

Honourable Members today we commence with the Prayer of the Legislative Assembly

**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

**Petitions**

Are there any Petitions this morning Honourable Members

**Notices**

Are there any Notices

**Questions Without Notice**

Are there any Questions Without Notice

MRS SAMPSON: Thank you Mr President. One addressed to Mr Christian. Could the Minister advise this House of the total cost of work and reparation at the Bumboras site which resulted in an ugly and unnecessary mess

MR CHRISTIAN: Thank you Mr President. I am unable at this time to give Mrs Sampson an accurate cost for the restoration work carried out at Bumboras as a result of some unauthorised work being carried out by the Administration but I can say that it will be more than \$1000 and less than \$3000

MRS SAMPSON: Some questions for Mrs Cuthbertson, first as the Minister for Health. As there is a public interest in what is perceived to be an increase in the number of people diagnosed as suffering from various forms of cancer would the Minister instigate a preliminary review to enquire into this and if necessary an in depth study later on

MRS LOZZI CUTHBERTSON: Thank you Mr President. Yes, I certainly will instigate the preliminary review and then try to get some accurate statistics put together but it may take a little while to get there

MRS SAMPSON: And finally two questions also to Mrs Cuthbertson regarding education. Is the Minister able to tell this House if the satellite dish at the school which was paid for by public subscription is being used and for what purpose

MRS LOZZI CUTHBERTSON: No I cannot answer that accurately so I take that question on notice

MRS SAMPSON: Thank you. And one final question. Has there been any further development in localising teachers salaries and if not could the removal of the Administration funded airfare be looked at before new contracts are issued

MRS LOZZI CUTHBERTSON: I'm still awaiting information from Sydney and I've made several phone calls to see how negotiations are going. One of the intended moves in the new contracts is in fact to remove the airfare provision in the midst of the contract but I shall certainly report to the House as soon as anything different is available

MR BATES: Thank you Mr President. My first question is for Mr King, Minister for Tourism and Works. Is the Minister aware that certain tourist

accommodation proprietors are charging guests for the Proprietors Accommodation Levy as the guest checks out based on the number of nights each guest spends in the accommodation. Is he also aware that at least one proprietor has printed and is issuing receipts for such payments headed "Norfolk Island Government Bed Tax". Is this practice widespread and as it is a tax on the proprietor and not the guest, is it within the law

MR KING: Mr President I thank Mr Bates for this question. I am sorry to advise the Member that the practice he has described has been brought to my notice in recent times. I'm pleased to say that only a handful of proprietors have employed these particular tactics and I'm sure that the behaviour doesn't reflect the attitude of the vast majority of proprietors in the accommodation industry in Norfolk Island. The facts of the matter are fairly clear that during the Sixth Assembly I introduced an Amendment Bill to replace the old levy which was calculated according to the number of units in any complex which for simplicity I will refer to as the cold bed tax and I replaced that with a new levy based only on occupied beds which has come to be known as the hot bed tax. Now that measure Mr President, I first made public in May 1993 and it lay on the table of this House for a number of months before it was passed and became law. It's a much more equitable taxation measure because if the proprietor has no guests he or she pays no levy. Previously the levy was collected regardless of whether a unit was occupied or not. Now I know that some proprietors haven't liked the new scheme and in fact I know that others felt that it was far more fair than the previous levy however, whatever the individuals reactions I really expected that the new system would be implemented with few hiccups so I was very disappointed to be made aware that the small minority of proprietors had decided to levy the guests direct for a \$1 bed tax for each night of their stay as they checked out. In recent times Mr President I wrote to each registered accommodation proprietor expressing my displeasure at these practices. It will also be clear that these people are in effect charging guests twice, once for the old cold levy which is undoubtedly built into their tariffs and again for the new hot levy. To answer Mr Bates' specific questions I can advise the House that the practice of charging guests direct is not a lawful practice. Section 21 of the Tourist Accommodation Act makes it quite clear that the only person liable to pay an accommodation levy is the proprietor. There is no provision in the Act empowering or requiring a proprietor to charge the levy direct to individual guests. With regard to certain printed receipts I have certainly seen some receipts that have been issued by some accommodation proprietors bearing the words Norfolk Island Government Bed Tax. This Mr President is a grave misrepresentation of the facts as it purports to be a receipt issued by the authority of the Government which it is not and it also purports to levy a bed tax which does not in law exist. The levy is as I've described a levy on the accommodation proprietor. I have received legal advice about these practices and I consider based on that legal advice that any person who obtains money from another person on the basis that it is a Norfolk Island Government Bed Tax may well be committing the crime of false pretences and I note that the penalty for that offence is five years imprisonment. Mr President I'm extremely disappointed with the practices which I regard as being unreasonable but practices of only a very small number of tourist proprietors. I expect that most proprietors understand the nature of the new and fairer levy regime and I earnestly hope that the practices employed by those few will cease. I hope that answers Mr Bates' question in its entirety

MR BATES: Thank you Mr President. I have several questions here. Another one for Mr King with responsibility for roads. The previous meeting in response to a question you promised to bring forward a road works programme for consideration by members. Could you advise the House when this might be

MR KING: Yes Mr President I did indeed promise that and I have in recent times received a proposed roads programme and I should be in a position to be able

to circulate that to members within a couple of days and I would expect that could deal with than in our informal meetings rather than wait until the next sitting of the House

MR BATES: A question for Mrs Lozzi Cuthbertson in her responsibility for Health. The previous Minister for Health introduced a motion which was passed, in favour of putting in place the means to allow hospital staff to contribute to the Provident Fund. Could the Minister advise the House what she is doing about this matter and when it might be settled

MRS LOZZI CUTHBERTSON: Thank you Mr President. Thank you Mr Bates. Yes, the motion I believe was introduced by the previous Minister on the 20th October 1993. Unfortunately there appears to have been no follow up to that motion. I certainly have not been able to find any paperwork. I have been in touch with the person who controls the Provident Fund, Mr David Rodgers, and he is looking into the whole matter and he has undertaken to advise me what we need to do to proceed from there

MR BATES: Thank you Mr President. Another question for Mrs Lozzi Cuthbertson in her responsibility for Employment. Is the Minister aware of reports of unusually severe demands placed on the staff by the management of the chain of hotels controlled by the Resorts Group and of the damage such reports are doing to Norfolk Island's image as a place of employment?

MRS LOZZI CUTHBERTSON: Thank you Mr President. I have certainly heard anecdotal reports and some rumours but I have received no direct complaints myself however because of those roundabout reports I have asked the Employment Officer to undertake a review of the Employment Act to look at ways that the Act could be tightened up or made more effective so as to prevent those kind of complaints from arising. She has in fact just completed the review and we will proceed from her recommendations and other information to review the whole Act

MR BATES: A further question for Mrs Cuthbertson. Section 24A of the Healthcare Act provides a mechanism to establish Healthcare Private. Is the Minister developing any proposals to introduce such a scheme

MRS LOZZI CUTHBERTSON: Yes, I have been in touch with the Risk Consultant who was in the process of developing a model for such a scheme and I understand he may be visiting the Island in the near future and will be bringing the details with him. If the visit does not eventuate he will send the information and proceed from that point

MRS ANDERSON: Thank you. Mr President I have a supplementary question for Mr King relating to the bed tax. You mentioned the old cold bed tax and the new hot bed tax. Is it correct that the old bed tax is no longer levied and that only the new hot bed tax is now levied so that the resultant increase in the bed tax is not a dollar as is understood

MR KING: Mr President. Yes. Basically that's correct. The old bed tax in its application to accommodation proprietors levied on average a tax equal to 35♥ per guest per day. The new tax replaces the old tax and therefore the net increase in the tax is 65♥

MRS ANDERSON: Thank you Mr President. My question is to the Minister responsible for the Airport. Mr Bennett. Given that there are two possible new airlines that are about to commence and rumours abound that at least one of the new entrants is proposing late night early morning flights in and out of Norfolk, can the Minister advise whether the proposed schedules fit within the curfew if any

