



**NORFOLK ISLAND LEGISLATIVE ASSEMBLY
12TH NILA HANSARD – 18 NOVEMBER 2009**

PRAYER

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

LEAVE OF ABSENCE FOR MINISTER FOR COMMERCE AND INDUSTRY AND MR IAN ANDERSON

MR GARDNER Thank you Mr Speaker, I seek leave of the House for Mr Chris Magri, Minister for Commerce and Industry and for Mr Ian Anderson

SPEAKER: Honourable Members, is leave granted? Thank you.
Leave is granted?

CONDOLENCES

Honourable Members I call on condolences, are there any condolences this morning? Mr Sheridan

MR SHERIDAN Mr Speaker It is with regret that this House records the passing of long term resident Beverley Maskill-Smith, aged 91 years, on Wednesday 21st October at the Norfolk Island Hospital. Beverley first came to Norfolk Island in 1974 on holiday with her husband Gordon and their friends Billie and Bruce Blows; they loved the island so much that they decided to make Norfolk their home and returned to purchase the ABC Hobby Centre which Gordon managed, whilst Beverley worked in several of the retail outlets in Burnt Pine including World Traders. Beverley was an active "Rotary-Anne" and a volunteer sitter at Government House for Red Cross. Gordon predeceased Beverly in December 1996 and failing health required her to move from her home in Rooty Hill Road to Dar Randa at the Norfolk Island Hospital where she was well cared for and loved until her passing aged 91 years. To Beverley's daughter Bronwyn and grandchildren Justin and Meredith, and to her family and friends this House extends its deepest sympathy. Mr Speaker, may she rest in peace

MR SPEAKER Thank you Mr Sheridan. Honourable Members as a mark of respect to the memory of the deceased, I ask that all members stand in silence please. Thank you Honourable members

PETITIONS

Are there any petitions this morning?.

GIVING OF NOTICES

Are there any notices?

QUESTIONS WITHOUT NOTICE

Are there any questions without notice?

MR SHERIDAN Thank you Mr Speaker I have a question for the Minister for the Environment, Minister with the Waste Management Centre now able to recycle most waste streams, ie aluminium, glass, steel cans, green waste etc, when will the most damaging of the waste streams ie plastics and household waste be able to be disposed of without polluting the oceans around Norfolk Island

MRS JACK Thank you Mr Speaker the Government intends to close operations at Headstone by 2015. that means that the incineration and dumping which currently is out there will have to be moved and I will be covering some of those in my speech that goes along with the proposed increase in the Waste Management levy motion further on. As for the immediate future, I can't see anything happening. We'll continue to burn. The idea of somehow palletizing plastics as happens in other jurisdictions. We don't carry enough tonnage for that process and its also another large machine that we can't carry the cost of so really in talking of how soon will we be recycling or sending away plastics I can't see it happening in the foreseeable future

MR SHERIDAN Thank you Mr Speaker and thank you for that Minister. Minister considering that only burnables should be going to the Headstone tip, when will this facility be brought in to order so that only ashes are dumped into the ocean

MRS JACK Thank you Mr Speaker again, I can't see it happening before 2015

MR SHERIDAN Thank you Mr Speaker a further supplementary question there for the Minister. Minister considering the mess that the Headstone tip is in at the moment, and I believe you would agree that it's quite untidy out there, would you consider other means of disposal until such time as suitable burning facilities are erected at Headstone or elsewhere such as an enclosed cage so that waste does not get blown around whilst the waste is burning

MRS JACK Thank you Mr Speaker the Membership are looking at a larger pit burn facility and in actual fact locating that, as a temporary measure at the Waste Management Centre. There are issues involved in doing that so we also have to keep on looking at, as Mr Sheridan suggests, replacing the case out at the Headstone tip, they are all there and they are all being considered. Funding is also an issue here Mr Speaker

MR SHERIDAN Thank you Mr Speaker a further supplementary question on that issue Minister, is the dumping slide at Headstone safe to use or has the undermining of the area by the slide made it a dangerous environment

MRS JACK Thank you Mr Speaker I understand that, that has been looked at for OH&S issues and that is one reason also why the consideration of further use out there and the consideration of weight factors and possible stopping of large trucks going out there to use the slide. We are aware of the issue and as far as I am aware the Public Service is looking into it as is the OH&S Officer

MR SHERIDAN Thank you Mr Speaker a further supplementary question please Mr Speaker. Minister if that slide is deemed to be unsafe, what would be the repercussions of the disposal of our waste and what would be the intention to make it safe

MRS JACK Thank you Mr Speaker refurbishment of the chute

MR BRENDON CHRISTIAN Thank you Mr Speaker, I have a question for the Chief Minister. Minister is there an increase in the granting of stress leave to employees of the Public Service and if so what is the Minister doing by identifying the cause of this problem

MR NOBBS Thank you Mr Speaker I understand that the in service bulletin has gone out to recognise if there are any such issues to help people to address those stresses within the Public Service. it's not actually a issue that is confined to the Service. What we have found is that in the Workers Compensation Fund it applies to the private sector as well, there are a number of new issues arising as matches Norfolk Island employment in other areas however I'm aware of very few in the Public Service however there is information there to support them as is the mechanisms through the Hospital and the like to address it if there needs that extra specialist attention

MR BRENDON CHRISTIAN Thank you Mr Speaker, a supplementary question if I may. So Minister have you initiated these investigations within the Public Service or do you rely on the Public Service to do it itself

MR NOBBS Thank you Mr Speaker I have physically seen the bulletin that has gone out to help employees if they feel they are under undue stress on mechanisms that are available to them and I think those are principles that we should be using. In terms of ensuring that it's a stress free environment that comes under the areas of responsibility of both the CEO the OH&S areas as well as management

MR SHERIDAN Thank you Mr Speaker a question for the Minister responsible for the airline. Minister can you advise what is the basic cost of a seat on the aircraft necessary to fund the operation of Norfolk Air

MR N CHRISTIAN Thank you Mr Speaker as long as Mr Sheridan won't hold me to the gospel on this, I think the break even fare that the airline needs to achieve in respect of its average fare would be somewhere around the \$240 per sector and I think I've said on a number of occasions that I find it quite frustrating because the difference between losing a substantial sum of money with the airline and breaking even or making a small profit on our current network requires as little as \$15 per sector over and above what we have been getting over the last few months, but immediately we try and increase fares by that \$15 we end up with a measurable decrease in booking numbers so I'm trying to balance the issue at the moment so that we hopefully recover and get our yields upwards as our economy recovers as the economy in Australia improves. One of the other areas of difficulty that we have experienced is this. We co share with Qantas. Qantas is a valuable contributor to tourism in Norfolk Island and they are actually responsible for about 20% of all Australian visitors who come to Norfolk Island but because of Australian law, Qantas and Norfolk Air must treat themselves as competitors and cannot collude in respect of what they sell their respective fares for and at the moment, I am unable to put a floor price below what Qantas sells their fares for so that I can guarantee an amount that will return to Norfolk Air so the way that Norfolk Air's management is trying to get around that at the moment is obviously we try and encourage Qantas to try and lift their fares because we do better if they do better. They tell us that their charging what the market can stand, and its no secret that at the moment you can buy a Qantas fare to Norfolk Island cheaper than you can buy a Norfolk Air fare to Norfolk Island so we're trying to manage that by trading the Qantas side of the aircraft as the loss leader so once the Qantas side is full a consumer or visitor coming to Norfolk Island can only then access a Norfolk Air seat and we are trying to increase our yield from the remaining seats on the aircraft that are in the domain of Norfolk Air. So I hope that's not too convoluted an answer but it's worth also going on to say that I thank Mr Sheridan for the question but we have recently engaged external consultants to review the operations of Norfolk Air to give us some advise and the advise that they have given is that we are probably too eager in going into the market with

discounts because of the very short lead times that in the aviation or airline world today and that we need to set a price of the fare which is reasonable but then not drop our bundle two or three weeks before the date of departure, so in other words, they are telling us to set a price and tough it out. Now there is some risk with that strategy but we have sought that professional advise. They have given it to us, I think I'm duty bound to accept it and try it

MR SHERIDAN Thank you Mr Speaker a supplementary question for the Minister, Minister what will this be as a percentage of seats sold at current prices required to fund the operation of Norfolk Air

MR N CHRISTIAN Thank you Mr Speaker the current yields that we are getting at the moment, we would hope in my personal view, to achieve seat load factors of around 70 to 80% to break even and I think you can look at the numbers that I will give you later today for Norfolk Air for October and think we achieved a 70% seat load factor for that months and I will table those figures later and you can see we deliver a small loss of about \$94000 for the month so we are treading in the right direction but two things need to happen. We need to get our average fare price up and we also hopefully need to sell more seats

MR SHERIDAN Thank you Mr Speaker a further supplementary question for the Minister, Minister what new ideas has the Marketing Manager instigated to try and raise the numbers

MR N CHRISTIAN Thank you Mr Speaker the marketing manager wasn't engaged to actually implement new ideas as such, he was engaged to ensure that the marketing partnerships programme was being coordinated between the Norfolk Island Government Tourist Bureau, Norfolk Air and the participating wholesalers to ensure that advertisements actually appear in the media on the mainland when they were scheduled to appear and there have been some instances and it was nobody's fault, but we go back a few months when Jeff Murdock the CEO of Norfolk Air and Terry Watson as manager of the Norfolk Island Government Tourist Bureau were snowed under with an increasingly heavy workload and they were the two principal guys responsible for coordinating advertising and if you forget to get an ad prepared and lodged with the paper on the mainland well you effectively lose a weeks benefit of advertising so that's the main reason the marketing guy was brought on board and obviously we have a new manager for the Tourist Bureau who comes on board in January of next year and that person may have some ideas which we will sit down and discuss with them

MR BRENDON CHRISTIAN Thank you Mr Speaker, a question for the Chief Minister. Minister is the new policy of converting full time positions to performance based contracts in the Public Service consistent with the Administration's Human Resources Policy which is subordinate legislation established by the Public Sector Management Act

MR NOBBS Thank you Mr Speaker the policy that is in use at the moment is that positions that have become vacant be transferred into contract positions, that is done on the basis of a review of Public Sector structure in line with the efficiency dividends that was part of our budget discussions in this House and in terms of its association with the Human Resources Policy and manual there is provision within there to enable these positions to transfer to contract positions

MR BRENDON CHRISTIAN Thank you Mr Speaker, a further supplementary question, is that not if there is a substantial change to the job position or duty statement within the HR Policy for a position to be changed to a contract position

MR NOBBS Thank you Mr Speaker the wording, and I don't have the policy in front of me at the moment, but I think the wording is if a significant change is likely in that position and in that context, I have taken this up with the Chief Executive Officer of the Public Service to ensure that the methodology that he is using in transferring of positions becoming vacant into performance based contracts is in accord with that reading of the manual and his assurance to me is that on the basis of the two year evaluation of review of structure on commitment that we put on him to regards to giving efficiency dividends that it falls in line with the manual

MR GARDNER Thank you Mr Speaker, if I might, is the Chief Minister satisfied that the changes in the positions are lawful and in accord with the legislation as expressed in Mr Christian's original question

MR NOBBS Thank you Mr Speaker and I will point out that I'll be making a fairly expansive statement on some of these reforms in the Public Service at statement time. I have specifically asked the Chief Executive Officer whether these criteria are addressed in the moving forward of these positions to contract positions, and the very clear view that he has provided back to me is that in the consideration of these positions and the review and the efficiency dividend aspects of moving forward, particularly over the two year time frame, that there is a likely significant change in those areas

SPEAKER Thank you Chief Minister I would just like to make mention of course that the question, and I'm quite sure Mr Gardner will appreciate this, that the question shall not ask for a legal opinion

MR GARDNER Mr Speaker, just in relation to that, is the Chief Minister satisfied that an assessment process as he has explained, is in itself a significant change to the roles and duties of a person appointed in the Public Service

