve in dictating to people the day to day minutes of their lives, the better the society must be. We have seen throughout the world the communist countries which went the other way, totally fallen apart, and we have seen the sorrow and destruction that has been left behind when those countries have fallen. Its been said that our system doesn't work, I agree the system doesn't work. One of the biggest problems here is that we have not understood the meaning of the word government, in other places there are normally political parties, sometimes they are more loosely formed as perhaps factions, but when an election occurs, the party or the faction with the majority number of members, provides the government, and it is in that way that in other places, you can expect that you are going to see a government that works far better together than this one does. How can you expect the Ministers in this government to all work happily together, when there are at least three widely different points of view, in political terms represented amongst them. In some respects a new election would be an opportunity for people to stand, to platforms so that the electorate knows what it is that it is voting for. What has happened in almost every Assembly in the past is, nine nice guys, or nine nice people have been elected, with little regard in many cases to their policies, with a little knowledge in many cases of their policies, and with little recognition in any event that the way things are with people not grouped together in any fashion, the policy that one person might suggest that he is going to work to, cant really get anywhere unless he finds the support of at least four others. It may well be the time for the introduction for something along the lines of political parties Mr President. Such a thing has occurred in virtually every other part of the world, that would enable a government to announce policies, that would enable the government to then be held accountable in accordance with those policies. There have been a lot of unfortunate happenings during the life of this Assembly, not the least of which was the sacking of Mr Sanders when the Assembly had only been elected for quite a short time. That sacking and the subsequent attempts to justify it that were made by Mr King and at times by Mr Bennett, certainly put a large division within the ranks of this Assembly, and really its a division that only a new election can resolve. Its interesting as time passes to hear the differing views, as to why different people decided that Mr Sanders should be sacked, but the most interesting thing is that I don't think that I have heard one of them, that says he didn't need to do what he did. The general feeling is that he was rude and he hurt peoples feelings. The fact is that the platform on which he stood for election made it very clear that he proposed to clear up a number of things, he started to do that which he had promised and he was sacked. The indemnity question has only continued to cause the sore to fester. There is no doubt in my mind that an executive in fulfilling his executive role should indeed be indemnified in the event that anyone chooses to sue him. Mr Sanders is in the situation where he has been sued, I must say that the plaintiff will have drawn some encouragement from things said in the House

MR KING: Point of order Mr President, that is on the sub judice question. Clearly it remains a matter which is before a court of law for adjudication

MR BROWN: Yes, I'm not proposing to deal with the subject matter of the case Mr President.

MR PRESIDENT: This matter is before the court as I understand it, and on that basis we should not be making reference to matters that relate to that particular case Mr Brown

MR BROWN: I believe I can make reference to what I am saying Mr President, but I can just as easily leave that part out. The simple fact is that Mr Sanders is in a situation where he is having to raise significant funds in order to fund his defence. And that is as a result of a decision of two executives that he should not be indemnified and that there should not be consideration of indemnification until the case is over. That leaves every member of the public service at risk Mr President, because on the same basis indemnity can be denied to any member of the public service in the event that he is sued. And that's a matter which really needs to be sorted out. Geoff suggested that people might not like me because of the fact that I'm insisting that the year 11 and 12 parents pay the agreed school fees. Well I make no apology for that and if any of the others around the table are now saying, because of the fact there might be an election, their going to handle things differently and their will give a reduction or remove the school fees, well jolly good luck to them. Mr President, I certainly have found it interesting that in the course of just a few months, Mr Bennett has changed his mind as to whether or not there should be a new election. Interesting one of the things that was said in December, was that the benefit of making a decision then, was that instead of having the slow down over the Christmas period, and then perhaps making the decision about a new election further into the year, and then having a further slow down at that period, ... the slow down could have occurred at once over Christmas, but Mr Bennett says that at that stage he wasn't going to stand for election therefore he wasn't going to stand for re-election, therefore he felt that he should vote the way he did. I presume he has now decided that he will stand for re-election and that's good because people will have the opportunity to say, whether or not they were pleased with what he did and what any other members may have done who plan to stand for re-election. But it really seems to me that this time to be one of those situation where some members are saying, its all got a little bit hard. I don't think that suggesting we don't have a programme of legislation, faces up to the whole problem in that area. The reality is that within the public service we have very few people who are in the role of supporting the government. The resources at the middle and senior management level of the public service are very slight Mr President, and it certainly is an area that needs attention. I think that every executive has found matter after matter where for periods of six and twelve months it has been impossible to obtain a response from the public service. I mentioned a matter to day which had been inactive since late in 1992. I think on balance I would welcome the opportunity to have a new election Mr President, because I think it would be the opportunity for a new Assembly to take a view that it is time that the more traditional parliament process was followed and time that the party or the group with the majority number was expected to provide the government and given the opportunity to perform or to not perform as the case may be. But our present system is one which I would agree is not working well, you would not expect it to work well, because it is a system that does not apply anywhere else. Its all very well to say Norfolk Island is different, but government is the same everywhere its simply does not work with every point of view attempting to be represented within its ranks. Thank you

MR PRESIDENT: Further debate? No further debate Honourable Members, then I will put the question. The question is that this motion be agreed to

QUESTION PUT

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

the result of voting on this motion Honourable Members, the ayes six, the noes three, the ayes have it

**FIXING OF NEXT SITTING DAY**

MR PRESIDENT: The next item Honourable Members is the fixing of the next sitting day, and I'm wondering how relevant that is, in our present circumstances

MR BROWN: There are matters which need to be finished Mr President

MR KING: I move that the House at its rising adjourn until Wednesday 6 April 1994 at 10 am

MR PRESIDENT: The question is that the House at its rising adjourn until Wednesday the 6 April 1994 at 10 am? Any debate, discussion I put that Mr King

MR KING: In the light of the passage of the previous motion, Mr President, do we need to take some guidance on what the effect of that motion is, we are talking about the dissolution of the Assembly and the advice to His Honour to determine a new date for a general election, we are also asking the Clerk to acquaint the Administrator of the passage of this motion, now presumably once that Administrator is acquainted of the passage of the motion, that the ... it doesn't dissolve the Assembly does it?