MR BENNETT: Thank you Mr President. The question of whether there was a

formal curfew in place is in the process of examination. There certainly was a curfew put in place by resolution of the Advisory Council in 1978 or 1979 but I'm yet to be advised as to whether any of the Legislative Assemblies have adopted by resolution that curfew. I guess it begs the question of whether an Assembly has to formally adopt what became policy by the Advisory Council or not and that's a question that we will need to look at. With the advent of two and possibly now three new airline operators and as Mrs Anderson has said, with the possibility that some of them may use what is term back of the clock schedules which are schedules that arrive late at night or early in the morning, and obviously benefits the charterer by apparently reduce charter costs, there has been a fair bit of representation by members of the community as to the status of the curfew and if there was no status the question was whether we were inclined to put in a curfew. I must say at this stage that I have had no formal scheduling advise from any of the three proposed new airline operators. There has been informal chats with three of them but none of them have yet put in or given us any formal advise of the times that their flights might arrive and depart. There is an additional question that I am currently looking at and that is as to whether with the changes that occurred in the de-regulation of the airline industry in the late '80's whether there remains sufficient authority for us by virtue of ownership of the airport to incur a curfew or to put in a curfew, and advise I received yesterday suggests that if the conditions and terms are reasonable then we are able to do such a thing. I might just turn back to the old Council resolution because at that time that body had two concerns. One was for the welfare of the visitor who we felt was being best served by arriving in as close to daylight hours as could be managed and secondly consideration for those people who live, pretty well anywhere on the Island but particularly those adjacent to the runway. It's an isolated place with very little background noise so the noise of jets are quite loud. It's also interesting to note at this time that both of the jets, the Boeing 737 and the F28 are required to comply with curfew hours in Sydney airport therefore that would suggest that they are beyond the noise acceptability. It is my intention and it would have been my intention to bring it through today, but it is my intention to bring forward to this House at the next meeting a resolution which will sufficiently couch the concerns that we have for both the visitor and the resident and it might well be suggesting that a curfew be formalised to cover flights in and out beyond ten pm and before 6 am. Having said that it is important to note that some flexibility would be required to allow for example and by express approval special one off charters we have allowed from time to time and to allow an operator to reschedule if the original schedule was thwarted by bad weather in Norfolk Island or some particular thing. Now up until the late 80s in fact the airlines did notify the executive member at any occasion where they were going to bring an aircraft in late at night or in the case of charters there was prior notice and approval sought. No such contact has been made with me in the life of this Assembly or the Sixth Assembly and it's because of a concern that maybe the curfew has gone by the board that we are dealing with it now. That's a long winded answer and I hope that it covers the things you raised Mrs Anderson

MR BATES: Thank you Mr President. Another question for Mrs Lozzi Cuthbertson, the Minister for Health. On a previous occasion I asked if the Minister had seen the conceptual plans for the new hospital which the previous Minister said were being prepared. At that stage I believe the answer was negative. Could the Minister inform the House if this is a dead issue or does she still hope to produce the plans

MRS LOZZI CUTHBERTSON: Thank you Mr President. No I still have not seen the plans. I believe they are with the architects in Brisbane. I have seen a functional brief on which the plans are being developed and I have a copy of that. I was not aware that Mr Bates wanted me to produce the plans. I certainly would like to warn him that if the plans are to be produced we will have to pay something like \$14,000 for them and at the moment because of our financial situation we have

directed the Architects in Brisbane to cease working on the plans until we are clear and we can afford the \$2.7m which is anticipated a new hospital will cost, and secondly that we can afford to pay the \$14,000 for the plan

MR BATES: Thank you Mr President. I have a question for Mr Bennett, the Minister for Finance. About five or six years ago a fund titled "The Island Fund" was created. It has served little purpose since. As it does allow the Minister to spend reserve without the formal approval of Members would the Minister consider abolishing the fund

MR BENNETT: Mr President I've forgotten all the reasons why that Island Fund was created but it certainly covered the points that Mr Bates just mentioned then. In the time that I've had the finance portfolio I've neither used the money out of it nor have I added to it. If it was a roundabout way of adding reserves to other reserve accounts that we had well that's one thing. If it had a purpose other than that reason then I suppose it begs the question of whether the authority to use that account should be resting just with the one person. I mean, I like the idea of having another large slush fund but I'm not sure what I would spend it on but to take the question seriously if it is determined that there is no real purpose left for such an account then I'm quite happy to have the fund transferred to the reserve. If the worst came to the worst and we had a shortage of funds we would be dragging funds from whatever reserves we have, be it from the Island fund or the reserve account. I think it's a matter we perhaps should list for some informal debate at one of our informal meetings and I'll get the views of other members and then decide the issue there. I have no firm views on it one way or the other so I'll be guided by what comments other members have

MR BATES: My one final question is for Mrs Cuthbertson with her responsibilities for police. Could the Minister inform the House when work is likely to commence on the building of the new police station and where it is proposed to be located

MRS LOZZI CUTHBERTSON: Yes Mr President. I checked with the Building Inspector yesterday and the question of the new Police Station is going before the Building Board this week. Shortly after that if there are no objections with the proposed site and that aspect of it tenders will be called to begin building that police station. It is intended that the new police station will be located in the paddock next to the radio station

MR ADAMS: Thank you Mr President. Question for the Minister for Tourism, Mr King. In view of the desirability of having locals presenting Norfolk, how long will it be before we can expect to see a local person heading up Norfolk's Tourist Bureau and is there a policy to bring about this situation

MR KING: Mr President I'm not sure about a policy but I am sure that there is a desirability. I think each of us would like to see those important positions staffed by local people but the fact of the matter is that that type of professional expertise is simply not available locally and we've got to understand the importance of the tourist industry being our only industry and therefore our economy will succeed or fail on the performance of that industry. I've gone to great lengths in recent times to professionally staff the Bureau. That process has been completed. It is regretful that we haven't found someone with the professional expertise locally. I would hope that that situation could be achieved in future years but I couldn't possibly put any timetable on it

MR ADAMS: Thank you Mr President. Supplementary for Mr King. What does the Minister intend to do to assist a local person to come up to the required level to fill this position

MR KING: I have nothing in mind but perhaps Mr Adams can turn his mind to it and make a suggestion to me

MR ADAMS: Thank you Mr President. A question for the Minister for Finance Mr Bennett. Could the Minister advise at what stage the airport terminal upgrading is at

MR BENNETT: Mr President the airport terminal project has been delayed and it is now a long way behind the original schedule which was to endeavour to have it built by December January. As I mentioned to Members before and perhaps in this House, one of the principal reasons was a change in officer dealing with the project. It is now in the hands of the Building Inspector and things are progressing. There was in recent months a need to have a look at the finer details of the design, and particularly the roofline which members will be aware there was a lot of public opposition to. Also there was a need to have a look at the ramping arrangement at the front to ensure that the comfort of the visitors and access was made more easier. There were other matters such as the question of whether the present wooden floor should be taken out and replaced with concrete floor and what design alterations might be required to effect that. A whole host of little things and these were holding up the stage that we should have reached in May and that was when the design plans were here and the specifications completed to allow us to go to tender. In the last few weeks the specifications in draft form did arrive and there were some sixty or seventy queries on it. Those were dealt with at a meeting of the project control group and sent back to the Project Managers for reassessment. I note that on my diary there is a meeting at 4 o'clock today and that's when we'll be briefed by the Building Inspector on the progress of those answers to our queries and to deal with any other matter that might have arisen. I can't at this stage give a time frame, the key to it is the completion of those documents and the specifications to allow the tender process to proceed. We are, I would hope, within weeks of that stage. I will certainly let members know

MR ADAMS: Thank you Mr President. Another question for the Minister for Finance. Could you please advise why the minimum wage is not indexed to the RPI when pensions and workers compensation is indexed to similar intent systems

MR BENNETT: Mr President I'm not sure whether that's in my bag, I think it's probably more in Mrs Cuthbertson's bag. I don't know the answer to it. The RPI legislation was drawn up some years ago and I don't recall whether there was any deliberate attempt to exclude it or not. I would, at a guess, suggest that the Employment Act followed the introduction of the RPI Act and that the issue has simply never been raised. I've not heard the issue raised before today but Mrs Cuthbertson might have something to add to that

MR ADAMS: Maybe I'll redirect the question

MRS LOZZI CUTHBERTSON: Thank you Mr President. I cannot give you a complete answer but there have been raises in the minimum wage although minimal, but one of the problems is keeping the RPI Index up to date. There has been some difficulty with that but perhaps I could give you a definite answer at the next meeting

MRS SAMPSON: Thank you Mr President. One question which was a spinoff from the previous answer I address to Mr King. Regarding the proposed Provident Fund mentioned for the Hospital Staff was the Tourist Bureau staff included in the previous Minister's plans

MR KING: It has been considered from time to time, I've got to admit that I haven't given it a great deal of thought. As a result of Mr Adams questions of me at the last meeting in this House, a review is to be undertaken in respect of

terms and conditions of employment at the Bureau and I will ensure that that aspect of it is considered at the same time. I think it would be fair given the nature of the Bureau being a semi government body that access to the Provident Account was to be widened to include the Hospital then it ought to be widened to include other statutory bodies so I'll make sure that that aspect of things is considered at the same time

MRS ANDERSON: Thank you Mr President. I have a question for Mr King. Can the Minister advise what progress has been made on the provision of improved shipping and freight handling facilities for Norfolk Island