MR NOBBS Thank you Mr Speaker I see it as more than merely an assessment. I see it as part of a review of structure that forms actually part of the engagement contracts from my recollection for the CEO as it has done in the past and to advise the Executive on what may or may not be a better step forward in terms of structure of the Public Service and delivery of those services in terms of efficiency etc so I would just point out that the bulk of this I cover in the statement that I will be making later

MR GARDNER I look forward to the statement but a further supplementary question if I might, is in relation to this question and I'm just wondering if the Chief Minister would be able to explain the difference between a situation such as that which I am about to share with the Chief Minister and that which is occurring with the change of these positions to performance based contracts within the Administration. For example, if during the three year term, of the Legislative Assembly Mr Sheridan thinks at the beginning of the term that I'm an excellent Executive Member and during that term and towards the end of it he decides that he was flawed in his original opinion and he no longer thinks that I am a good Executive Member, there were a course of actions that he could pursue. One of those is obviously to move me from the position. But in his assessment, that does not change one iota my role, my responsibility and my function so how is it possible that this assessment process that he's gone through with the performance based contracts that are being implemented is any different to that scenario

MR NOBBS Thank you Mr Speaker as I said, I'll cover the bulk of these in my statement to the House and we can certainly discuss it further then but as I understand it, in that review process and in the likely significant change area there will be review of criteria that associates itself with the positions as a result of the efficiency dividends that we have required out of the Public Service

MRS JACK Thank you Mr Speaker a further supplementary question to the Chief Minister. Chief Minister you spoke of the review of structure and changes to the service. Will you also be covering those and I'm concerned that you are putting them both together. They are two separate things. Are you dealing with those different aspects in your statement today

MR NOBBS Thank you Mr Speaker yes. In separate context within the statement. Yes

MR SHERIDAN Thank you Mr Speaker a question for the Minister responsible for the airport GBE. Minister I understand that some months ago the floor in the airport terminal was damaged and an insurance claim was lodged for this damage. In part of the claim quotes were utilised from local suppliers to justify the claim. Minister why is it that since insurance monies have been paid out but the work has not been completed even though the suppliers are willing to do the work as per their quotes

MR N CHRISTIAN Thank you Mr Speaker yes the airport terminal did suffer some damage as a result of flooding and we did as I understand it receive an insurance pay out which would allow us to repair the damaged section of the terminal. But the opportunity was also taken to order as part of our normal works programme at the airport sufficient carpet tiles to replace those in the common area of the terminal, that is, the area that is currently covered in vinyl between the departure and arrivals hall, and yes, a contractor at the time who provided a quote on a square metre basis, his assessment was used, for part of the insurance claim, but the job at the airport now is larger than what was originally envisaged and as I understand it, the officers within the Administration who were responsible for having the work executed considered the quote received from the local contractor are in fact excessive and they've entered into negotiations with the contractor with a view to obtaining a more favourable cost of doing the work

MR SHERIDAN Thank you Mr Speaker a question for the Minister responsible for Immigration, Minister is it correct that one of the Administration's GBE's ie the airport has as an employee a person with no Immigration status and has not had for the past two years or so

MR NOBBS Thank you Mr Speaker I will take that question on notice, particularly in regard to section 72 which deals with individuals in the House. I will certainly find out whether we have areas that are operating as such were a person is engaged without any Immigration status

MR SHERIDAN Thank you Mr Speaker I believe the Chief Minister may know exactly where I'm coming from here, and I don't believe it contravenes Standing Orders as I don't name anybody I just ask whether or not there is a person employed in there. A straight yes or no answer would suffice but I'm not sure that the Chief Minister is aware of this problem so I would like to ask him another question, how has this been possible Minister with our stringent Immigration policies and also why hasn't this person been deported as would any normal person without a permit or at the very least stood down from employment until the Immigration status has been clarified

MR NOBBS Thank you Mr Speaker I am aware that the Immigration Officer has been at work on this issue for some time and as far as I'm aware is in the process of finalisation if not finalised already. In terms of how he's managed to stay under the radar for some time, that is also something that we are reviewing and in the context of reviewing, that is also with us to propose some procedural changes for how these matters are handled in the Immigration Section

MR SHERIDAN Thank you Mr Speaker a question for the Minister responsible for the airline. Minister considering the Executives of this House form the Board of Norfolk Air could you advise us as to the regularity of meetings. Does the Board sit regularly, are these meetings minuted and does interest in the operation of Norfolk Air clearly mandated in writing and filed together with clear indications as to how voting is cast on issues

MR N CHRISTIAN Thank you Mr Speaker airline matters are discussed whenever the need arises but more generally they are discussed at meetings of the executives when they occur and they are also discussed when necessary Mr Speaker at Budget Review committee meetings and the Budget Review committee meeting don't keep minutes as such, the minutes are basically formed by the expenditure approvals that are signed off at those particular meetings, but minutes are kept when the Executives meet as executives of the Norfolk Island Government on a regular basis

MR SHERIDAN Thank you Mr Speaker a supplementary question for the Minister, so Minister you are saying that at no time has the board of the airline actually scheduled a meeting, specifically for discussion of airline matters

MR N CHRISTIAN Thank you Mr Speaker yes, I can tell you that Norfolk Air as part of the Administration of Norfolk Island, it is not a company in its own right and when the executives of the Norfolk Island Government meet to discuss any issue, and if that issue happens to be Norfolk Air, the results and deliberations are minuted

MR BRENDON CHRISTIAN Thank you Mr Speaker, question for the Minister for the Environment and Quarantine. Minister what is the status of the current inquiry into the importation of a dog that arrived in Norfolk Island recently with a tick attached to it and subsequently lost its life

MRS JACK Thank you Mr Speaker the unfortunate aspect of that puppy dying was due to a paralysis tick that was missed by AQUIS. My understanding is that AQUIS are dealing with the problem and will be receiving a letter from the owner of the puppy and I understand that there may also be a paper going from the Vet to AQUIS for their information as well

MR BRENDON CHRISTIAN Thank you Mr Speaker, a supplementary question, is the Minister intending to inquire as to why our own Quarantine Service missed this tick

MRS JACK Thank you Mr Speaker I understand that on arrival the papers are the aspect that is checked, and there is no requirement, as I understand it, for a touch inspection of the puppy for want of a better phrase. That is what I imagine the recommendation is that will be coming up through the Public Service that, that sort of aspect of an importation be undertaken. It's alright for a puppy, I'd hate to see it happen on a giant bull, but there are aspects that need to be fixed up and this incident has highlighted it

MR SHERIDAN Thank you Mr Speaker a question for the Minister for Tourism. Minister whilst not wanting to enter into debate on visitor statistics if you intend to table such later in the meeting, but just considering that there were no stats tabled last month, do you consider the target of 29000 visitors this financial year achievable considering the low numbers for the first four months of the financial year

MR GARDNER Thank you Mr Speaker, as far as I am concerned as the Minister my personal view is that in line with the Tourism Strategy the 5 year Tourism Plan it is my strongly held contention that we should be aiming for 40000 visitors to the island in this financial year. If we achieve 29000 we will achieve 29000. Based on the

performance of the first four months of this financial year the indicators are clearly showing that we may struggle to meet 29000 but that does not mean that we will diminish our efforts at all and certainly try to achieve 29000, and ideally I have my sights and I hope that my colleagues around the table and those involved in the industry have their sights on ensuring that we do our very best to comply with our targets as outlined in the Strategic Plan

MR BRENDON CHRISTIAN Thank you Mr Speaker, a question for the Minister for the Environment and the question becomes quite regularly. Minister what are you doing to address the problem with the lack of rock in the quarry for crushed rock product

MRS JACK Thank you Mr Speaker there is no lack of rock in the quarry. There remains approximately 12000 tonne of which we would say 50% would be good rock. What has proved a problem is the ability for the operator to get it out. Our price is what this Government is doing together with the Cascade Cliff Management Board is that the price has maintained the same. What may be increasing is the value adding done by the company to sourcing that product. And that is all I can say with regard to portion 5a

MR BRENDON CHRISTIAN Thank you Mr Speaker, a supplementary question Minister the information of 12000 tonne still available in the quarry, was this figure arrived at by a recent report done by the Public Service or anyone else

MRS JACK Reports undertaken using the Surveyor who does regular checks surveying of the portion 5a, it comes from there and in fact the Cascade Management Board has asked for a further survey of the rock in the quarry to be undertaken and that letter is about to go off and seek that survey to be undertaken

MR SHERIDAN Thank you Mr Speaker a question again for the Minister for the Airline. Minister can the community be confident in your appraisal of the operation of Norfolk Air when again this month the airline made a loss and over the past months you've made comment at every sitting such as "I believe that we are through the worst"; "that should see Norfolk Air return to the plate in delivering an operation profit of between \$500,000 and \$1m"; and "from that point on I anticipate that things will start to improve" and also "until the expected turn around occurs at the end of November 2009". Minister. Are we through the worse, will Norfolk Air deliver any profit this financial year; have things improved and have things turned around as you expected

MR N CHRISTIAN Thank you Mr Speaker. Sure I would like to see the airline make a profit but we continually assess the performance of the airline and we need to understand that the airline is actually the backbone of the entire Norfolk Island economy. Without the airline there would be no shipping service because there would be no requirement to ship anything to Norfolk Island and there would be no Norfolk Island businesses so I've stated on previous occasions that if the community or the Government has to continue to subsidise Norfolk Air's operation until we get some critical mass back into our visitor numbers then my personal belief is that we have no alternative. The assessment that was done recently when we changed our schedules to reduce operating costs going forward for the next twelve months and that schedule I think is in place from memory up until September October next year, would indicate a worst case scenario of a loss for the year of \$2.3m from memory, I don't have the documentation here with me, and a best case scenario of a loss of about \$83000 for the year so that's the target that we are aiming for, for a full years performance of Norfolk Air. I'll just add there, that as to whether we've reached turn around I've consistently said that we expect the November month to be the month when our fortunes start turning and I expect that when the November financial indicators are prepared in early December, hopefully the trend is in the right direction but I've got to say, it's still difficult out there in the world of tourism

MR SHERIDAN Thank you Mr Speaker a question for the Minister for the Environment, Minister will there be follow up spraying for the Argentine Ants this year

MRS JACK Thank you Mr Speaker first off, what is going to be happening is a visit by a couple of the people who were involved from New Zealand coming over from a company called Ant Busters to do an assessment of the areas that were treated. We need to know just the extent of the remaining infestation; the figure of those remaining nests and the kind of baiting programme that we need to address so those are being undertaken, funding has been arranged and that would be happening very shortly my understanding is, in the next month. As for spraying, I wanted to rely on what those comments are on the report and if funding is needed in order to do some spraying I'm going to have to find funding with which to do it

MR SHERIDAN Thank you Mr Speaker a question for the Chief Minister. Chief Minister I note last week in *The Norfolk Islander* an article from yourself in regard to the global financial crisis costing the public finance some \$5m. Chief Minister this is very unnerving for the community because it is in the main the community's money for which the services of the Administration rely upon to pay the community's health service; social service; education etc. Chief Minister the other side of the coin is how much the global financial crisis has cost the community, ie the private enterprise. Could you elaborate on this and give the Government's view on what the cost has been to the private sector