MR BROWN: Mr President

MR KING: It simply sets the date? Is that the story?

MR BROWN: Yes, as I understand the situation. All members remain as members until midnight on the night before a new election. Ministers remain as Ministers until the new Ministers are subsequently sworn in. And so the business of the House continues right up until its last meeting prior to the election and that can be on the day of the election, sorry even on the day prior to the election

MR SANDERS: That's right isn't Mr President?

MR PRESIDENT: The Executive Members hold office until the 1st or the convening meeting of the House. Yes, that is the new, after, new House after a general election

MR SANDERS: ... sworn in,... office

MR BROWN: I think the important thing from Mr King's point of view is, that members remain as members until midnight on the night before the election Mr President

MR PRESIDENT: Does that answer your query Mr King?

MR KING: I think it does in some respects Mr President, I mean I was aware of those things but, what I wasn't aware of is the meaning of the word "dissolve" I mean to dissolve the Assembly occurs to me that the business, or the conduct of the Six Legislative Assembly is no more. Agreed that the government remains in office, and people remain members, but the conduct of this House appears to have been dissolved by that motion

MR BROWN: We don't dissolve the House

MR KING: Agreed, the Administrator does

MR BROWN: And while ever we are members, the Legislative Assembly continues to meet

MR KING: Yep all right, I have no difficulty with that I'm just a bit confused in my mind

MR CHRISTIAN: ... and election date

MR PRESIDENT: I've got to say Honourable Members that I don't think that there is a formal process of dissolution. What brings the Assembly to an end is the setting of a general election date. We may informally use the word "dissolution" but in fact things remain in place, until the machinery brings to an end a certain phases of the electoral machinery brings to an end certain things, for example, this has already been explained, members will cease to hold their office of membership at the date of such a general election. The President and the Executive Members will continue on until the machinery brings forward their replacement arrangements because members will be replaced at the time of the general election, executive members for example need to be nominated by a new assembly and formally appointed by the Administrator, now when that stage is reached the others ... and equally at the commencement of a new Legislative Assembly the members decide amongst themselves who will be the President to commence that period and then the former President goes out of office then, does that help in explaining the procession of things, I suppose it is? So what we are talking about now is that as early as practicable date should be set for a general election and that is to be conveyed to the Administrator and you are saying we would wish to continue to meet until that time happens, and the time that is proposed by this motion is 6 April. That's as I see it at this moment. Is there any understanding of that lets talk about that. Okay then the motion before us is that the House at its rising adjourn until Wednesday 6 April, that's three weeks time at 10 o'clock in the morning

QUESTION PUT

AGREED

### **Adjournment**

MR BATES: Mr President, I move that the House do now adjourn

MR PRESIDENT: The question is that the House do now adjourn? Any participation? Good heavens

MR ROBINSON: Mr President, as I was meaning to say earlier. If I had written that article in the Sydney Morning Herald that wouldn't have concentrated on a red herring issue, if I were the author of that article it would have been about how Canberra arrogantly ignores article 73 of the United Nations Charter, how Sir Robert Garron, Secretary to the Australian Attorney-General in 1905 said, that Norfolk Island was to be a dependency when the 1914 British Ordering Council was

formulated, and how Sir Isaac Isaac's at the time the Attorney-General agreed with the Secretary. I would have written about the Australian Department of Foreign Affairs policy in regard to Christmas Island which is to include Christmas Island in as many Federal Acts as possible in order to make out that Christmas Island is part of Australia, rather than a dependency of Australia, and I would have gone on to say that Canberra is doing exactly the same thing to Norfolk Island by including Norfolk Island in as many Federal Acts as possible. In 1935 15 Acts in 1989 210 Acts, in 1994 and undisclosed increase over that staggering number, including the Snowy Mountains Engineering Corporation Act, which even the most naive person can see has no relevance to Norfolk Island. In other words Canberra's policy towards Norfolk Island is exactly the same as its policy towards Christmas Island. Legislators inside the Commonwealth without ever asking us whether or not we want to be part of the Commonwealth. I would have written that in 1978 the Department of Foreign Affairs told the United Nations that we were already a part of, as the proper terminology puts it, metropolitan Australia, but thanks to Mike King and the Public Service Association, in 1984 Canberra under article 35 of the International Labour Organisations Conventions, was obliged to do an about face and declare that Norfolk Island was not a part of metropolitan Australia. I would have concluded by saying that the actual status of Norfolk Island is something that only the people of Norfolk Island ought to decide, that Canberra has no right to make unilateral decisions without consulting the people of Norfolk Island, that the whole thrust of my article, would have been that the people of Norfolk Island must be accorded the inalienable right to decide their own destiny at referendum, that's what I'm on about and I've neither the time or the inclination to get side tracked by red herrings. Thank you

MR PRESIDENT: Any further participation in the adjournment debate? There being no further participations, I put the question

QUESTION PUT

AGREED

The ayes have it therefore this House stands adjourned until we meet again Wednesday 6 April 1994 at 10 o'clock in the morning.

--oo0oo--