MR KING: Mr President I would have to say not a great deal of progress. Members may recall my last report to this House which was during the term of the Sixth Legislative Assembly I mentioned that we need now to continue with the process of gathering certain relevant information, information which is necessary to make an informed decision on what way to go and the information which is still necessary is the information relation to the state of the sea bed, that is the seas we traverse, information relating to the quantity and quality of rock which would be necessary for the construction of a breakwater and data relating to wave condition which we don't have. Now since that time of course, and we were aware that those further investigations would be necessary but that arose from the PPK report. Since that time of course the federal parliament has established the Committee of Investigation and the terms of reference of their present brief include looking at the cargo handling facilities in Norfolk Island. That committee is due to report to the federal parliament I think in as short a time as two months. I had taken the view that we ought not pre-empt the outcome of that committee. In the meantime members will be aware of a proposal made by a company called Asdmar, and that proposal was for a stern loading vessel to be used here to discharge cargo. Stern loading and the construction of a ramp and an oral presentation was made by Mr Ballantyne here in this building I guess, some two months ago. Following on from that Mr Ballantyne has made an offer to conduct a feasibility study into that type of operation at a cost of \$30,000. Now I have adopted the view that that study could not be properly completed without Mr Ballantyne being aware of the detail that is still outstanding in respect of our own enquires, that is, the state of sea bed wave data and the rock situation. Without knowing the answers to those questions I maintain that Mr Ballantyne could not inform us any further than we are currently being informed. Others have a different view and there is a very loose proposal lying around at the moment that a working group be formed from amongst the members to address the question further. I'm quite happy for that to happen because I do find that it is rather a burdensome question, one which I don't have any immediate answers to and I know that my views aren't particularly shares by all the members around this table so it will be good to get a meeting of minds on it and that may well happen in the near future. So the issue hasn't been forgotten, it hasn't been thrown away, I have made some enquiries as to who might conduct matters like the seas traverses, how much they might cost. I've also made enquires as to what services are available either in government departments or in private enterprise offshore to critically analyse the information that we already have and give us some guidance as to where we might go to from here so while those things are progressing, so is the federal parliamentary enquiry and I'm hopeful that all those things will come to a head over the next couple of months when we might be able to see a little light on the horizon there as to where we might go. The issue hasn't been forgotten. It is a hard issue. We'll try to come to terms with it over the next couple of months

MR PRESIDENT: Time for questions has expired Honourable Members

#### **Questions On Notice**

There is a Question on Notice. Do you wish to respond to the Question on Notice

addressed to the Minister for the Environment

MR CHRISTIAN: I am able to respond. Mr President on the 20th October 1993 a motion was passed by the Legislative Assembly endorsing the proposed Memorandum of Understanding on the future management of Philip Island. This motion had been tabled earlier in the House and received wide debate. On the 12th November 1993 the Memorandum of Understanding was signed between the then Minister responsible, Mr King, and the Chief Executive Officer of the Australian Nature Conservation Agency Dr Peter Bridgewater. The MOU has therefore commenced. In regard to matters of substance the Government is considering a response from the Administration to say that the Draft Plan of Management can be implemented. My preference is for the Proclamation of Philip Island as part of the Norfolk Island National Park under our - that is Norfolk Island - legislation and perhaps a complementary Commonwealth Proclamation. Most importantly the regulations under which activities will be monitored on Philip Island and the revegetation programme continued will be Norfolk Island Regulations made by the Administrator in accordance with the advise of his Norfolk Island Ministers. In closing I think it is important for every Member of this House and the Norfolk Island community to understand that Philip Island is currently outside any control and the sole authority for it is the Administrator who could in theory and in law ban anyone from visiting Philip Island tomorrow. The measures the Government is taking will consolidate management of the Island and preserve the integrity of its flora and fauna for future generations of Norfolk Islanders

#### **Papers**

Are there any Papers to present this morning?

MR BENNETT: Thank you Mr President. I have four in total. I'm required under section 2B(5) of the Customs Ordinance to table exemptions that I've given for customs import duty and I table a paper that deals with the standing exemption on headstones.

Mr President the second paper I table is the Financial Indicators for the month of June incorporating the twelve months of this financial year and I move that the Paper be noted

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

MR BENNETT: Mr President this Paper has been circulated out to all Members. It does not represent the accounts for the twelve months but it does given an indication of the performance in terms of revenue expectations and expenditure for the period. The month of June was a particularly strong month in terms of revenue of \$667,000 received over the revised budget amount expected of \$603,000. Strong performances by the customs duty item and the other group entitled "Other Taxes". On paper the Revenue Fund achieved 98% of the revenue that we had forecast in its revised form and expenditure stayed at 96% of that which it had been budgeted for. I can advise Members that notwithstanding the fact that we spent less then we received in revenue there will nonetheless be a deficit. The quantum of that deficit is yet unknown to me. The finance branch are in the process of preparing the annual accounts. They won't be ready for a month or so, about six weeks or more but as we get indications of how the performance went in fact then I'll let members know

MR PRESIDENT: The question before us is that the paper on the financial indicators be noted? Any further participation? The question is that the paper be noted?

QUESTION PUT

AGREED

The ayes have it. Thank you. Further papers this morning?

MR BENNETT: Mr President, pursuant to subsection 32(a)(2) of the Public Moneys Ordinance 1979 a direction was given to the Finance Manager for the Territory to transfer from the revenue fund to the head of the trust fund known as the suspense account the amounts specified in column 3 of the schedule for the purposes of meeting liabilities incurred in the year ending 30th June 1994 in respect of the matters specified in column 2 of that schedule and I table that direction and the schedule Mr President and move that the paper be noted

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

MR BENNETT: Mr President the amount suspended is \$597,543. It comprises a whole raft of commitments that were made prior to the 30th June but most of them are very small in number. I will just highlight a couple of the major items which I think are pretty obvious to most members. For example, we've suspended the salaries and wages and allowances in the education area for the period 1st January 1994 to the 30th June and that totalled \$482,693 of the \$597,000 suspended. The balance of this, just fractionally over \$100,000, included an amount of \$24,359 to the Hospital, it also included about \$20,000 in the roads area. These were orders that had been lodged but the goods are yet to be delivered. There are some capital works, one of them was re-roofing of the Administration house \$23,000, the rest Mr President are all amounts individually under \$1000 or slightly above

MR PRESIDENT: Thank you. The question is that the paper be noted? Any participation? I put the question

QUESTION PUT

AGREED

The ayes have it. Thank you. Further papers to be presented

MR BENNETT: Mr President just before I go onto the next one. I may have erred. I said when I made reference to the Financial Indicators that I had circulated them. I've just found a big pile of them in my hand so insofar as I've misled the House on that I retract that piece

MR PRESIDENT: It might help you now to put them around

MR BENNETT: I apologise to Members for that. I wondered why I had so many blank looks. Mr President the final Paper that I wish to table is the Government Business Enterprises budget proposals for the year 1994/95 and I so table that and ask the Clerk if she would mind circulating an amended page 20 to those copies that have been circulated to Members. There is a minor amendment to page 20. Mr President I move that the paper be noted

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

MR BENNETT: Mr President this Paper represents the estimate of both Revenue and Expenditure for each of the Government's Business Enterprises and also incorporates listed separately in each of those sub-accounts the capital expenditure in each area. Mr President the Norfolk Island Public Moneys Ordinance 1979 requires the Administration of Norfolk Island to adopt for each business undertaking accounting principles generally applied in commercial practise. Accrual accounting principles have been applied in the preparation of these budgets. Let me now, Mr President, highlight some of the main points in this paper. First of all the business enterprise known as Norfolk Telecom. From

revenue expected of \$2.778m up about half a million dollars on last year as a result primarily of the re-arranged operating agreement with Telstra and expected revenue from the impending issue of telephone cards, from that \$2.778m and expenditure expected of \$1.69m a dividend of \$1m is to be paid into the revenue fund in this next financial year. It's a very strong performance from Telecom. Turning to the electricity service there is a slight increase in revenue nudging up to \$1.57m. Expenditure in that area is expected to be \$1.46m and will provide for a small dividend of \$80,000 to be paid from the electricity service into the revenue fund. Now Mr President, with the question of future generation needs still to be resolved it is proposed to cease dividend payments from the electricity service to the revenue fund for a year or two to allow healthier cash reserve to build up in order to make the eventual capital purchases needed to take the electricity needs of the Island into the next decade. Turning to lighterage service, the liquor service and the postal services, the three business enterprises there, in each of them there is a better forecasted performance expected - both income and profit are expected to exceed the levels of 1993/94. The postal service in particular will benefit by the recent agreement by Australia Post to pay the mail imbalance costs expected to be a minimum of \$100,000 per year and also the cost of lighterage on incoming mail up until the 1st July last year, lighterage costs for mail despatched to Norfolk Island by Australia Post was met inadvertently by our own postal service. That's now being corrected. Turning to the Water Assurance Fund. This business enterprise continues to grow as more and more reticulation and connections are carried out. Some \$90,000 of capital expenditure is planned during this next financial year including the balance of the Middlegate Subdivision and Queen Elizabeth Avenue lines, and some \$30,000 has been allocated to the construction of waste water settling ponds and this will commence the sludge and waste water re-usage project that's been around for a year or so. Finally, to the Airport, the workers compensation scheme and the healthcare fund. There's little change in the performance from 1993/94 and nothing spectacular to report. In conclusion Mr President, the government business enterprises are in good shape and continue to generate profits to allow increasing dividends to be paid to the revenue fund. Looking at the expected group performance over this coming year we are expecting to pay a total of \$2.57m into the revenue fund by way of dividends and management fees and expect to have left in the various business enterprise bank accounts at the end of the year approximately \$2.37m