MR NOBBS Thank you Mr Speaker at the outset let me say that what was in that media release is exactly in line or very very closely aligned to the projections that we made after it was realised the impacts of the global financial crisis and their impact on our incoming tourism market in the latter part of last year. We carried out significant review and provided information in this House and to the public on the aspect that we foresaw a 15% reduction in incoming tourism and that was particularly the case of our tourism market as reflected in the superannuates and retirees. From that we extrapolated the figures to provide to the community exactly what we foresaw as the financial impact of revenues and what I've been able to put in the media release is the fact that the 15% reduction in incoming tourism has had a direct effect on our revenues to the tune of 8% reduction of incoming revenues. Now in addressing that we've spelt out many times the mechanisms that we have available to us and some that we don't have available to us and the mechanism available to us are fees and charges, we've reviewed our GST levels, we also cut expenditure and economized in every conceivable way, we created a budget as the Minister for Tourism discussed in his answer to question without notice previously that our budget is based on a fairly conservative 29000 arrivals for this period as well and there was also the sale of assets and many of the mechanisms that were used by other areas affected by the global financial crisis, the difference that Norfolk Island suffers under is that we do not have access to take independent loans out to support us. We do not have access to run huge deficit budgets. As a result we have engaged in much cost cutting and revision of ways that we can increase our revenue I suppose and in amongst the discussions we've had with the Commonwealth has been the then Minister Bob Debus' invitation to us to apply for infrastructure funding, and for stimulus assistance as was available throughout the other areas of Australia. Now those talks have taken a protracted path with very little in the way of outcome although I will recognise that in recent days we did get acknowledgement that the airport the double payment of the loan would be waived in terms of \$1.2m over the next payment and they are very productive things for us in the future but they do not address some of the issues that we have with us at the moment and we have sought further finalisation on what is to take place on financial stimulus available to Norfolk Island through the Commonwealth and we find that proposal through discussions with Finance and Deregulation Officers and as we've made the community and this House aware, also communications between Lindsay Tanner and the Federal Minister for Territories, Brendon O'Connor, and in the most recent documents that

apply to that, there was a realisation the Norfolk Island would benefit well from short term financial assistance and that is the discussions that we are still pursuing with Minister O'Connor. We had envisaged that we would be in Canberra today to finalise some of those discussions given that one of the levers that we had available to us was the refinancing of the fire tenders. Now that would have provided the Norfolk Island Government with the cash and in that regard we provided information on how that process may go forward given that a commercial bank had assessed it and assessed the business case for it and informed the Norfolk Island Government that that was a proposal which would be acceptable to them on those terms. In proposing that to the Commonwealth that was suggested that may not be the best mechanism for us to use and that perhaps another mechanism could be proposed by the Federal Minister. At this stage we do not have anything to replace that cash buffer that would have been generated out of that sale lease back and hence the reason why we are very determined to get an immediate response as to what is to take place given that we have provided significant information on Norfolk Island's position, the impact of it economically within terms of the global financial crisis and the like. In terms of the private sector impact that Mr Sheridan referred to, we are well aware of the private sector impacts through the reductions that we see in GST as well as the incoming passenger numbers and things such as that, so we have also addressed that within the discussions we've had with the Federal Minister

MR BRENDON CHRISTIAN Thank you Mr Speaker a supplementary question. Minister you released how much is estimated it will cost the public revenue. How much will it cost the private sector which I see as the backbone of the economy

MR NOBBS Thank you Mr Speaker that information I don't have available to me at the moment other than the impacts that we see that float through the GST results

MR SHERIDAN Thank you Mr Speaker Chief Minister I note you quoted some figures in the paper. Do those figures come from signed off audited accounts from the last financial year

MR NOBBS Thank you Mr Speaker there certainly was reference to audited figures but I don't have the media release with me at the moment. I might have to take that question on notice because I know there were some figures referred to that were audited

MR N CHRISTIAN Thank you Mr Speaker there's no need to take the question on notice, I can provide the answer. For Mr Sheridan's benefit, yes those figures that were used in the Chief Minister's media release were actually extracts from the consolidated financial statements of the Administration for the last financial year and they were prepared by the Accounts Section of the Administration. The auditors had viewed them and the auditors will sign off on them although they have not done so as yet. But the purpose of publishing those figures was to indicate to the community of Norfolk Island what we have used to demonstrate to the Commonwealth quite clearly and in indisputable terms that Norfolk Island has not in fact escaped the effect of the global financial crisis and we've been able to quantify the effect upon public income

MR SHERIDAN Thank you Mr Speaker a supplementary question for the Minister for Finance please. Just mention of the audited accounts I believe that they are due to be tabled, I think that we gave an extension to next month, is it the intention to table these figures at the next sitting of the House

MR N CHRISTIAN Thank you Mr Speaker I'll table the financial statements as soon as I have them back. The auditors have been to the island. I think they will make one more visit and they have met with the head of the Public Service, Mr George

Plant, they have met with me and they have also met with my colleague Mr Gardner and I'm pleased to say that not only will they sign off on the Administration's own accounts, they will this year sign off on the Norfolk Island Government Tourist Bureau as well

MR SHERIDAN Thank you Mr Speaker a question for the Minister responsible for KAVHA. Minister I believe that recently the KAVHA Board Meeting was held here on Norfolk Island. Could you advise the public if any items of discussion involved World Heritage nomination of KAVHA and if so, what was the context of these discussions? Also has any discussions been had on the possibility of reimbursing land owners whose land is within KAVHA and therefore included in the site of World Heritage protection for their inability to fully utilise and develop their property

MRS JACK Thank you Mr Speaker. Ever since the nomination for World Heritage listing was supported by the previous Government I would say that just about every KAVHA Board meeting has mentioned World Heritage listing in one way or the other, whether it would be in getting the site ready for the visit of, and it came around of Dr Christophe Sand some months ago, or whether it's just where the nomination is progressing and meetings that were held amongst the eleven sites and progressing that nomination so it was discussed in one form or fashion at every meeting. Any discussion about remuneration over land. No. No. There may have been. I have actually written to Jim Lloyd, Bob Debus, I have not as yet written to Minister O'Connor regarding certain owners of blocks that I have been for want of a better word championing, over the past few years. But as for a direct contribution over a Planning issue. No. It's not just the World Heritage listing that may prevent people from building. It is in actual fact the EPBC Act which prevents any significant impact happening on the site and for that significant impact that is a situation that is dealt with within the Commonwealth and that particular department. May I just say that one thing the Board did consider a couple of meetings ago, was to access funding to have a change of use for No 9 Quality Row into a Research Interpretation Area. That was agreed to by the Board and funding has been successful for it. An application went off to the EPBC to see how they viewed it as either a controlled or a non controlled action. It has been viewed by the Department as a controlled action and so there is more work to be done regarding that proposal. My understanding is that the work being proposed for the dredging next to the pier for the arrival of the cruise ships next year has been placed on the EPB website and people have been asked to put in submissions. I also notice I think it was in last weekend's paper an article regarding that application but no, nothing on remuneration.

MR BRENDON CHRISTIAN Thank you Mr Speaker, a question for the Minister for Finance. Minister has the Budget Review Committee approved the funds for equipment required for the safe operation and maintenance of lighterage

MR N CHRISTIAN Thank you Mr Speaker I'm not aware that any submission has been actually put before the Budget Review Committee in respect of lighterage equipment but I have approved some safety equipment. Flares and vests and things like that which were needed to re equip the launch.

MR GARDNER Thank you Mr Speaker, a question for the Minister for the Environment in relation to a question that I posed to her last month and the topic was the BVDV that infest the local herd in Norfolk Island. Is the Minister able to provide the status of the initiative to eradicate that virus from the Norfolk Island herd

MRS JACK Thank you Mr Speaker yes, yesterday I spoke with the Island vet Mrs Candice Snell, I spoke with the Environment Officer Miss Nicole Diatloff and the Acting Manager for Land Use and Environment Mr Alan McNeil. The fact sheet has been produced and should be in the paper this weekend. It is asking all cattle owners to a meeting I think in the supper room on Tuesday the 24th to discuss the matter. It is

important that all cattle owners attend because if we are to eradicate this viral problem in the herd which I think about 70% of the herd has, we must have the cooperation of all cattle owners on the island. It is pointless to just treat what I would call the common herd, the herd that grazes through pasturage rights on the road zones, in various areas around KAVHA etc because if my understanding is correct in talking to the vet, some cattle are persistent carriers and so they could actually keep on cross infecting any of the common herd. We need to do various testing and should there remain persistent carriers within the herd then those cattle would need to be destroyed and further testing will be carried out. My understanding would continue to be required in needing of a vaccination but it would certainly be good to have everybody's agreement to take this opportunity to eradicate the herd of this virus in this very easy testing way, rather than to have continual vaccinations for say the next twenty years whilst we wait for any possible carrier to fall over naturally so to speak so when people read this fact sheet I do ask all owners of cattle to be proactive and join in with this programme that the Administration has produced. It is for the benefit of all

MR SHERIDAN Thank you Mr Speaker just a final one for the Minister responsible for the Water Assurance, Minister could you give us an update on the extension of the sewerage work into Pitcairn Place

MRS JACK Thank you Mr Speaker. In the last financial year there was agreement that funding be put aside and that the program would commence. However, I was off island and it was decided to not proceed with that and whilst I was away Mr Gardner had progress of my portfolio and then when he was away the Chief Minister had progress of my portfolio so I suggest that the question be directed to the Chief Minister on the funding issue. Thank you

MR SHERIDAN Thank you Mr Speaker I leave it with the Chief Minister

MR NOBBS Thank you Mr Speaker I can absolutely appreciate Minister Jack's frustration of this however, at the times of deliberations over those figures to implement that part of the Water Assurance Scheme we were particularly looking at our measures available in terms of retention of funds and cost saving

MR N CHRISTIAN Adding to that, that the decision was not taken by any individual Members or Ministers in their own right. It was a decision that flowed from a Budget Review Committee meeting. It was a meeting that I wasn't at but I can say that in the last few days I have had discussions with Mrs Jack and I suppose the consensus opinion now would be that we would be happy for Mrs Jack to move forward with the project split into two stages so I expect the submission will come before the BRC in the next few days to spend about \$45000 to get the project up and running

MR SHERIDAN Thank you Mr Speaker a question for the Minister for Finance and maybe the Airport GBE. Minister considering our tight reigning on spending at the moment, how is it possible that the work on the new fire engine station appears to be going on unabated

MR N CHRISTIAN Thank you Mr Speaker the work is not going on unabated at all. The work is continuing according to expenditure limits and work time frames that were put in place by the Acting Executive Director of Public Service and average expenditure over the past six weeks on some occasions has been about \$5000 per week. The expenditure at the station cannot exceed \$16000 per week I think is the upper limit that we have put on it and the actual expenditure in each week depends on the availability of tradesmen who are coming in to complete the work. The station is largely completed and I think when I was briefed a couple of weeks ago there was about \$200000

left to spend to complete the station. A week ago the BRC approved the expenditure of \$17000 over a three week period to bring the work closer to fruition so I suspect that there's only around \$140000 to go and the station will be complete and we hope to have that done in the next 10 to 12 weeks

MR SHERIDAN Thank you Mr Speaker a supplementary question. Minister considering that the Administration employees themselves are tradesmen would be under utilised in this time of tough monetary restraints why have they not been utilised on the actual fire station themselves, ie to paint the inside of it, carpentry work, things like that

MR N CHRISTIAN Thank you Mr Speaker they have their own responsibilities within the Administration and their wages is paid irrespective of what happens outside of the Administration. The decision to proceed with the fire station was taken some two years, eighteen months ago, and all of the work was put out to tender and we are honouring our obligation in providing the successful tenderers with the work and there is also the added benefit that in times of economic downturns Governments do try to accelerate expenditure on infrastructure items and that is a direct benefit to the wider economy because the fire station has indirectly been responsible for keeping as many as 50 people gainfully employed in Norfolk Island over the last year so it's had a tremendous financial impact on the well being of the trade sector in Norfolk Island

SPEAKER Just before you ask your question Mr Sheridan I note the time for questions without notice has expired. Is it the wish of the House to extend the time for questions without notice

MR SHERIDAN Thank you Mr Speaker just a supplementary question for the Minister. Minister I believe that with regard to the fire station there was discussion at executives meeting with regard to the holding of all work around at the fire station until the finances improved and the decision was taken obviously not to cease the work on this station. Was that decision unanimous?

MR N CHRISTIAN Thank you Mr Speaker I don't think any decision was taken at the Budget Review Committee or executive decisions are ever unanimous. It depends on the majority of those Members present at the time

MR BRENDON CHRISTIAN Thank you Mr Speaker, one final question for the Minister for Finance. Minister is there any proposal to increase the GST in the near future to 15%

MR N CHRISTIAN Not that I'm aware of Mr Speaker

SPEAKER Thank you Minister. Any further Questions? We move on

ANSWERS TO QUESTIONS ON NOTICE

Honourable Members are there answers to questions on Notice Honourable Members

MR N CHRISTIAN Mr Speaker there is one question on notice that is directed to me. I regret to inform you that I am not in a position to respond to the question as the officer responsible for providing me with the answer to that question in the Public Service has been on leave for the past two weeks so the question can remain on notice and I will answer that question hopefully at the next meeting of the House

MR SHERIDAN Thank you Mr Speaker may I ask that the question be read into Hansard considering that it is on the Notice Paper but I don't believe it was actually printed in the local paper *The Norfolk Islander* with the Notice Paper last weekend, so for the community's sake can the question please be read into Hansard

MR N CHRISTIAN Thank you Mr Speaker what I can do is when I respond to the question on notice with an answer I can read the question into Hansard at that time

SPEAKER Thank you. Is that okay with you Mr Sheridan

MR SHERIDAN Thank you Mr Speaker I just wanted to have the actual question recorded

PRESENTATION OF PAPERS

Are there any Papers for Presentation this morning Honourable Members

MR N CHRISTIAN Thank you Mr Speaker section 2B(2) of the Customs Act 1913 makes provision for the Executive Member to exempt goods from the payment of customs duty where the duty payable is less than \$200. Section 2B(5) of the Act provides that when the Executive Member has exercised his power he shall lay a copy of the exemption on the table of the House and I so table those exemptions. The particulars are, the first one is for the sum of \$46.91 on the importation of first aid kits for St Johns Ambulance Norfolk Island and the second one is for the sum of \$124.81 on the importation of uniforms for the Oceania's Masters Squash Tournament by the Norfolk Island Squash Club. Thank you Mr Speaker

MR N CHRISTIAN Thank you Mr Speaker I wish to table the financial indicators and the results for Norfolk Air for the month of October 2009. Thank you Mr Speaker the revenue fund financial indicators for October 2009 tell us that we are not too far away from the projections contained in the budget forecast. Income from all sources has achieved 88.6% of the budget, which in itself would be alarming if it were not explained. The revenue fund budget for the 09/10 financial year relies upon approximately \$1m of income from the sale of surplus properties. To date the sales proceeds have not flowed into the revenue fund, which has the effect of lowering the income percentages relative to budget estimates. I've been informed that three of the four properties offered for sale have been sold and the fourth is expected to go to auction on November 21st, 2009 therefore, I would expect that the November financial indicators to be trending back toward the budget estimates when I present them in December. On a four month pro rata basis, the revenue fund was expected to be in deficit \$57,000 and the actual is a deficit of \$227,000 which is \$170,000 worst than budgeted but significantly better than the \$295,000 deficit position that we were in this time last year and once again, relates to the explanation that I've just previously given. When the month of October is considered in isolation, the budget forecast a deficit of \$14,000, which compares favourably with the deficit of \$295,000 for October in the last financial year. The actual results for October this financial year is a surplus of \$10,000 which is \$24,000 better than budget. Overall expenditure has been contained to 92% of the approved budget, which once again demonstrates the effectiveness of the Budget Review Committee in its oversight of all capital and discretionary expenditure. The budget provides for \$49,000 capital works and purchases and to date only \$1,300 has been spent. The revenue fund current assets and liabilities estimated position at the 31st October 2009 is as follows. Total current assets stand at \$2,942,200 and liabilities total \$4,166,400, which results in a negative figure of \$1,217,200. the liabilities amount include \$741,400 in employees entitlements which will not be called upon in the short term and therefore the underlying deficit at this time is \$475,800. the position that I have just described provides for the payment of \$2,883,000 to

the New South Wales Education Dept however I am not yet authorised to making of the payment at this time and will not do so in full until the Norfolk Island Government is satisfied that our economy is in fact in recovery mode and Norfolk Island Government is continuing in its discussions with the Commonwealth with the intention of securing short term financial assistance by way of an actual cash contribution. It's worth noting that if the Commonwealth was to give a grant to the Norfolk Island Government on behalf of the Norfolk Island community at a level similar to that which was given to every other Australian whether living in Australia or not as part of their stimulus programme, I believe Norfolk Island would have been entitled to receive approximately \$1.6m and its worth noting just by way of passing that about \$80m of that stimulus funding was given to Australians that no longer live in Australia and therefore unlike residents of Norfolk Island would be highly unlikely to spend the money in Australia and therefore there was no benefit flowing into the Australian economy as a result of that so called stimulus spending. I suppose I should not be surprised at the Commonwealth Governments selective treatment of Norfolk Island residents because their track record is not good and I will elaborate. Firstly Norfolk Island residents who are Members of MBF cannot have their medical costs incurred in Norfolk Island covered by their private insurance. Secondly the national free gardasil cervical cancer vaccination programme for young women did not extend to Norfolk Island. Thirdly the education revolution did not extend to Norfolk Island and our children were not given their free laptop computers. The free national H1N1A vaccination programme did not extend to Norfolk Island either and when the Norfolk Island Hospital attempted to purchase its own supply of vaccine from the Commonwealth serum laboratory, the sale was blocked by the Commonwealth which has forced Norfolk Island to look elsewhere to obtain supplies including the USA and New Zealand or wait until the Commonwealth Government has satisfied its own requirements. Mr Speaker there are other instances of unfair treatment but I will not dwell on them at this time. The cash at bank situation is as follows. Total cash held across the entire Administration amounts to \$5,107,000 with \$3,816,900 in non-trust accounts which is slightly more then the amount held in all previous months of this financial year. The revenue fund has a cash balance of \$1, 959,900 which is \$181,400 better than the position at the end of September 2009. The amount held in trust and loan type accounts amounts to \$1,290,100 which is the lowest that its been all year and is largely due to the income cycle of the healthcare fund and the fact the Commonwealth Government has not yet made its contribution to the KAVHA fund. The October results for Norfolk Air are a little more encouraging than those of the past few months. Total income was \$1,937,568 and total expenditure was \$2,032,340 which results in a small loss of \$94,772 for the month. I can say that we are now into the new brand marketing campaign but I am unable at this time to report any significant increase in booking activity at the airline and having said that, I can report that bookings for December remains soft in some weeks and they are good in other weeks but January and February 2010 are looking quite healthy this far out. Thank you Mr Speaker

MR GARDNER
noted

Thank you Mr Speaker, I move that the paper be

SPEAKER
be noted

Honourable Members the question is that the paper

MR GARDNER Thank you Mr Speaker, just a query of the Minister for Finance and I admit that I was probably a little slow on picking up on it, but now that I've got it into my mind what was said, I just want to register my view that I think the Norfolk Island Government is deficient in its responsibilities in not at least making some down payment or contribution payment to the New South Wales Department of Education for the education services that are being provided to us. My strongly held view and contention is that we should be entering into discussion with the New South Wales Department of Education along those lines with the full intent to pay what we can as we progress and I'm just wondering following on from the Minister's words in his support of

the paper that was tabled, whether the same facility will be extended to all of our creditors as the Minister's position on the payment of the outstanding account to the New South Wales Department of Education and that is, that we won't expect payment until the Norfolk Island Government is convinced that the economy is on the road to recovery

MR N CHRISTIAN Thank you Mr Speaker I'll respond to that. No the Norfolk Island Government doesn't intend to extend that ability to everybody. This is basically a Government-to-Government situation between the Norfolk Island Government and the New South Wales Government Department of Education in particular. I wrote to the Education Department some weeks ago telling them that we were in discussion with the Federal Government about short-term financial assistance and also indicating to them that at the conclusion of those negotiations we should be in a position to make a payment. I have also told them previously that at the end of November we would look at what we could do in respect of making part payments and depending upon what we achieve from the Commonwealth we would enter into a payment plan to progressively pay the debt off over the next period of time and that time may well be twelve months or so. But when I wrote to Lindsay Tanner seeking permission to sell and lease back the fire engines as I was required to under the Norfolk Island Act I made it clear to Mr Tanner that in the event that he did not agree to the sale and lease back that the Commonwealth in my view had an obligation to work with the Norfolk Island Government to provide us with alternative equipment funding, that is approximately \$2.5m. Mr Tanner indicated in a letter to me that whilst he would not approve the sale and lease back of the tenders he would work with his counterpart, Mr Brendon O'Connor to provide some short term financial relief to Norfolk Island. I've got to say that to date that assistance has not been forthcoming and negotiations are ongoing and as I said on the radio yesterday, the break the Commonwealth has given us in respect of the airport loan is welcome but it doesn't go far enough. They have deferred the requirement to commence the airport loan repayments for one year so that will save us \$1.2m in the first year but when you look at the schedule that is put in place to set up the separate sinking fund that they have forgone the requirement for us to do, the contributions in the early part of the sinking fund are very small and I think in some cases it may be only \$3 or 400,000 per year but they accelerate in size, this is the individual payments to the fund, towards the end of the loan period. So it actually provides us with absolutely no short term financial assistance in my view and is in effect telling us to help yourself with your own money and you've got to generate that money in the first place. We have demonstrated to the Commonwealth that we have taken a hit in the last financial year of about \$6m and I expect them to provide some form of assistance

MR GARDNER Thank you Mr Speaker, just further pursuing my original question can the Minister advise whether the New South Wales Department of Education responded to these letter to them in relation to the repayment of the outstanding account to the Department of Education and agreed to the position that the Minister has put to them

MR N CHRISTIAN Thank you Mr Speaker as far as I'm aware we have not received any correspondence from the New South Wales Department of Education not agreeing to that

MR SHERIDAN Thank you Mr Speaker just a couple of queries there for the Minister. Minister I would like you to comment on a couple of queries in the airline statement there with regard to the fuel costs for Our Airline . I was under the impression that when we changed carriers that the additional fuel costs would cease and also the consultancy fees of some \$51,000 to the current year so far. Could you explain what they are

MR N CHRISTIAN Thank you Mr Speaker no the fuel costs were never going to cease. The fuel costs were charged back to Norfolk Air at the actual cost

incurred and that has always been the case with the contract with Our Airline so the fuel figures there reflects the true cost of fuel for the month and there is no loading on that by Our Airline. It's the actual cost incurred. With respect of the consultancy fees we have as I stated earlier, used an external consultant to advise us on where we need to go with Norfolk Air and review our operations and it's possible that some of the wages for the management may be included in those consultancy fees although I would have to seek clarification there as those people are not Members of the Public Service either

MR SHERIDAN Thank you Mr Speaker and I thank the Minister for that response. I must be getting confused with the fuel of the previous contract which had additional fuel costs and of course the fuel was included in the charter price is that correct and obviously was not included in the charter price this time

MR N CHRISTIAN Thank you Mr Speaker the contract with Ozjet it was all inclusive but there were trigger points in respect of the fuel and once you reached the trigger point you had to pay the difference between the original price contained in the contract and the actual cost of fuel when it was picked up so in the old contract there was additional fuel costs, and in the current contract there's just fuel costs

MR SHERIDAN Thank you Mr Speaker and just further on for the consultancy fees, I believe that the majority if not all of those fees as the Minister indicated could very well be for the management of the airline and I believe that is correct and just looking at the figures there I realise that it looks like his contract has been renewed and his salary or his contract price increased. Could the Minister make a comment as to whether or not his contract is performance based and if so, why would it have been necessary to increase his contract to something along the lines of nearly \$500 per week

MR N CHRISTIAN Thank you Mr Speaker the situation is this. We've found ourselves in Norfolk Island over the last period whether it be Doctors, Airline Managers or the like, or senior Legal people the amounts of salaries we were offering were not sufficient to attract them in the first place or to retain them in many instances and the current CEO of the airline came along, and he took over the job at the same level of pay that the previous employee was paid, but that level of pay was determined by the arrangements that we had with Ozjet at the time where Ozjet provided us with the CEO and after a period of time we picked up the Bill. Mr Murdock's contract came up for renewal earlier this year and he was able to successfully negotiate an increase in pay

MR SHERIDAN Thank you Mr Speaker a further question for the Minister, you mentioned that his contract came up for renewal. Had his contract expired or did he have the ability to extend the contract or should the position had been readvertised as his contract came to an end