MR KING: Mr President thank you very much. At an appropriate time I think I would like to move the adjournment of the debate. I can't recall whether it was yesterday or the day before that I received a final draft of the undertakings budgets but whichever it was I have to confess that I haven't had a look at it and I would like that opportunity in the coming month. That's all I have to say at the moment

MR PRESIDENT: Thank you. Any other participation

MR BATES: Thank you. I would support that adjournment because it was my understanding that Mr Bennett was going to informally discuss changes he had made to the original bids for these undertakings with the Members and I don't recall discussions having taken place. I think the draft that's been tabled for us today is mostly for the work of the Minister and I think there are aspects in those that are of interest to other members and I would certainly support the adjournment

MR CHRISTIAN: Thank you Mr President. I too would support the thoughts of Mr King and Mr Bates. In particular with regard to the electricity undertaking and I'll be listing the matter for consideration at a future meeting of MLA's that I consider that it's now high time that we reconsider the policy of only providing electricity to new areas where there are ten or more new consumers. It has been brought to my attention in the last few days that there are a number of people who are experiencing difficulty in getting access to the Norfolk Island Electricity

grid through various reasons and for those reasons I think it is time that we now re-examine that policy with a view to providing this basic essential need to everybody on Norfolk Island who requires it and if it is not possible to do that, at least we enter into meaningful discussions with these people who have indicated that they are quite willing to share the cost of extending the services to their properties and I don't think we should ignore that. And with a view to the changing of that policy it may well have some impact on the capital works side of the electricity undertakings so I too would welcome the adjournment of the debate on this until we can further consider it

MR BENNETT: Thank you Mr President. I'm quite happy to have the matter adjourned. I acknowledge Mr Bates remarks about my intention to talk to members about them. It was scheduled to be discussed at Monday's MLA'S Meeting but with some other hiccups in the system I got them on Tuesday so there's no urgency with it, I'm very happy to have the motion adjourned and discussed informally and then more formally when we meet in August

MR PRESIDENT: Fine. Somebody foreshadowed an adjournment of this matter. Mr King

MR KING: I so move

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

QUESTION PUT  
AGREED

The ayes have it. That matter is so adjourned thank you. Any further papers for this morning?

MR KING: Mr President I present the tourist arrival figures for June 1994 and move that the Paper be noted

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

MR KING: Thank you. Mr President I'm again pleased to report an increase in June of 24.2% over June of the previous year 1993 and although not reflected in this Paper, members may be interested to know how our major markets are performing individually. In Australia our major markets of New South Wales, Victoria and Queensland have recorded increases during June of 31%, 21% and 28% respectively. In New Zealand however, the figures remain on a par with those of June of 1993 and that's a little bit disappointing to me Mr President, after recording fairly significant increases out of New Zealand in the three months ending May and those increases in March, April, May out of New Zealand of 42%, 45% and 32% most of which was directly attributable to the Rotary Conference and the Country Music Festival but nevertheless, beyond those two particular activities there was a healthy increase and we've come back to a par situation in June. I'm not particularly alarmed Mr President but I would like to see a sustained improvement in New Zealand. It is a rather odd market. The June figures overall reflect a sustained regrowth over the period of the last five or six months and during that period we've maintained an average increase of some 20% and in the six months ending in June we've posted 15,100 visitors. It would be wonderful to see that trend continued over the next couple of years but I am certainly not bold enough to make any promises in that regard. They do in fact, although Mr President auger well for this financial year and certainly in the medium term with the increased promotional dollars that we've allocated, some increase of 30-33% and we've happily, a full professional team now attached to the Bureau I remain very confident for the short and medium term future of the industry

MR BATES: Thank you Mr President. As a newly appointed member of the Bureau I'm quickly becoming aware of the efforts made by members of the Bureau and particularly retiring members of the previous Bureau who played a major part in obtaining the welcome improvements in tourist numbers reported by the Minister during recent months. Their efforts should not go unapplauded and I take this opportunity to acknowledge their involvement. This week our Australian representative Mr Bob Doyle, and our New Zealand representative Mr Bryce Henderson, visited the Island and had talks with our Minister, Mr King, with Les Garraway our new Bureau Manager and also with the new members of the Bureau. These talks were positive and co-incided with the visit of a group from the travel industry in Singapore and also representatives from Ansett. Such activities can only be regarded as encouraging and hopefully this upward trend can continue. Thank you Mr President

MR PRESIDENT: Thank you. Further participation? The question before us is that the paper be noted? I assume that that was your earlier motion Mr King. Yes, thank you

QUESTION PUT  
AGREED

The ayes have it. Thank you. Further papers this morning?

MR KING: Mr President pursuant to section 41 of the Interpretation Ordinance 1979 I lay on the table of the House the Road Traffic Fees Amendment Regulations 1994 and the Norfolk Island Government Tourist Bureau Amendment Regulations 1994.

MR PRESIDENT: Thank you. Further papers this morning? No further papers, we have concluded

#### **Statements of an Official Nature**

Any official Statements this morning

MR KING: Thank you Mr President. I wish to make a Statement in relation to Tourist Accommodation in Norfolk Island. In recent times I've received an increased number of complaints about the conduct of some accommodation houses in the Island. Those complaints have ranged from concerns about cleanliness, the concerns about service, to complaints that some proprietors have been accommodating visitors in unregistered units. Mr President, I'm certainly very disappointed about these practises, practices which in my view amount to misconduct and which offend against the tourist accommodation legislation. The practice of accommodating visitors in unregistered accommodation is grossly unfair and unacceptable. It is not fair to those in the industry who have vacant registered accommodation, it is not fair to the many people in the community who have been waiting in vain to build their own units and join the industry nor Mr President is it fair to the visitor who expects accommodation of a certain standard and finds himself or herself in a place of inferior quality. Mr President the law's relating to the tourist accommodation industry create offences for these practices and impose significant penalties. It is my view particularly since accommodation proprietors operate in a government protected area, that the requirements of the law must be observed and if they are not that those offending must be dealt with under the law. I intend Mr President to increase the level of industry monitoring, inspectors will call more frequently and without notice. The practice of NRMA grading officers giving prior notice of their inspections will cease and it can be expected that units other than those nominated by the proprietors will be inspected. I'm hopeful Mr President that these measures will result in

considerable improvement in the industry and a substantial reduction in the number of complaints and that of course would only be in the best interests of the entire community and the economy of the Island

**Leave to make a personal Statement**

MR PRESIDENT: Thank you. Further Statements this morning. No further official Statements? Mrs Anderson you sought Leave to make a personal Statement. Leave is Granted.

MRS ANDERSON: Thank you Mr President. Mr President I wish to make this Statement to reassure the many voters who expressed confidence in me at the recent election. Because I received the fifth highest number of votes and you Mr President had advised that you were not willing to take a ministerial position, it was generally assumed that I would accept a ministerial portfolio, having undertaken to do so in my pre-election statements. Because many of my supporters have queried why I did not do so I should like to clarify the situation. At our initial meetings the majority of newly elected members decided that the number of Ministers should be limited to four. A secret ballot was held between Mr Christian and myself. Mr Christian was declared the winner and became the fourth Minister. Should the occasion arise at some future date, I would be more than willing to accept a ministerial position. Thank you Mr President.

MR PRESIDENT: Thank you Mrs Anderson

**Messages from the Office of the Administrator**

I have to report Message No 73 from the Office of the Administrator. On the 30th June 1994 pursuant to section 21 of the Norfolk Island Act 1979 I declared my assent to the Appropriation Act 1994-95 which was Act No 14 of 1994; the Postal Services Charges Amendment Act 1994, Act No 15 of 1994; and the Healthcare Referral Amendment Act 1994, which is Act No 16 of 1994 dated the 1st July 1994, Alan Kerr, Administrator

**Report on Standing and Select Committees**

Are there any Reports?

MRS ANDERSON: Thank you Mr President. Mr President, for the benefit of our listeners I would like to make a short statement on the Select Committee's activities to date in respect of its enquires on electoral and constitutional matters. To date the Committee has received six written submissions and whilst initially written submissions were requested by the 30th June the Committee is happy to continue to accept further submissions until the public hearings have concluded, possibly towards the end of August. Mr President, I would like to take this opportunity to remind listeners that the first public hearing will be held each Wednesday commencing on the 27th July in the Assembly Chamber between 2 and 4.30 pm and appointments can be made by phoning Ms Robin Graham on phone 22003 and finally Mr President on behalf of the Committee, may I again re-emphasise how important it is for members of the Norfolk Island Community to put forward their thoughts on these important electoral and constitutional matters, thank you Mr President

**NOTICES**

Thank you. Members we are at the stage of looking at Notices on our Notice Paper.