MR N CHRISTIAN No Mr Speaker there was no need to readvertised his position or current contract I think has a life of two years and it is not a Public Service position. There was no need to advertise and there weren't too many people out there wanting to on the job of operating a business that was hemorrhaging badly

MR SHERIDAN Thank you Mr Speaker a supplementary question in regard to his comment that there's not too many people out there who would take on the job. How would you know unless you advertise

MR N CHRISTIAN Thank you Mr Speaker the simple fact is that we had a CEO of the airline who was doing a sterling job in my view, working his butt off, having a hiccup and no one at the helm at that particular time when we were going

through an incredible transformation changing carriers and dealing with the global financial crisis it would have been very very counter productive

MR GARDNER Thank you Mr Speaker, it's just my concern and my course of questioning in relation to the outstanding debt owed to the New South Wales Department of Education, the Minister had responded to an earlier question to say that he hadn't received a response not agreeing to the proposal put. Is the Minister able to advise as to whether the New South Wales Department of Education acknowledged receipt of the letter and the purpose of that question is, we don't know that unless they do, and has it been followed up by officers of the Administration

MR N CHRISTIAN Sure Mr Speaker the letters would come addressed to the CEO of the Public Service so I'll just have to take that on after the meeting

MR GARDNER Thank you Mr Speaker, a supplementary question on that I think in the Minister's original presentation or it may have been in response to my first question he indicated that the Administration was in a position to cover that debt if it was called on and so my question is, if the New South Wales Department of Education were to pursue us for that debt and he confirmed that the Administration is in a position to pay it and what effect if we were to pay it, would it have on the Government's ability to continue to deliver services generally to the Norfolk Island community

MR N CHRISTIAN Thank you Mr Speaker the paper that's prepared by the Finance Department, tells us that if I pay the \$2.883m in it's totally it would leave the revenue fund \$1.2m in the red. Could I pay that. Yes I could. Would it be the responsible thing to do. No it wouldn't be at this stage because it would actually drain the Administration of working capital so I'm sticking to the course of action that was determined by the Budget Review Committee some weeks back and when I'm instructed to do otherwise I will do so or requested to do otherwise

SPEAKER Thank you Minister. Further debate Honourable Members. There being no further debate, the question is that the paper be noted and I put that question

QUESTION PUT
AGREED

Thank you. The ayes have it, the motion is so agreed. Any further Papers for presentation Honourable Members. No. We move on

STATEMENTS OF AN OFFICIAL NATURE

Are there any Statements of an official nature this morning Honourable Members?

MR NOBBS Thank you Mr Speaker, as I alluded to earlier in question time I have something prepared with regard to the Public Sector and some of the changes and review that has been going on in that area. Mr Speaker there has been considerable discussion in recent times within the public service and between Members of the Legislative Assembly concerning the process of change which is underway in the Norfolk Island public sector. I know that some of the staff representative bodies have expressed reservations about whether there has been sufficient communication and consultation and some individual public sector employees are uneasy about the implications of the changes for their roles and their future entitlements. Mr Speaker, today I will provide Members with some background to the public sector management changes,

which are underway and will address the major issues, which have been raised with me as the Executive Member with responsibility for the public sector. Mr Speaker, one important principle which seems often to be overlooked is that it is absolutely essential to public trust that the executive branch of government, consisting of the ministers and the public servants, be fully accountable and transparent. Every single public servant from the Chief Executive Officer to the most junior officer is responsible for their official decisions, actions and behaviour to the public and to this Assembly through the relevant Executive Member. For some public servants, that might mean being accountable to more than one Executive Member depending on the particular legislation administered or service provided. For example, the welfare officer is answerable to the Minister for the Environment, Education and Social Welfare, but the same person is also the companies officer, responsible in that role to the Minister for Tourism and Health. Some senior staff such as the CEO, Secretary to Government and Legal Services Unit staff are at different times answerable to all five Executive Members, individually or collectively. One of the suggestions put to me in recent times has been that public servants should not have to answer to ministers nor to implement government policies. I fundamentally disagree with that suggestion, and wholeheartedly reaffirm that representative democracy requires that the public sector is part of the executive branch of government and that public servants must be accountable to the people through their elected representatives. Mr Speaker, within this context, the reforms and improvements which are underway within the Norfolk Island public sector are aimed at achieving a modern, flexible, responsive, efficient, transparent and productive public service. One obvious starting point in achieving these aims has been to look at how well we recruit, train, manage and support our staff through our human resources policies and procedures. We have recognised for some time that the existing legislation and related policy manual contain a number of inflexible requirements which pose barriers to public sector reform, workforce planning and mobility. As well, some of the management tools still in use are outdated and inefficient. For example, some of the personnel records in the human resources area are still based on system cards and paper records. We are now looking to change to human resource management software to facilitate more timely and efficient responses. There has also been a heavy focus in the human resource area on record keeping and the management of rules and procedures, with more emphasis required on providing training, resources, support and advice to allow managers to manage more effectively and to encourage skill and knowledge development and productivity growth across the public sector. Recent changes in the human resource branch are intended to maintain the integrity of the merit selection processes in place while at the same time placing more attention on human resource development and training. A recent example has been the training programme conducted over three days in October by the office of the Commonwealth Ombudsman for managers and supervisors in front-line public service delivery roles. The training covered important issues such as the principles of good administrative decision making, providing clear and accurate reasons for decisions, dealing with customer complaints and resolving conflict. The Administration has also been proactive in producing a large number of administrative policies and guidelines to assist staff to understand their responsibilities and to deliver services in ways which are more effective and responsive to the needs of customers. There are now some 35 areas with fully documented system-wide policies and guidelines, compared with only 9 such areas 12 months ago. More positive and productive performance management is a further key toward improving the responsiveness and efficiency of the public sector. It is the clear goal of the CEO of the Administration to enhance system-wide performance management as a positive two-way process to provide individual workers with clear performance measures related to resources and personal development and to assist managers to foster good teamwork and outcomes through clear feedback and planning based on outcomes and performance. The starting point for this process has been to clarify the situation of a number of positions which have been filled on a casual or short-term contract basis – in some cases over many years. As part of the overall restructuring of the Administration workforce, these positions have been advertised on the basis of performance-based fixed term contracts, with an allowance made within the salary offered

to compensate for entitlements which might apply to permanent positions, such as long service leave and Provident Fund contributions. This process will remove employment uncertainty for many casual staff, while retaining sufficient flexibility to facilitate a process leading towards organisational review and restructure. Each permanent position which falls vacant during the period in which systemic change is under consideration will be assessed for conversion to a performance-based contract basis. There is no intention to require current permanent staff to move to fixed-term contracts. At the same time, those who are employed on temporary higher duties will have a clear choice when positions in which they have been acting are advertised as fixed-term contracts. Their permanency in their substantive roles will be protected, but if they are successful in merit-based selection for promotion it may well be on the basis of performance based fixed term employment contracts. The process now in place for performance-based contracts also gives managers the capacity to shape the performance measures included in contracts to the real needs of each position and of the wider workgroup. Performance assessment criteria will no longer be determined at a distance from the everyday workplace by senior management or human resources officers, but will be established by line managers who will be much more familiar with the actual requirements of each position and its contribution to overall team strategies and goals. Mr Speaker, several changes have been made to ensure greater communication and consultation with staff and managers. The greatly expanded budget review process ensured that all line managers were involved in detailed discussions of their current and forward budgets, within the Government's larger strategic planning. This positive communication has identified areas where structural changes and efficiency measures can be made, to the benefit of the whole public sector. As well, the Chief Executive Officer has established a continuing programme of meetings with work groups and GBEs, which involve all managers and staff from each area of operations. This allows free flow of feedback between senior management and staff at all levels and has been widely welcomed by all concerned. The current senior management is also making far greater use of "all staff" broadcast email communications on matters such as changed policies, new staffing structures and items of general interest to all public sector workers. Mr Speaker, as the Executive Member responsible for the public sector, I personally consult widely with individual workers and representative bodies. In recent times I have met with the Public Service Board, the Public Service Association and the Staff Consultative Committee. I value the views of all of the members of these bodies and of the public sector workers and community members who continually talk to me about the issues involved in improving public sector performance while still providing rewarding careers for the dedicated members of the service who are committed to delivering services of the highest quality to the whole community. As always when major reform is underway, there will be some misunderstandings and some workers will be fearful of the effects of change and concerned about the future of their individual roles. As the minister responsible, I would encourage the CEO to keep all communication channels open and to deal with staff at all levels in ways that are fair, equitable and clear to all concerned. Mr Speaker, we are at a relatively early stage of considering the most appropriate and effective structure for the public sector. No formal proposal is yet before the Government, and of course there will be widespread consultation with the workforce through the established formal mechanisms and through more informal processes of consultation. The latter will also of course involve detailed consultation with Members of the Assembly, the community and other stakeholders. Mr Speaker, while there might be a long way to go, we have made a good start toward achieving the goals of creating a public sector that is modern, flexible, responsive, efficient, transparent and productive. Thank you, Mr Speaker.

MR N CHRISTIAN
be noted

Thank you Mr Speaker I move that the statement

SPEAKER
statement be noted

Honourable Members the question is that the

MR N CHRISTIAN Thank you Mr Speaker I welcome the statement from the Chief Minister because it's timely that we are able to comment on things that are going on. I'm a little bit confused I suppose because towards the end of his statement there he says that no formal proposal has been received by the Executives or the Legislative Assembly to either reform or restructure the Public Service but then earlier in his statement he tells us that the process is well under way. He also tells us that recent changes in the HR section of the Administration was done so that a person could fill the position on a merit based selection. Well I fail to see how with two staff Members who fill positions within the HR section of the Administration and who got those positions based on a merit based selection process could be involuntarily or voluntarily moved sideways and be replaced by a person who didn't get the job as a result of the position being advertised, and therefore didn't go through a merit based selection process, be described by the Chief Minister as upholding the principles of the merit based selection process. I've got to say the statement that has just been made to us is absolute hogwash Mr Speaker

SPEAKER Honourable Members before I call on Mr Gardner, I would like to remind Members of Standing Orders Section 72a, if we are going to start identifying Members of the Public Service or statutory bodies I would ask that we be careful and if you wish to pursue with this matter that we suspend the broadcast

MR GARDNER Thank you Mr Speaker, like the Minister for Finance I welcome the opportunity to hear a little more about the proposed objectives of the portfolio and of the officers within the Public Service for the future organisation or restructuring of the Public Service and the number of other words that we used to describe the current process that we're in. Because other than I think the representations that have been made to me by staff within the Administration and the various consultative groups that the Chief Minister referred to, I certainly haven't got any information on any of those initiatives whatsoever and so I welcome the opportunity to be provided with some overview of what is happening and what is proposed and of course that raises a number of questions the Chief Minister talked about reforms and improvements, changes within the Public Service and I'm sure like everyone else here in improving the ability of the Public Service to deliver services is something that we all support and the training and development of the staff to enable them to be able to perform those duties to the best of their abilities and to be able to give them the necessary skills for onward promotion but I am a little disturbed when there have been people who have sat in positions for a number of years, and in casual positions they have filled the role admirably, they have performed to the expectations of their managers, and they've provided sterling service that at last, some of those people are being given the opportunity to move onwards and upwards. I think it was an initiative of the last couple of Governments and the last couple of persons who have held the role of Chief Executive Officer that they had made significant representation at that time to the respective Norfolk Island Governments to have a number of those people made permanent officers in recognition of the services that they've provided and I don't think there was a glitch in that process it's just all the positions weren't able to be dealt with at the one time and so there's been a series of them and now we seem to have moved to another stage which is slightly different to those that may have been made permanent in the past when we've entered into this performance based contract criteria. That in itself, is not bad. Particularly at senior management level because they are the ones who have broad programmes that they have to implement. A little more difficult to try to understand what that means for say, a person filling a secretarial role, whether that be in the Administration or the Legislative Assembly or where-ever that might be and what their performance criteria against a budget means. Where in many of those positions the only thing that they have anything to deal with as far as budgets are concerned is the identification of their salary and my words aren't necessary to plagiarise but may be seen by some to be that but they are important considerations when we are looking at these changes. Chief Minister mentioned the process to change the Human