**NO 1 - THE IMMIGRATION ACT 1980 - VARIATION OF GENERAL ENTRY PERMIT QUOTAS**

MR KING: Mr President, I move that for the purposes of Section 21 of the Immigration Act 1980 this House resolves that the number of General Entry Permits fixed by instrument on the 22nd December 1993 to be granted during the period of 9 February 1994 and 8 February 1995 be increased by 24. Mr President, in December of 1993 this House established a population policy to the effect that we should for a period of two years or unless reviewed earlier by this House pursue a target growth of 2% in our permanent population. Following agreement of that policy I moved successfully, and this House endorsed the establishment of a quota of 25 persons for that period of one year commencing on the 9th February this year and during the course of that debate I mentioned to the House that the number 25 which was earlier set amounted to a 1% increase and that I undertook on that occasion to address the matter of quota again at this sitting to have effect from August through the 2nd six months of that twelve month period. Mr President this motion although as wordy as it is, effectively increases the quota of 25 set earlier in this year, to 49 for the entire year. This of course will raise questions in peoples minds as to how that figure was arrived at when our permanent population levels in the order of 1530 and one would naturally assume that the quota would be no greater than around 30-31 persons in a year, why is it then that we have arrived at a total yearly figure of 49. As I went to great lengths to explain in December Mr President we regretfully are losing our permanent population. Without a mechanism such as this, and an objective policy such as the permanent populations policy we would in fact be going backwards so it effectively means that it has been assessed that we would have had a decline in our permanent population of somewhere in the order of 18 persons or so had we not pursued a quota of 25+24 on this occasion, 49 for the year. It is very difficult from month to month to determine what the level of permanent population is in the Island given that people are always off the Island at any one point in time, there's somewhere between 8 and 10% of our permanent population who are ordinarily resident here in the Island, are off the Island for one reason or another. The figures that I have regard to in determining the numbers are the figures generated by the immigration computer which can at any point in time give us the levels of people who are here in the Island. In fact, just to confuse members a little bit further I should point out that the permanent population figure of 1530 odd that we work with here is not in fact entirely correct. The permanent population is probably somewhere more in the order of around 1650 given as I say that a number are off the Island at any one point in time, so just in summary Mr President, this motion is consistent with not only the objective population policy of the Assembly but it is consistent with my undertaking to review the numbers set earlier in the year

MR CHRISTIAN: Thank you Mr President. I support Mr King in bringing forward this motion. I, amongst others expressed a real concern when the one in one out and then the CDD scheme were abolished, and in a sense prevented the free movement of people in and out of Norfolk Island within a stable population. The recent events and the adoption of a 2% growth in population appear to be moving in the direction to overcome the concerns that I had with the scrapping of CDD and the figures produced today by Mr King where the quota will be increased by 24 and his verbal advise to me on an earlier occasion that there only I think somewhere around the order of 7 people on the queue at the moment, leaves vacancies for 17 or something like that, to me provides the mechanism that the taking away of CDD provided and also I think dispels one of the myths that there's a huge queue of people out there waiting to get into Norfolk Island. I think it is good that we can at least see some positive growth in our permanent population. Mr President, whilst supporting that I think we need to go a bit further. I think GEP applicants, wishing to become part of the community of Norfolk Island should be able to display an ability to bring real benefits both social and economic to the community of Norfolk Island and whilst not wishing to steal Mr Bates' thunder of you like, he has suggested on a number of previous occasions that we should implement a points system for rating applications in regard to their suitability to be assimilated into the community of Norfolk Island and I would hope that in the

future this could be incorporated into our policy. I don't intend to say any more at this time Mr President but I commend Mr King for bringing this motion forward

MR BATES: Thank you Mr President. I intend to support the motion simply because we have no mechanism in place and I certainly support the matters raised by Mr Christian. Immigration is a difficult subject and I certainly disagree with the simple number crunching and producing numbers and statistics. I ask myself, who are these people who are going to get these permits and how are they going to benefit the Island and we must really develop a system where these people who are coming in we can see the value that they have to the community and to the economy.

I think my views are well known and I certainly hope that we can get on with changing our policy and improving the situation so that the people who we grant these permits to can readily fit in with the policies of the government and benefit the future

MR ADAMS: Thank you Mr President. As part of an ongoing population policy I support the GEP increase. I think it's important to have flexibility in our population and to have at least some increase in our overall numbers. However, my main concern is about our population direction as it is, operating in isolation from any comprehensive economic policy. I think the two policies of economics and population are directly related, with economic policy the ranking member of the two. To operate population policy in the absence of any economic policy is putting the cart before the horse. I think we need firm and stated economic goals and direction for our community to work towards. Goals which encompass all of the future requirements of our community and once these directions are established then dovetail the population policy and its numbers, quota as in this case before us, to suit the requirements of this policy. The surprising factor, as mentioned by Mr Christian is now emerging is that people are not flocking in to fill quota spots, people simply do not wish to come to Norfolk for a longer term in the same numbers as they previously used to. I think that again the reasons for reduced GEP applicants are directly connected to the economy and therefore the underlying reasons for lack of applicants should be examined. Consider the scenario that the prospective business buyer is facing. On top of purchase price of the business, 10% import duty which is in effective a provisional tax because you pay your tax before you receive an income on that item, \$250 per cubic metre of freight which by the time it reaches your door is \$290 per cubic, 1% FIL on money deposited at the bank. This figure can possibly grow to a higher percentage when turned over on a frequent basis, this is on top, as I said, purchase price and relocation costs. Then look to the business selling market, there are two avenues. One is a local one, the market has a reduced disposable income due to our recessed economy and ever increasing government taxes, taxes which apparently do not have to be raised for the recent budget where there were only claytons tax increases in April or was it the recession we had to have. The tourist market - reduced disposable income caused by reduced inflation resulting in lower interest payments. This hit hardest in the 55 and up age bracket, our largest tourist bracket. The cheap package tourist is also not a major contributor having spent most of their total Norfolk expenditure offshore. Not a particularly inviting scenario I must add for a business GEP applicant. Similarly, the scenario for locals who would like to make a transition from merely paying bills and trying to make ends meet to a position where they can be involved in an economy which offers them a more rewarding career or business future is bleak therefore, again, a weaker economy. Overall our lack of economic direction is giving us a situation where low economic growth, if any, is giving a lack of confidence in our future and this is directly resulting in smaller numbers of people wishing to come to the Island so to continue with a situation of increasing GEP quota, I consider emphasis should be placed on generating economic direction to go hand in hand with an increasing population. As I said, I support the motion, I support the quota increase as an in place policy though in the future I would like us to begin to complete the partnership of economics and population, thank you Mr President

MRS LOZZI CUTHBERTSON: Thank you Mr President. I support Mr King's motion to enlarge the quota for the second half of the year. I have studied the present immigration policy and find that it is much more orderly and better structured than it has been in the past. I would however, like to see a points scheme introduced very much, as suggested by Mr Bates to give us a better understanding of the quality of various prospective immigrants to Norfolk Island and to give us a better control on the intake. Like Mr Adams, I am concerned by the fact that we still have not developed a very effective economic policy. I do not consider developing such an economic policy all that easy, especially in a negative economic situation that prevails in our area. I think it is fair to recognise that our Finance Minister has certainly been working very hard at developing alternative sources of income for the Island and that some of them are just in the process of bearing fruit. It is also extremely difficult for us to have an effective economic policy that promotes and generates growth when so much of our area has been in a recession for such a prolonged period of time, however it should not stop us from working on it and continuing to tackle the problem and hopefully in the next few months we will certainly be going in that direction but in general I certainly support Mr King's motion

MR PRESIDENT: Thank you. Further debate

MRS SAMPSON: Thank you Mr President. I have some problems with the mechanism of this increase as I'm led to believe that the current holders of TEP may convert with suitable qualifications, to GEP and take up these quota spots. This does not appear to alter the status quo as these people are already here with jobs, have housing and they are not offering anything new or increased participation or investment

MRS ANDERSON: Thank you Mr President. I'm happy to support Mr King's motion. I'm very pleased to see that we are now in a position where we have more spots available on the GEP quota than we have candidates to fill them. That does mean that there can be some movement within the business community, those people wishing to sell their businesses now will be able to do so, and it does also give us the opportunity to welcome to Norfolk people who might apply for GEP's who have all the skills and qualification that we desire but who we have had to knock back in the past because there just weren't any slots for them to fill. I commend the motion

MR KING: Thank you Mr President. I'm pleased to see that there is a level of support for the motion. It is particularly pleasing to me to see that the Assembly has established some objectivity in the use of the quota mechanism. For many years there simply was no objectivity in quota calculation. It seems to me from listening to members that one of the major concerns in this area is how these GEP's might be doled out and I am the first to agree that the system could do with a little refining. They will be dealt with in terms of existing policy at the moment but members will also be aware that I've undertaken to review the Immigration Act and policy and that process has been set in place I think with a timetable of some four or five months, maybe six months and I am also particularly interested in having a look at a points system of evaluation. It is easier said than done I might add, but nevertheless I have asked for some preliminary work to be done on that and we can at least have a look at an outline of the scheme. I agree with Mr Adams, that immigration policy ought to be linked to economic policy. Regretfully we simply haven't been sophisticated enough to do that. We don't have a system of economic monitoring in place. We don't have a register of leading economic indicators to assess and therefore the government doesn't make economic statements as such. I think probably we ought to. I think not only immigration, but a whole host of other areas can and should be linked to economic statements, so I do agree with that in essence but in the meantime we have to have some immigration policy. I think it's a good policy. I'm not quite sure that people

aren't coming here simply for the reasons that Mr Adams expressed although it would play some part in their thinking but I can assure Mr Adams's that if we didn't have the policy that we have now and we simply threw it away, that we would be beating them back with sticks. Norfolk Island remains a very strong attraction to a lot of people. It is true, as Mrs Sampson mentioned, that part of the quota will undoubtedly be taken up by those people who are already here in the Island holding temporary entry permits. Socially that's a desirable objective. I'm not sure that anyone around here would simply want to confine the benefits of a GEP solely to the business sector. It is good to have a mix of younger people but I do not accept that it will make no difference, for these reasons that once people have more secure status in the Island then they are more likely than to invest their moneys in buying land, building houses, propagating the species, the general range of expenditure or investment that comes with more secure tenure, so it is that difference which is significant in the TEP person making that jump to permanent status in the Island. Thank you Mr President. I don't think I have anything more to add to that any I would be happy to see the question put if members have exhausted their debate

MR PRESIDENT: Any further debate? No further debate. The question is that the motion be agreed to

QUESTION PUT  
AGREED

The ayes have it thank you

NO 2 - EXPENDITURE REVIEW COMMITTEE - ENDORSEMENT OF THE REPORT DATED 26TH APRIL 1994

MR BENNETT: Mr President, I move that the Legislative Assembly -

- (a) notes the Report of the Expenditure Review Committee dated 26th April 1994
- (b) endorses the recommendations for savings and improved efficiency in the public service contained therein; and
- (c) commends the Committee for its continuing work.

Mr President this document was circulated to all MLA's on the 2nd May under a Memorandum which sought from them notice of any concerns that they might have had in the absence of that, I had wished to more formally deal with the report from the Expenditure Review Committee which is referred to in the motion. I have taken this option and this opportunity of doing it today. The Expenditure Review Committee was formed in December and it had a number of strategies, none the least being to investigate instances where changes in structure, work practices, the configuration of staffing, purchasing, contracting or accounting will result in more effective and less costly operations and programmes. Obviously when you turn your mind to it, there are a whole host of issues that could come before the Expenditure Review Committee and if they all came to the Committee you would find the Committee would be working day in day out and really have no end. There are enormous numbers of issues to be looked at and probably insufficient time and resources to deal with them all as quickly as we would like. The Committee concentrated first on a range of matters that were raised during the 1993/94 budget session and these were considered in detail by the Committee. Those and others are listed in this ten page document and there are nineteen sub parts to it which talk about the particular issues considered by the committee and the recommendations therefrom. Mr President it represents a modest start for the Expenditure Review Committee but the members should be aware that there are now some more major issues before them, such matters as the rationalisation of vehicles, the improvement in the stores

arrangement and the large question of ground maintenance and I feel certain that once the Committee has dealt with those rather more difficult issues then it will project itself to a momentum that will deal quite adequately with any other large issues that are brought before it. I don't intend to read the report but I do want to make some quick comments about each of the nineteen recommendations that are in there, particularly for the reason that some of them have already been put into place. There was no sense in delaying the implementation of some of these recommendations if there was no policy, legislation or regulation required by either an executive or the House to deal with. Many of them were fairly routine as you will note and as I said earlier, quite a number of them are already under way or have been adopted. For example the Expenditure Review Committee looked at the question of higher duties and special duties allowances and sought some changes to the way that these were being handled. For example, to make them not automatic to have them with a sunset clause in etc, etc. I can say to members that that now has been adopted by the Public Service Board. The second item was the information needs and the preparation of a strategic plan for the development of the electronic data processing capabilities within the Administration. Now that's a very important programme and I am pleased to say that that also is under way and funds were budgeted to allow them to take the initial steps. The third item was the cleaning contracts, and whilst there is no riveting recommendation arising from it the Committee at least did discuss a couple of aspects of the cleaning contracts for the Administration. For example whether contracts ought to be awarded for a longer term, say three years, or whether a combined contract for all the cleaning ought to be issued to one contractor. Now the cleaning contracts have been dealt with in a traditional way for a long time but the ERC will continue to monitor better and more effective ways of dealing with cleaning contracts. The fourth item is the cost of Administration support to hospital and tourist bureau operations. Now the Committee had no specific instances in mind but merely noted that there are, and ought to be ongoing reviews of all instances where the statutory authorities use services supplied by the Administration and to make sure that these services are met by payment by the statutory authority to the Administration. The ERC Committee looked and talked for a little while about the Tourist Bureau operation from the direction of whether the tourist operation and funding ought to be totally in the private sector and that it have no government subsidy at all, but raises it own funds. Very controversial but it was a very interesting discussion.

The Committee however made no recommendation in that respect. The Committee also dealt or discussed the localisation of salaries and other costs and I am pleased to hear from Mrs Lozzi Cuthbertson that in respect to education that question is well under way. In respect of the police I'm not certain but the Committee has made certain recommendations in respect of pursuing that. The Committee also addressed the question of commercialisation of the radio station. At the time that that came before the Committee and indeed at the time it came before the MLA's in the budget session about a year ago, there were proposals before the executive member from people in the community who wished to buy or take over or operate the radio station. I understand that since that time those proposals have been withdrawn or are not being pursued but nonetheless the Committee looked at the possibility of converting the Broadcasting Service from a completely public enterprise, unsupported by financial contribution from the private sector as a means of effecting moderate cost savings in the medium to long term. Again its a controversial issue, it touches on commercialisation and the rest of it. It would be a very interesting little project for the executive member to get her teeth into if she so wishes. Item 7 was about the county tractor and that hasn't been concluded. Item 8 was the matter of photocopies and it doesn't really end with photocopies. There is a view that we ought to study the needs for a particular type of equipment such as photocopiers and fax machines and the like to ensure that the whole of the Administration is sharing resources to the best opportunity and whether brands and sizes can be rationalised to advantage rather than having six or seven different brands of a piece of equipment, standardise it to one and a couple of varying sizes, makes it easier for servicing and parts and the like. The ninth

item was the question of overtime policy and the time of in lieu provision. The Committee noted that there were some difficulties about the decision that had been taken earlier from the standpoint that in some circumstances employees had been accumulating massive amounts of time of in lieu and that was going to be counter productive to the objective when it came time to take that leave and there was need to replace that person on leave by another body, it was that spinoff that came out of a decision that had been taken a year or so ago in relation to overtime and the second item was that in some instances the original decision to restrict overtime failed to take into account that some of the sections of the Administration where overtime is almost a prerequisite, that it cannot be avoided for if the measures that were first taken avoid or reduce overtime in fact cost more because of - in the case of the power house - the operating cost of the machine and the fuel it used outweighed the overtime payments. I have mentioned centralised store keeping and purchasing and that issue is underway, the Committee thought that it was a very worthwhile project, a fairly large one that is underway and it is expected that within sixty days hopefully we will have a report about a centralised store keeping arrangement. The Committee also looked at whether tenders or expressions of interest should be called every couple of years or so for the supply of high usage stationary items and other goods are purchased through the Government Stores or other places, if there are some people in the community who would like the opportunity of bidding against the Government Store prices and other sources of supply for high usage items I think that's worthwhile. The staff training programme was looked at and I'm pleased to say that that is underway. Funds were provided in this current budget and item 13, vehicle rationalisation plant I referred to earlier, that study is underway and we also expect a report in about sixty days time on that matter. The 14th item is in relation to the Norfolk Island Emergency Service and the question of amalgamating the fire services or the amalgamation stage is nearing completion. There is still a need to address some of the overtime and penalty payments that apply and to look at the rosters to make sure that we can provide as wide a possible coverage of the Rescue and Fire Fighting Services at the Airport and to give the maximum kind of service to the community. Mr President, just a couple of the other items that I wanted to touch on, there was a question of whether funds set up by an Executive Member or whatever that contained public funds ought to be set up under the Heads of Trust Fund Provision of the Public Moneys Ordinance and one of the funds that we looked at was the Youth Sports Fund Trust but not in isolation from other funds that are set up where the control is outside of the Public Moneys Ordinance. It wasn't a big issue, it was brought up for discussion and I would hope that the Executive Members respective ones take note of the recommendations and give some thought to them. The last item I want to make reference to is the communication plan and the purpose of this plan is to devise a co-ordinated approach to the various type of communications used throughout the Administration. The Committee saw such a plan as being of benefit in the identification and elimination of costly duplications and delays in the communication process and supports the continuation of the project. That project is underway I'm happy to say. Mr President after that long winded opening I commend the motion

MR PRESIDENT: Thank you Mr President. Do you intend to table a copy of that document Mr Bennett. Thank you