Resources Policy and Procedures Manual and there is a very strict set of guidelines that make provision for that change and they are very clearly set out in legislation not just in the Public Sector Management Act 2000 but also in the Human Resources Policy and as Mr Christian referred to in his earlier questioning, it is subordinate legislation and has that status because it is established by legislation and given the power of law and it can only be changed in accord with that law unless we change the law and it is not for somebody to march out into the sunset on their white horse and declare that I have a new policy and we're going to do x y and z unless it has gone through that very extensive process of consultation and consideration and it's important that we all understand that and abide by the requirements. In questioning the Chief Minister earlier today I talked about the performance based contracts and in his statement has referred to those as the assessment process that surrounds all of that and I tried to get an indication back in my line of questioning that as far as an assessment process is concerned that in itself has absolutely diddley squat to do with how somebody undertakes their role or the function that they play in the Administration structure and that is why I have a great deal of difficulty, that, and the Chief Minister and I had a discussion about this the other day, that is the singular basis that determines the position is or is likely to significant change in the life of the job. Mr Speaker my view is, that if you are going to advertise a position, the significant changes needed to take place before you go and advertise the position. Not something that you lumber on an employee later on down the track. As far as performance assessment is concerned, instead of being on performance based contracts I have always understood that the Human Resources Policy has plenty and adequate provisions within it to assess the ongoing performance of the officers and necessary measures to address any deficiencies that might occur as part of the role that somebody undertakes within the Public Service. Now if that is found to be deficient by the management or by the Executive Member then the easiest way to deal with that is to go through the process of change which I've already talked about in relation to the Public Sector Management Act firstly and secondly the Human Resources Policy. That is the way to do it. Not under the guise of what may be, and speculation about what may occur with Government policy in the future but to work with the facts that are present and correct today as of when you advertised the position. Getting back to the organisational restructuring of the Public Service. I've heard about our efficiency dividend and I understand the efficiency dividend, that we were looking to try and trim our sails, trim our cloth to a certain percentage as part of the budget process but never, not once, have I understood that to mean that we have given or endorsed anybody to move into a formal restructure, or as the Chief Minister said, organisational restructure of the Public Service. I don't believe it's come to this forum. I don't believe that even the Budget Review Committee or the executive group or the Legislative Assembly as a whole have given consideration to that. The Chief Minister says that he's met with consultative groups, and I've mentioned that I've had representations as I know the executive have had, from some if not all of those groups. I'm not sure what's happened with the non Executive Members. But my question is, when is it proposed that any of these changes, whether it's about implementing performance contracts for staff, whether it's about any proposal to reorganize the structure of the Public Service and I'm not going to get on to my hobby horse of the Legal Services Advisory Board or the Legal Services Board which appeared in a position specification just recently which as I understood the executives had dismissed some time ago, but where is it that we as a body, not just the Norfolk Island Government but we as the Legislative Assembly who are the ones who endorse any changes to the Public Sector Management Act or have to endorse through the proper process if any changes are to be made to the Human Resources Policy, when are we going to discuss those matters and not just let them sneak up and bite us on the arse every time a job goes out to advertisement in *The Norfolk Islander* and say, hang on, when did all this change happen and I've got no answers because I haven't been given the opportunity of being consulted on those matters and I think it's important that happen and I wrote to my executive colleagues yesterday and to the Chief Minister saying I think that a halt should be drawn on this process of advertising this until this body is fully comfortable with the direction that the Public Service is being

taken because we are being led around by the nose at the moment and that is incredibly unfortunate. Thank you

MR N CHRISTIAN Thank you Mr Speaker I just wish to reinforce but not repeat all of the sentiments expressed by Mr Gardner and I need to make it quite clear that the employment of people on contracts within the Administration as far as I've been involved with only ever related to some of the long term casuals and the idea being to give them employment contract so that they have some certainty that they wouldn't turn up for work tomorrow for instance at the Waste Management Centre or somewhere like that, and we say, Sohri, gu hoem, wi nor want yorlyi des dieh. That was the level of the extent of providing contracts. It was to provide certainty of employment. There was never as far as I'm aware, any discussion to take it beyond that and as Mr Gardner has said, the Public Sector Management Act quite clearly states and sets out the structure of the Public Service and if we want to change the structure I think it would be wise to involve Legislative Assembly Members in those discussions because at the end of the day they are the ones who make the decisions. Not the Chief Executive Officer

MRS JACK Thank you Mr Speaker look I'll just be repeating what my colleagues Mr Neville Christian and Mr Geoff Gardner have been saying. But the thing that disturbs me through this is terms reforms in the Human Resources Policy that have not come before me. The restructure of the Public Service and again nothing has come before me. Or as Mr Gardner quite rightly said, this forum. But what really upsets me is the comment on openness, accountability and transparency because I feel that, that has been lacking in this process and that is what upsets me most of all and it is something that needs to be corrected and corrected asap if we are to continue. Thank you

MR NOBBS Thank you Mr Speaker I'll take a few of these items. I certainly take everyone's issues on board and I just will point out that on a regular basis within MLA'S all members are made aware if there are issues with regard to some of these changes and particularly on the 7th July after we had our discussions with regard to the efficiency dividend I made particular note that at that meeting, the discussion was had with regard to positions becoming vacant going on to performance based contracts. I'm fairly certain that we had pretty much universal attendance at that meeting and I made particular note of it in my diary that we discussed it and there was no opposition to the Chief Executive Officer as he proposed that as a methodology of going through the efficiency dividend mechanism. It wasn't opposed in the MLA forum when that information was put forward. We discussed some of the issues with regard to areas where there may be enhancement of the Public Service at the Executive Meeting. Coming back to the subject of restructure as I said, there is no restructure that is being presented to us at present, however, as I'm aware of it, the ceo has endeavoured to provide to us within the next week a proposal that we are then able to asses in terms of whether it is an avenue that we would like to go down as a Legislative Assembly and as a Government in terms of structural change to the Public Service

MR GARDNER Thank you Mr Speaker, and Thank you Chief Minister for that response. I just wonder if I might proposed a question to maybe the non Executive Member to see if they are able to put their hands maybe over the next week, on any of the paperwork supporting any of these things that have been discussed or agreed to in an MLA's forum. I would be interested in their responses. I have seen a couple of papers that had to do with restructure proposals and my response to that is on the public record. I certainly did not endorse it and particularly in relation to Legal Services Unit which I'm sure my executive colleagues and others will remember, because I was somewhat venomous in my response to what I thought was one of the poorest presented documents I've ever had presented to me as a Member of the Legislative Assembly and I did go on to comment about the rest of them because I probably used up six pages in my response just on that one matter but it addressed a whole lot of them and it was dealt with as a ministerial as I

understand it which to date I'm not aware that we have dealt with to finality one way or another except I think, that as far as the restructure of the Legal Services Unit was concerned, because of my opposition to the proposal I think that there was unanimous endorsement from the Executive Members to quash that. I don't know what the outcome was of the others but I would be interested in the responses of the non executive colleagues as to whether they have a raft of paperwork supporting the current process that we are moving down because I certainly haven't got it

MRS JACK Thank you Mr Speaker look, I appreciate the position that everyone finds themselves in and the Chief Minister in dealing with this, but one meeting, doesn't openness, accountability and transparency make. Moves to fill positions, my understanding require, if you are going to change from a permanent position to one of contract position, now maybe I'm just simplifying things here, my understanding is that there needs to be substantial change to the position. Not an interpretation of what substantial means, but substantial change to the position and to have that coming at me with complaints and queries from the Public Service over that lack of basic requirement under the Public Sector Management Act and the Human Resources Policy it's an ongoing complaining to me and it is so unnecessary because to me it shows a lack of communication in many stages of operation within the Public Service and the executive of the Government and it's got to be fixed and what also needs to be fixed is the other communication coming out to all Members around this table. Thank you

MR SHERIDAN Thank you Mr Speaker just in response to Mr Gardner's query with regard to us back benchers with any information that we do receive and particularly to this issue, we discuss many things down around this table on a weekly basis, but anything that would have to be progressed you would expect paperwork to follow with regard to issues etc, but I cannot say that I would have one piece of paper with regard to the Public Service and contracts etc. but then again the one thing that has been lacking in the last couple of years is the paper trail with regards to decisions that are made down here in particular and the information that has been brought to the table has been very verbal and the paperwork has not been forthcoming at all. Sometimes it's very hard to get stuff in writing to justify decisions that are made

MR N CHRISTIAN Thank you Mr Speaker I need to also add to this that the MLA's weekly meetings that we have is not a decision making forum. It has no executive authority and merely telling somebody at a meeting what you propose to do in my view doesn't constitute actually getting their agreement to what you are proposing. I might also state that at budget time we did speak about efficiency in the Public Service and I think we were talking about a point 5% efficiency gain overall the ad and I think we were talking about a point 5% efficiency gain overall the Administration but that never, in my view, ever led to a discussion about the restructure or the reform. It was getting more out of what we already had and doing it more efficiently. As far as reform, as far as I'm aware, the only potential reform of the Public Service which has been explored in depth is that which was done by the Public Accounts and Expenditure committee where I also think this House maybe accepted their recommendations but they've never been implemented so that is the only restructure or reform or whatever you want to call it that has been put before us as a group of people for consideration and deliberation. To date I have not seen anything else

MR BRENDON CHRISTIAN Thank you Mr Speaker, just in response to Mr Gardner, I'm in a similar position to Mr Sheridan, we haven't received a raft of paperwork regarding this matter and why I actually asked the questions without notice was to do whether all was compliant with the Human Resources Policy and the legislation that was made before this House. I could agree more than with Ministers Jack, Christian and Gardner. It's an issue of grave concern and needs to be sorted out

SPEAKER Thank you Mr Christian. Any further debate Honourable Members. There being no further debate, the question is that the Statement be noted and I put that question

QUESTION PUT
AGREED

Thank you. The ayes have it and that statement is so noted. Any further statements Honourable Members. We move on

REPORT OF STANDING AND SELECT COMMITTEES

Honourable Members are there any reports from Standing Committees

MR N CHRISTIAN Thank you Mr Speaker I have an Interim Report from the Impact of Bills and Subordinate Legislation Committee on the Liquor Amendment Bill 2009. Mr Speaker I present the interim report and I shall read it into hansard.

INTERIM REPORT OF IMPACT OF BILLS AND SUBORDINATE LEGISLATION COMMITTEE

Mr Speaker the Committee Membership consists of Mr Neville Christian MLA as Chair, Mr Brendon Christian MLA as a member and Mr Ian Anderson MLA as a member and the Committee Clerk is Mrs Gaye Evans JP, Deputy Clerk to the Legislative Assembly. On 21 October 2009 the Legislative Assembly resolved

1. That the Liquor Amendment Bill 2009 stand referred to the Impact of Bills and Subordinate Legislation Committee which shall inquire into and report on the implications of the provisions of the Bill including consideration of, but not limited to –
 - a) the impact on current and future revenue streams to the Administration; and
 - b) the impact on current administration employees including options for redeployment and redundancy.
2. The Committee –
 - a) shall provide a progress report on its deliberations at the November 2009 sitting of this House; and
 - b) shall complete its inquiry and table its final report no later than the December 2009 sitting of the House.
3. The Committee is empowered to send for persons, papers and records.

The Committee process. The Liquor Amendment Bill 2009 was referred to the Committee on 21 October 2009. The Committee adopted the following procedures for considering legislation referred to it: Consultation. The Committee -

- Invited public comment, either by written or oral submission, by placing advertisements in *The Norfolk Islander* and broadcasting over Radio VL2NI;
- Will hold public hearings; and
- Called on the Chief Executive Officer of the Norfolk Island Public Service.

The Chief Minister invited comment in his address to the Chamber of Commerce on 26 October 2009 and also during his Radio Broadcasts.