MRS LOZZI-CUTHBERTSON: Thank you Mr President. By and large I support the ERC's first report. I have serious concerns however with regard to the recommendations on cleaning contracts. By and large I see no problem with awarding contracts for periods of three years rather than one year however, I do not believe that there would be any benefit at all if we would try to find one main contractor who would then subcontract the work to other people. Even a cursory study of the successful tenderers for the last few years indicates that in fact the cleaning costs are not going up they are being maintained at a very reasonable level by natural competition but if we did in fact try to introduce a main contractor into the

transaction, that person, he or she would have to deduct some sort of a fee for their own co-ordinating and supervisory role which would mean that the people actually subcontracting the cleaning would earn less if the fees did not go up in total and just by simple mathematics it is fairly clear that contract cleaners are not making a great deal of money for the work they carry out. On the other hand we are lucky to have fewer large scale contractors bidding for the cleaning work so that in time the competition for this kind of work would diminish and inevitably I think we would find that the cost to the Administration for contracting cleaning work would also increase. Therefore I strongly recommend that before any thought of changing the present system of contracting in small sizes the cleaning work is reconsidered and that really serious thought be given to just how much competition there would be if the work was subcontracted to a main person rather than to a number of different people, otherwise I support the recommendations of the ERC and find them very thoughtful and I think they've done very good work in looking fairly broadly across the spectrum of the Administration's expenditure. I'm sure that probably as they continue to work they will find other areas in which we could make savings and I particularly support recommendation 10, the centralised store keeping and purchasing and recommendation 13 on the rationalisation of vehicles and plant usage. They make very good economic sense and hope that we'll see those two recommendations being put into full implementation as quickly as possible

MRS SAMPSON: Thank you Mr President. I particularly noted the item 18 which is the Forestry review. I would like to have some input into this particular item, particularly with regards to the nursery operations. I know that the Forester from Christmas Island was here for some weeks and prepared a study on the operation of the Government, and when I say that I mean the combined nursery and perhaps the Expenditure Review Committee could liaise with ANCA and find out if the Forester from Christmas Island has put in his report on the ways and means in which the efficiency of the Government nursery could be done thank you

MR BENNETT: Mr President could I just make a comment to both Mrs Cuthbertson and Mrs Sampson. The recommendation about the cleaning contract is not a decision that we go this way it is a review about the method of doing it and as I mentioned there were two approaches to it - well there really are three, the status quo, awarding contracts for a longer term or to look at single contracts. Now the review would certainly address those concerns that you've mentioned. Turning to the comment Mrs Sampson made, I did actually overlook talking about the Forestry Review but my understanding is that that is underway and I note your comments about the nursery and would suggest that you get in touch with the Community Services Manager who I understand is marshalling the resources for the review and to have your thoughts made known to him

MR KING: Just briefly Mr President. I wonder whether in endorsing the recommendations contained in this document that we are establishing policy in respect of each of the recommendations. Will it be a natural follow on that these recommendations are now implemented with the thought in mind that that is what the Assembly wants to have happen. I'm not quite sure that that's what I would want to do. I think the ERC does an important job and certainly I commend it in its continuing work but Mr Bennett may perhaps like to ease my mind on that particular point. I'm reasonably happy with most of the recommendations that have been expressed in here, although I'm not quite sure that each of them have been given as much thought - well I'm not quite sure that I would like to sit here now and endorse these if that endorsement is understood to be an expression of policy, an expression of direction

MR BENNETT: Mr President I'll allay Mr King's fears. It certainly is not intended that it be policy. If you can accept that some of these recommendations are already in place, for example, dealing with the first item, higher duties and special duties allowance, that's really a matter for the Public Service Board in

any case and the concern about it was raised during the budget session and the Chief Administrative Officer who took notes during that budget session has taken the issue beyond the MLA's and has got that fixed up. I don't think it's appropriate for us to be making policy in that particular area. We could indicate that we might not like what is going on in respect of HDA and SDA but most of the others are actually calling for some further review or a report to come to us. Very few of them have definitively said "Thou shalt do this". Just taking No 8, Photocopies, the idea of using more standardized equipment makes sense, it doesn't necessarily mean that it will be a policy, it just means that somebody should have a look at the standardisation of some of this equipment rather than continuing the ad hoc way we go about buying machines now. Some of the other issued that have been past this forum, Staff Training Programme has been past this forum and it hinged on funding - that funding was supplied in the budget. There are a number of them that require, for example, vehicle rationalisation stores and the ground maintenance that require a much more detailed report to come to the Committee before they give it further consideration and in respect of those three major items will definately have to come to the Assembly anyway. They are fairly major issues.

I had not thought that there was anything of any great substance in here that would have brought any figure to the mind of Mr King but I'm happy if he has a concern, to have it adjourned and let him have more time to think about it. The fact that it hasn't got the formal approval by resolution of the House will not preclude the Chief Administrative Officer for example from dealing with matters in the Public Service for he will continue as Chief Administrative Officer to do that.

I'm happy either way

MRS LOZZI CUTHBERTSON: Would it be simpler to simply note the report Mr President

MR CHRISTIAN: Mr President I don't think there is any need to change the words of the motion, I don't think there is any need to adjourn it for another day, I think clearly what the ERC does is to highlight some areas of activities carried out by the Administration that may need a change of policy, however at the end of the day when the policy is reviewed by Administration people sitting around this table there may be changes made or the status quo may remain. I don't think it binds us in any way and I would be happy for us to deal with it today and move on to the next one

MR PRESIDENT: Thank you. Further debate Honourable Members. No further debate? Then we are at the stage of putting the question. The question is that the motion be agreed to

QUESTION PUT  
AGREED

The ayes have it thank you

### **NO 3 - DEPARTURE FEE AMENDMENT NO 2 BILL 1994**

MR BENNETT: Mr President I present the Departure Fee Amendment No 2 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 BENNETT: Mr President this Bill has only one purpose and that is to remove certain exemptions from payment of the Departure Fee. At present Public Servants employed by the Administration, the Commonwealth, or an Australian State or Territory are exempt from paying the fee if the purpose of their leaving Norfolk Island is exclusively for purposes connected with their employment. I have for some time been unhappy about the use of this exemption in that the onus for verifying travel appears to fall to persons other than the traveller for example,

the Chief Administrative Officer or the Administrator. I'm also concerned that officers may be entitled to claim an exemption if they for example, are undertaking work for the Administration abroad but are also taking the opportunity for a few days leave. Now in my view such travel is not exclusively concerned with their employment and no exemption from payment of a Departure Fee should be granted. Public Servants and others undertaking travel away from Norfolk Island on official business will be able to present evidence of their Departure Fee Stamp for reimbursement of the \$25.00 fee and they will be then obliged to convince their employer of the bona fide of their travel. This legislation is in a similar vein to the recent act which removed free mail privileges from the Norfolk Island Administration and other government agencies and I guess it centres on the premise that exemptions generally from government fees, levies and charges should generally be sparingly granted. It will ensure that all persons travelling away from Norfolk Island whether privately employed or public servants will be liable to pay the Departure Fee. The other exemptions that are currently still in the Act which relate for example to children under 16 years of age, full time students aged between 16 and 25 years, air crews in transit for not more than 24 hours or persons subject to medical evacuation or accompanying such a person remain unaffected by this Bill. Before commending the Bill to the House I'll just turn to the Bill in particular, it's a very short Bill, there are three sections in it, title, the commencement which will be a date to be fixed by the Administrator and lastly section three which is the change that this Bill proposes and it simply proposes to omit paragraph c and d from the existing Act and if you've got the Act in front on you you will see that it is a fairly simple excision of two sections of it. I commend the Bill

MR PRESIDENT: Participation? No further participation? Mr Bennett, maybe a motion which adjourns

MR BENNETT: Mr President I move that debate be adjourned and resumption of debate be made an Order of the Day for the next Sitting

MR PRESIDENT: Thank you. The question is that debate be adjourned and made an Order of the Day for the next day of Sitting

QUESTION PUT  
AGREED

#### **ORDERS OF THE DAY**

We are now at Orders of the Day

#### **NO 1 - FINANCIAL INSTITUTIONS LEVY AMENDMENT BILL 1994**

We are resuming debate on the question that that Bill be agreed to in principle and Mr Bennett you have the call in this matter

MR BENNETT: Mr President, as I outlined last meeting the purpose of this Bill is to include certain financial transactions as transactions subject to FIL and to achieve that, regulations be made to prescribe those transactions. The Bill that we addressed at the last sitting specifically proposed to exclude credit card accounts from falling into the category of loan accounts so that some deposits in the credit card accounts will be transactions subject to FIL. The Bill also provided for audit provisions, restricting any audit to the sole purpose of determining that a trust account is kept in accordance with the FIL Act and that the examining auditor is required under the Bill to give the executive member a certificate of compliance with the FIL Act and in relation to that, particulars of any transaction which did not apply. As I outlined at the time, the Bill or the principle legislation is tidied up and some of the unintended loopholes that

appeared are being closed. Mr President in the course of the two or three weeks that have passed since the Bill was put on the table there has been a bit of representation from Members of the Community and some further advice from the Registrar of Companies which resulted in another minor amendment that was put in Members boxes yesterday. I'll refer to that in particular in a moment but the purpose of it really was to make it clear beyond doubt of what the intentions in respect to credit cards were and on advice the Legislative Draftsperson has made a recommended change that is omitting clauses three and four from the amending piece of legislation I tabled last time and substituting those with a more clearer explanation of what it's all about. Those amendments that you got yesterday will be dealt with in the detail stage but I just thought I would make mention that they would go a long way to simplifying the understanding of the amendment that I put before the House at the last meeting. Mr President, in addition to that I've had some representation from people in the community about my use of the words double dipping and in fact I used those if Members recall, in response to a question from Mrs Anderson which asked me to confirm whether a bankcard account is paid by cheque and a Norfolk Island Bankcard using money on which FIL has already been assessed, that FIL will not be levied a second time on the same account, and I responded by saying, no there would not be any double dipping in that respect. The comments from Members of the community have widened that somewhat and in one case it was suggested that on a credit card account where currently the bank levies a .06% FID levy from New South Wales on it that by imposing 1% FIL on it is double dipping and in fact that was not related to my answer, or my explanation about double dipping. I mean, those situations will occur and there's little that I can do about them other than to perhaps make representation to the New South Wales Government that they don't levy FID on credits or debits to credit cards if that credit or debit is made in Norfolk Island but that's a separate issue. I hope that I haven't confused the issue by adding that Mr President but I thought I should for the benefit of those many people who have rung me, make mention of it