By invitation the following persons will meet with the Committee

Chief Executive Officer, Mr George Plant
Mr Alan Bataille, Registrar
Mrs Tosca Quintal, Chairperson of the Liquor Licencing Board

Written submissions were received from the following:

Mr Les Nobbs
The Social Awareness Advisory Committee
Mr Bruce Baskerville

The Committee has received submissions and will conduct public hearings next week.

The Committee notes that a petition has been lodged with the Administrator under Section 6 of the Referendum Act 1964 (NI) calling for a referendum on the issue of the sale of the Liquor Board. The Administrator on the 16th November 2009 has advised the Hon Lisle

Snell, Speaker of the House, that the citizen initiated referenda fell short of the required signatures and as such His Honour is unable to direct that a referendum be held. The Committee believes that nevertheless, the community is entitled to be heard and will recommend in its final report to the Norfolk Island Legislative Assembly that a referendum seeking the views of the Norfolk Island community on the sale of the Norfolk Island Liquor Bond be simultaneously held with the General Election in March 2010. The Committee continues its process of deliberation and accordingly, tables this Interim Report.

MR GARDNER
noted Mr Speaker

Thank you Mr Speaker, I move that the report be

SPEAKER
be noted

Honourable Members the question is that the Report

MR GARDNER
Thank you Mr Speaker, that is if I'm allowed to note the Report. I don't see any issue with that. Thank you and I appreciate the report as presented by the Minister and thank him and his crew for the work that they have put in to date. It is an important process and I would encourage those that have thought about it but haven't yet got to do it to make the submissions in relation to this matter as clearly it is a matter of incredible interest within the community and that's supported by the number of signatories to the Petition lodged with the Administrator in relation to holding a referendum on this matter so clearly there are strong emotions within the community. I'm not suggesting that all signatories are against it. I would imagine that many are for it and were keen to indicate that by signing the petition so that at a referendum they were then able to indicate positively either one way or another as to whether they thought it was a good idea but in saying that, I would encourage those who have thought about it and those who have made representations to individual Members of the Legislative Assembly over the last few months about this matter to put pen to paper and make sure that the committee does receive those submissions so that they are able to prepare a full and frank report for the consideration of the Legislative Assembly and I would like to endorse the preliminary report of the committee and its proposed recommendations of a simultaneous holding of a referendum at the time of the next general election, whether that be in March or whatever date but it has to be before March 2010 at the latest

MR BRENDON CHRISTIAN
Thank you Mr Speaker, just to add to what Mr Gardner is saying, as Mr Christian read into the interim report, there's only been three written submissions received by the committee today, so just to encourage anyone who wrote in previously, to resubmit them to the Clerk of the Legislative Assembly for the committee's consideration. It would be much appreciated. Thank you

SPEAKER
Thank you Mr Christian. Further debate Honourable Members. There being no further debate, the question is that the Report be noted and I put that question

QUESTION PUT
AGREED

Thank you. The ayes have it, the Report is so noted

NOTICES

PUBLIC SECTOR MANAGEMENT ACT 2000 – APPOINTMENT OF PRESIDING MEMBER OF THE PUBLIC SERVICE BOARD

MR NOBBS
Thank you Mr Speaker I move that this House, in accordance with paragraph 10(1)(a) of the *Public Sector Management Act 2000*,

recommends that the responsible executive member appoint Nadia Lozzi-Cuthbertson as presiding member of the Public Service Board for the period 18 November 2009 to 17 November 2011. Mr Speaker again this is a situation where we thank a member of our community who participates in one of these Boards. The Public Service Board has many roles including evaluating the observance of the Public Sector Management Act and employees of the Public Service's general principals and employment standards, they provide advise to the Legislative Assembly, they consider and report to the Legislative Assembly and are generally directed by the Act and within the Regulations so I certainly thank Mrs Nadia Lozzi-Cuthbertson for once again putting her name forward in this role on the PSB

SPEAKER Thank you Chief Minister. Further debate Honourable Members. There being no further debate, the question is that the motion be agreed to and I put that question

QUESTION PUT
AGREED

Thank you. That motion is so agreed

WASTE MANAGEMENT REGULATIONS 2004

MRS JACK Mr Speaker I move that this House request the responsible executive member to seek amendment by the Administrator of regulations 3(c) and 3(d) of the Waste Management Regulations 2004 as follows:

1. for goods imported by sea increase the rate from \$15 to \$32 per cubic metre or per tonne whichever is the greater; and
2. for goods imported by air increase the rate from \$0.12 to \$0.26 per kilogram

Mr Speaker one must ask how did this motion come about. You will be aware that for many months leading up to the start of this current financial year and continuing since, all Ministers and the CEO has been involved in the Budget Review committee meetings. Funding for the Waste Management Centre has been on the agenda for a few of these meetings. Funding for the Waste Management Centre has been an issue from its inception. What we do know is that there is now a substantial deficit in operational costs to funds received from the WML. The result some years ago was to place the WAS and the WMC under the one umbrella or GBE and so any short fall in funding would be sourced from the WAS funds. The view held today is that this is no longer appropriate. Mr Speaker, today the cost of operation for the WMC can be simplified down to this - the budgeted operational expenditure for the WMC in the 2009/10 financial year is \$463.7K of this \$344K is provided from the existing WML The balance, approximately \$120K is sourced from the WAS. One of the ongoing problems with this is that this arrangement is inequitable as those households connected to the WAS are funding a disproportionate amount for the solid/or total waste disposal on the Island. In this financial year the current level of operational funding for the centre has no provision for depreciation of buildings, plant and equipment which represents an estimated \$195K in replacement costs for a loader and utility truck. The BRC asked that an exercise be undertaken that would provide an annual figure for depreciation and asset replacement at the WMC and for this amount to be included in forward budget estimates. The figure arrived at was an annual estimate of depreciation to cover capital replacement costs of \$85K bringing the total funding requirement for the WMC to \$548.7K per annum. The WMC needs to become financially self sustaining and this view, this financial self sustainability, has been a common view and one agreed to at various Budget Review Committee meetings (BRC) held throughout the middle of this year meetings that at various times have involved all ministers. Mr Speaker, I note in minutes from one such meeting the first port of call in this financial self sustainability was the introduction of a Land Levy which of course as all are aware was not introduced. In July this year agreement at a BRC meeting saw the move for me to

introduce a Green Waste Levy as the view was that green waste together with locally sourced and produced tanalised timber were materials currently not covered through any WML and were items that in the case of mulching green waste had considerable cost implications at the WMC and in the case of burning tanalised timber were perhaps not best practice and to introduce best practice would have considerable cost implications. It was decided that the financial reliance of the WMC on the WAS would cease on December 31st and that a new levy be introduced to commence from January 1st 2010. I was asked to work with the service to bring forward a proposal that would deal with this issue. The recommendation brought to all members for their consideration was a flat charge rate of \$150 per portion levied on all portions - rural, rural residential, residential, industrial, light industrial, mixed used, business and all leased crown land. This amounts to, in my calculations, some 1982 portions at \$150 per year giving a total of \$297,300. The levy would be charged on all portions including absentee landowners. The levy would be payable every six months and would be a charge made against the six months to follow. This is the option I prefer. Mr Speaker I am aware of the view held by some on the matter of land ownership and cultural values placed on it. However I believe that the community needs to come to terms with each of us having to contribute directly in paying our own way and the introduction of this levy would commence the process. This recommendation was not readily accepted by members for differing views, one member was dead against any charge made on land, others had problems with a such a levy, others with the 'flat rate' aspect. Others saw problems with the fact that the WML had never increased since its introduction and saw this as the major issue. Members asked for me to look into where would the WML be today if it had risen in line with the RPI. I undertook to look at the WML and where would the rate be today if it had been tied to movements in the RPI. I also undertook to look at a per hectare charge with a view to have different rates per zone. At a subsequent meeting of members I notified members of the outcome of my research and notified members of the outcome of my research. Mr Speaker, had the WML been tied to the RPI the levy amount would have failed to keep pace with the financial demands. In fact Mr Speaker let me inform those listening that the WML figure today would be; airfreight \$164.83 per tonne or \$0.17 cents per kilogram and sea freight \$20.60 per tonne or per cubic metre whichever is the greatest. Amounts that fall considerably short to what is proposed today. The general membership discussed the ease in upping the WML and mindful of the time frame set and agreed to by the BRC I have brought this option to the House for discussion. Mr Speaker I am against this motion. My reason is simple. Increasing this charge has inflationary flow on causes. This House has just increased the GST from 9% to 12%. The WML forms part of the calculations when businesses calculate the GST so to me this is a double hit. We are all aware of concerns being raised with us over the cost of living here and yet there seems to be the view by some of 'what is the problem with an extra few cents on the price of tooth paste or the cost of bread'. Well Mr Speaker, I suggest during the month that this motion will rest on the table I suggest we all go and ask the people of the community just what is preferable because my view is that while neither option is preferred the increase of the WML will have a far greater impact than 'one or two cents on the price of goods'. All goods entering are subject to the WML, I understand prices at the Liquor Bond have just risen and should this motion succeed, will rise again. Having said that Mr Speaker, I must say that I am surprised by the email sent to all members yesterday afternoon by the President of the of Commerce in which he writes, and I quote, "The Norfolk Island Chamber of Commerce wishes to register its concern at the proposal to increase the Waste Management Levy from \$15 per cubic metre to \$32 per cubic metre. The Chamber has no knowledge of the reason for this and would be very concerned if it was just a quick grab for cash given the Islands current situation. The problems that come with cross subsidisation is an area better not visited. Unfortunately this measure, regardless of the reason for bringing it forward, will be inflationary and have a deleterious effect on business activity at the worst possible time. The Chamber sees good waste management practices as important to Norfolk both to maintain the quality of life of the residents but also to support aspects of our new tourism brand. The increase in waste management levy may, we understand, raise an additional

\$250k per annum. This substantially exceeds the current shortfall in operating costs for the WMC and unless the NIG is committed to a capital expenditure program that improves the way we handle waste, then it must be seen as being simply a taxation measure. The Chamber then requests that members reject the proposed increase unless it is accompanied by a commitment to put the money raised into the Waste Management GBE for actual proposed capital expenditure aimed at improving processes.” . During the next month Mr Speaker I will be interested to find out the number of members present when this direction was made. I have made contact with some members who were not present at this meeting and who have already, or intend to, make their counter views known to Mr Bell. Mr Speaker, I wish to add. In looking at the operation costs of the WMC other factors were considered including: closing the centre for one, two or three days per week. This was not considered feasible by members and the view was that given the volume of waste generated by the community staff would be playing catch up on the closed days and no real savings would be generated. My view and it is supported by all members is that until the burning at Headstone stops and an incinerator is located on site at the WMC then no real savings will be generated in this operation. The costs involved in the triple handling of waste are huge and the community can look at the operation and see funds going up in smoke. The report on our waste management gave a recommendation of a High Temperature Incinerator (HTI) and to locate it at the WMC. The funding for this system was beyond our capabilities and it is unfortunate that with a change in Commonwealth funding NHT funding has been replaced by CFOC, different criteria, different system, different resources etc. However, Mr Speaker, new technologies are always being put forward and indeed in the last three weeks two new such ventures have contacted my office. I believe it necessary for further information to be obtained from these businesses and indeed any others that may be able to assist in placing an incinerator that meets our requirements now and into the future, that meets community expectations on safety of operation and that fits in with current best practice and EPBC Act requirements and of course is affordable and if possible can source funding assistance. To this end the CEO, Mr George Plant, myself, Mr Geoff Atkinson from the Administrations LSU and the Planning Officer/Acting Conservator, Mr Alan McNeil, are meeting this afternoon to discuss the strategy in putting forward new Terms of Reference in seeking any interested parties to put forward Expressions of Interest in meeting our waste management incineration requirements. Let me also state that the Administration has signed a working agreement, an MOU, with the University of New England to assist us with any general technical enquiries. Mr Speaker, I do not seek to finalise this motion today. I am sure there will be many in the community wishing to contact, not just me, but all members around this table and I urge them to do so. Talk to us all because views around this table have been mixed; those that support an introduction of a Green Waste Levy and those that don't, those that think an increase in the WML is the only way to go and again those that don't. Perhaps I should also mention Mr Speaker that there may be those that propose to let us just remain with the status quo and keep on drawing money out of the WAS. I am against that option. Why come so far down the road and then baulk at the first hurdle. Oh I know we are near the end of this assembly and a voice could say let the next assembly deal with the issue. I am of a different view Mr Speaker, why not deal with the problem now and give some surety to the next assembly, the problem won't go away but it can be dealt with. Thank you

MR SHERIDAN Thank you Mr Speaker I would just like the Minister to clarify for me. I believe she stated at the start of her speech that the income from the Waste Management Levy is \$345,000. I was under the impression that with this increase we would receive an extra \$330,000 so that would be something like \$130,000 surplus to requirements. I was just wondering whether the Minister could...