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

QUESTION PUT  
AGREED

The ayes have it. We move to the detail stage. Mr Bennett you wanted to move a group of amendments together

MR BENNETT: Yes Mr President. I want to move that the amendments contained in the document entitled "Detail Stage Amendment" dated 19 July 1994

MR PRESIDENT: Yes. You are moving that as an amendment at this stage. Is there any discussion upon it

MR BENNETT: Mr President, if I could just for the last time explain to Members what that is so that we don't have any fears about that. In the Bill that I put before the House on the 29th June dated 24th June, sections 3 and 4 in that are wiped out and replaced by two new sections entitled "Interpretation" in 3 and "Loan Accounts" in 4 and as I mentioned earlier they very much simplify the issue, and they state fairly clearly what the objective is

MR PRESIDENT: Any further debate in respect of the amendments, because I'll put those to you if you feel you've concluded your consideration of it. Are the amendments agreed Honourable Members

QUESTION PUT  
AGREED

Do you now wish to agree the balance of the Bill, we are at the detail stage if you remember. Is the balance of the Bill agreed?

QUESTION PUT  
AGREED

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

MR PRESIDENT: Thank you. Any final discussion? Then I will put that final motion. The question is that the Bill as amended be agreed to

QUESTION PUT  
AGREED

The ayes have it thank you. That Bill as amended is agreed

## **NO 2 - DOGS REGISTRATION AMENDMENT BILL 1994**

We are in the detail stage Honourable Members. We have already agreed this Bill in principle. We are at the detail stage on the question that amendments earlier proposed be agreed to. I understand that there will be a proposal to withdraw those amendments and a new set of amendments put forward. We will open our debate at that stage

MRS LOZZI CUTHBERTSON: Thank you Mr President. Yes I do seek leave of the House to withdraw my amendments

MR PRESIDENT: Thank you. Is leave granted? Leave is granted. Those amendments are withdrawn Honourable Members

MRS LOZZI CUTHBERTSON: Okay then. We have a new set of amendments that are to be proposed and Mr Christian you wish to propose those

MR CHRISTIAN: Thank you Mr President. I move that the amendment as circulated be agreed to as a whole

MR PRESIDENT: Thank you. Is there any debate in respect of the new set of amendments

MRS LOZZI CUTHBERTSON: I would like to support the new amendments. They incorporate what I had in mind and in fact makes the Bill much more easy to administer not quite so Draconian in penalties if people breach it but respond in the correct way when they do breach it. It certainly protects dogs much more than they were protected in the past as it restricts the kind of action that can be taken against them by unauthorised people and by and large I think that most people will not find it difficult to comply with

MR CHRISTIAN: Thank you Mr President. This Bill, as Members will be aware, has been before this House and the previous House for quite some time. It seeks among other things to require a dog to be registered and to display a registration tag as proof of registration. There has been a suggestion that the tag could be replaced by a microchip implanted into the dogs ear. This would have given Norfolk Island the distinction of being the home of the worlds only digital dogs. I have decided not to pursue this option. Mr President at the May meeting of the Legislative Assembly some Members expressed concerns about the level of penalties for offences under this Bill. I undertook to consider the matter and also to consider the suggestion that the Bill include an ability for an inspector to issue on the spot infringement notices to the owners of offending dogs. I have now

decided to move the amendment circulated in my name. This amendment follows the usual format when a number of changes are made in that all clauses after clause 1 in the Bill are deleted and the amendment substituted. Members will note that the penalties are higher than that proposed by Mrs Lozzi Cuthbertson in her amendment at the last meeting and suggested by Mr King at the same time. This has been done to ensure a penalty is not so low as to render a court action non cost effective. The penalty proposed is a maximum of \$300 for a keeper who fails to affix an approved tag as soon as practicable after it has been issued and a maximum of \$500 for a keeper of a dog found in a prescribed place. The Bill also provides for a regime of infringement notices. I intend on the passage of the Bill to present regulations to the Administrator for offences under the Ordinance. According to the normal practise the penalties will be discounted if a person pays on an infringement notice and the court will have the discretion to impose a fine up to the full amount if the alleged infringer disputes the notice and the offence is found by the court to be proven. The discounted penalties will be \$30 for the failure to affix a tax to a dog, \$20 for the keeping of an unregistered dog and \$50 for permitting a dog to be in a prescribed place. The amendments to effect an on the spot infringement notice are quite lengthy. In summary, they establish the particulars that must be in the notice and give an infringer fourteen days to pay the prescribed discounted penalty. If an infringer wishes to dispute liability he or she must give the registrar of dogs notice of that decision in fourteen days and the matter may then be referred to the court of petty sessions. An inspector may at any time, withdraw an infringement notice and the registrar must not take further action if the fine is paid. A final notice of non payment is provided for as well as evidentiary provisions. The infringement notice provisions appear complex but I am advised that they equivalent to those applying in other jurisdictions and take into account the principles of due process. Mr President this is the first time that I'm aware of in the history of Norfolk that we have an infringement notice system. It's probably likely that this process will continue into other areas of legislative jurisdiction. I hope that this satisfies the concerns of all members and I commend the amendment to the House.

MR PRESIDENT: Thank you. Further debate? No further debate. Then I will put the question Honourable Members that the amendments be agreed. Are they agreed?

QUESTION PUT  
AGREED

The amendments are agreed Honourable Members. I will now ask you whether the balance of the bill is agreed. Is the balance of the Bill agreed?

QUESTION PUT  
AGREED

We therefore now turn to the final motion which is that the Bill as amended be agreed to

MR CHRISTIAN: Thank you Mr President. I move that the Bill as amended be agreed

MR PRESIDENT: Any final debate. I put that question

QUESTION PUT  
AGREED

The ayes have it thank you. That Bill is agreed

That concludes our Orders of the Day for today Honourable Members

**FIXING OF THE NEXT SITTING DAY**

MR ADAMS: Thank you Mr President. I move that the House at its rising adjourn until Wednesday 17 August 1994 at 10.00 am

MR PRESIDENT: Thank you. That is our normal third Wednesday of the month Honourable Members. Any debate on that? I put the question that that motion be agreed

QUESTION PUT  
AGREED

**ADJOURNMENT**

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

MR PRESIDENT: The question is that the House do now adjourn, is there any adjournment debate

MR ADAMS: Thank you Mr President. Whilst the GEP allocation topic is warm I would like to add a few words on the recent granting of a General Entry Permit to a person who is a leading light in an establishment which is in receivership on the Island. I believe the granting of this permit is the worst outcome of any permit application in a long time. I think this is a very poor example of the type of person the Government of Norfolk Island considers a suitable type of person to reside in our midst in the longer term. We are now saying to whomever that the way to operate when dealing with Norfolk Island authorities is to act in an intimidating manner, to appeal every decision at every turn and to continually threaten is the way to go. This decision sanctions the disgraceful employee abuse conducted by this company ranging from the signing of dodgy contracts for want of a better term to illegal debit from employees pay to being sacked for not referring to our new GEP holder as "Mr". We are now saying to any GEP applicant who is knocked back on grounds that they cannot guarantee employment for five years to please appeal, that somebody working at a managerial level in a receivership outfit can hardly be said to have any security of employment because of the nature of the receivership the creditors can sell the establishment up tomorrow. We are saying that minimum academic qualifications are sufficient to come to Norfolk Island and to have long term employment at a managerial level. I believe this decision has made a mockery of our immigration laws at the very least the intent of our laws is not the letter. This is a decision that will cause this community pain and that is something I regret and it is a decision that I distance myself from

MR CHRISTIAN: Mr President I must request that Mr Adams assure this House that he is not abusing Parliamentary privilege to defame an individual

MR ADAMS: I certainly intend to assure Mr Christian that that is certainly not the intent. It is a general look at an isolated case

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

QUESTION PUT  
AGREED

Therefore Honourable Members this House stands adjourned until Wednesday the 17th August 1994 at 10am in the morning.

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