MRS JACK Are you referring to the proposed a new levy

MR SHERIDAN The proposed new levy if it was brought into effect it would raise approximately on these figures given to me, approximately another \$330,000 and you stated that the Waste Management Levy currently brings in \$345,000 and we need \$540,000 with depreciation to run the Waste Management Centre. That is only \$200,000. Why are then we looking at a \$130,000 extra

MRS JACK Thank you Mr Speaker the extra I suppose could be said to be looking at other issues that also need to be covered and have been discussed here, albeit briefly, but we have issues coming from the Waste Management Centre in the sending off of recyclables, we also have problems with environmental action required against invasive pests but that at the moment there is no funding for and this is a way to allow for full cost recovery and depreciation of new assets, replacement of assets and is also being able to put aside funding for some of those issues that seem to be rising that we don't have sufficient funding for. Mr Speaker I'm not saying that it's the ideal. I'm just going out there and putting the facts out so that the community can be well informed and can come back, ask me questions, ask all Members questions. Either way we are going to end up with an excess. Whether it would be from say \$150,000, \$75,000 twice a year, or do we say when it was a proposed Waste Management Levy increase do we then bring it back to only what we require for this year or should we be a bit more adventurous and allow for some expansion of that. I can see from the increase if we've been adjusting the Waste Management Levy along with the RPI we'd be equal to only 54% of what we are needing today so these are the figures that have come up. I'm aware of the requirements of December 1st. I need to get something out there so that the community can be aware of what's been discussed and that's what I'm doing

MR SHERIDAN Thank you Mr Speaker it's quite interesting to see the Minister's rationale for that \$130,000 extra because actually if she did her homework she would see that the figures she's been quoting are quite incorrect. We only get \$230,000 from the Waste Management Levy currently over the last two financial years. As the Minister stated the Water Assurance Scheme has been propping it up and part of that \$340,000 that she has talked about has been the Waste Management Levy for the year, is actually \$125,000 funding from the Water Assurance Scheme so there again, the Minister's not quite up with her figures. She doesn't know what figures she's talking about so I really believe that this should never have come to the table and more discussion is needed, and to me we are just wasting our time here at this point in time

MRS JACK Thank you Mr Speaker that's fine and Mr Sheridan is well entitled to his view. I'm going on information supplied to me by the Public Service in a ministerial and that is what I'm basing that information on. Now if he is dissatisfied with that I can take that up with the service but don't start saying that things are unprepared. We've been discussing this for some time now. I've been informed that it was agreed by Ministers that this issue had to start coming forward on December 1st. We've got to start also having some answers and getting direction from all Members around this table if we are going to start being proactive and moving with any decision we are undertaking

MR GARDNER Thank you Mr Speaker, just in reference to Mrs Jack's reference to being agreed by Ministers as I understand it Mr Speaker this was part of the budget preparation process and there was agreement that the levy needed to be addressed and introduced before January 1st, 2010 to meet the projected budget shortfall of running and maintenance of the Waste Management Centre. I'll go back a little while in my thinking about this. There's been two events that I can recall in the time that I've been down here at Kingston and that's a bit over twelve years now, where there has been a very wide consultation process that has been embraced and engaged wholeheartedly by this community. One of those was the preparation of the current Norfolk Island Plan which was under the stewardship then of Ivens Toon Buffett who insisted that if we were going to do something, we'll do it properly. He took that same view with the Waste Management

Centre proposal and I can clearly recall and I think he may have been the Chief Executive Officer at the time, his wholehearted support in making sure that we went through an exhaustive process in trying to design a Waste Management system that would suit Norfolk Island. The most recent one of those which has been an exhaustive process, has been the development of the Tourism Strategic Plan and all of the measures that have flowed off that which have been the branding process and everything else. The point I'm trying to make is that there is a need and I've said it in this House before, to commit strongly to the Norfolk Island Plan as our major guiding document for the future development of the island and it is not something that you easily turn your back on and walk away from, and I've been critical with this House in doing that in the past. That's on the record. The Tourism Strategic Plan is something that we have committed to and despite the fact that we've run into a few brick walls from time to time, we are focussed on achieving the aims and goals and aspirations that are contained within that and it is vitally important that we stick with it despite the fact that occasionally we hit a brick wall. Waste Management was designed to be the same and I think that when the strategy was developed and the consultation done, reports came in and commitment made, it was Toon who actually oversaw the construction of the new Waste Management Centre, that there was a need to make sure that we adhered to the recommendations and that you didn't just get to stage two of the ten stage process and then say, Oh Gee, it's all too hard. We're not going to throw some money at it, and we're not going to maintain it, because that is where unfortunately we've fallen over with Waste Management. We haven't stuck to the commitment and that is not a criticism of Vicky in her role because I know she's worked tirelessly at trying to resolve this issue and it's not a criticism of the current people who are running or managing all of those who have been in the past, for example, Brendon who I think was the first Manager of the Waste Management Centre. It's a criticism of our systems letting us down where we commit to something but we don't deliver to the end and we stay with it and we make sure that we adequately fund it, because all the experts, all the consultants, all the people that we spoke to in all those years of preparation of Waste Management strategy said that you've got to stick with this, otherwise you are going to fall on your sword and we haven't stuck with it. So what do we do. And maybe now is not a time to implement another revenue stream to cover a hole in the budget. What it does mean then if that is something that we are not prepared to do, is that we have to move very quickly in the budget review process not the committee but the process as we did last year when it was made very clear to us that things were not travelling as we expected them to and we needed to trim our sails and reign in our expenditure to make sure that we were going to survive, and as we know, it's been a difficult job to survive, and we're not out of the woods by a long shot, but we will survive and we will get the system that we need but what we have to now do is go back and look at our priorities and say to ourselves do we continue with the implementation of the Tourism strategy. My answer is yes, we must. Do we continue with the implementation of the Waste Management strategy that we started years ago with so much input from this community and my answer to that is yes, we must. We can't abandon it and go back to digging holes out on Clifftop and having fires everywhere even though we are burning our waste. If we are serious about addressing it, we will find the funds. But the question is, where are we going to find the funds and it's about establishing priorities. We have to look at what we spend and if Waste Management is a priority and it takes priority over other things that we are doing and we need those funds to fund the Waste Management Centre then we need to take knives to the other priorities. We have to as is an adage from years gone by, it's been drummed into me ever since I've been on the island, we're proud of living within our means. Let's go back to that. Let's go back to living within our means and saying to ourselves we are proud of the place in which we live. We are proud to hold it up to the world as our world, the world of Norfolk to say to people we can manage our waste streams. It's important to us because flowing from that is everything about tourism on Norfolk Island. The place that we are. It is a priority without doubt. And there's the equity question that comes into waste management. There's a property next door that's 15 acres and they cart of 100's of tonnes of green waste every year and they might run a major

business out of there and take out twenty tonnes of paper and cardboard and plastic in a year and the 10 acre block next door that's pristine wilderness doesn't generate any waste, doesn't need to take any away because they are able to turn all of their green waste into compost for use themselves, they don't have a business or a house on the property, they're going to be levied in the same way as the property next door. So there is no easy answer to the question but we cannot continue to expect those who are attached to the Water Assurance Scheme to continue to subsidise themselves the Waste Management practices of the entire island because that is inequitable. People are paying for something where their money was intended to be put to a specific use where it's been used for something else and I know the Minister's own frustrations in relation to the Pitcairn Place extension. If those things had happened. If the extensions had happened elsewhere as was planned, certainly there would be a greater pool of money within the Water Assurance Scheme to continue the extension island wide, because as the pressures build on us particularly under the provisions of the Norfolk Island Plan, to want to split the island up and subdivide further and increase the population, there is going to become added pressure on the Water Assurance Scheme to cater and into the new subdivisions and into the new areas of the island that are going to require it and aren't going to be able to cater for their liquid and solid waste requirements. And there is also the over-riding need to ensure that the Water Assurance Scheme has sufficient reserves within it to eventually replace some of the significant infrastructure items that make up the Water Assurance Scheme otherwise we are going to find who knows when, in the next Legislative Assembly or two Assembly's thereafter a year where they have to completely renew the whole treatment system and we know that was an expensive exercise when it first went in. I would hate to think now what it would cost to replace that. But seriously there has been no provision made for the depreciation of that within our systems and that was what the Water Assurance Scheme was designed to do. It was designed to be self funding forever and a day and this is about committing to these things again because if we had followed it to the letter there wouldn't be a problem. If the machinery, the equipment, the infrastructure fell over tomorrow, there would be sufficient funds to replace them and so there have been a number of exercises where if we commit to them we can hold true but when we start to deviate at a whim it falls apart on us and doesn't deliver on its promise to us. It is imperative that we get our priorities right. I'm more than happy for this to sit on the table for the month but I would be strongly encouraging us over that intervening period for us to look very closely at everything we are doing and to be full throttle as far as the Budget Review process is concerned and that my sense of need to wanting to do that is also fuelled by the financial indicators that were tabled today which in some areas again indicate that there may be some hiccups in the system and they need some urgent address and so I would encourage us to get about doing that as soon as we possibly can

MRS JACK Thank you Mr Speaker just one other aspect that I'm working on researching currently and I believe that the present Waste Management Levy was introduced or gazetted on about the 17th February 2004 and I'm just working any effect that actually had on the RPI because of the increase in foods etc so I have that information before me and there was a bit of a spike but I'm just trying to relate that to any possible increase that may flow on should this happen to increases in payment of social welfare benefits etc so there is more work in that aspect and I'm just advising the cy that there are more aspects to look at but I also undertook from the Budget Review Committee to have something in place and I am working to try and have more information available, not just to Members but to the community as a whole. Thank you

SPEAKER Any further debate Honourable Members. Mr Sheridan if you could take the chair for a moment

MR SNELL Thank you Mr Deputy Speaker. I would just like to make a few comments on this Waste Management proposal and as was mentioned by

Mrs Jack I didn't want any impost on land at all on this matter. I'm a strong advocate as I mentioned in MLA's of the user pays policy and I think this is one of the areas where we could implement a user pays policy system, and I state that on the belief that a lot of us here on Norfolk Island have different blocks of land. There are some people with small blocks that could be penalised more than those with none, and those with a lot of land may only visit the Waste Management Centre once or twice a month or not even in that time, and the person with very little land, or no land, renting for example, may visit the Waste Management Centre on a weekly basis and their contribution to the Waste Management Centre far exceeds those that of course maybe visit once every two or three months. If we are going to charge for waste in a manner such as this, it's becoming unfair. I agree with the Minister. It's a very difficult one. I'm not in favour of increasing the prices but what are we going to do about it in the interim period is the question. My strong believe is that we still should charge at the gate for user pays. If you are going to use the service you should pay for it. I also appreciate that illegal dumping could result but we have to address that as it happens. Under separate legislation. I think what we should be doing is education and encouraging recycling and reduction in waste in particular and that's the point that I wish to make but certainly not an impost on land. I'm a strong advocate for a user pays system. Thank you

MR NOBBS Thank you Mr Deputy Speaker I welcome this coming forward and particularly it sitting on the table. In terms of any of the other mechanisms that we consider, quite a few of them have offsets that can then attach themselves to that new mechanism and I just refer I guess to a user pay whereby we're putting someone on the gate or having a weigh bridge installed or things like that, where ever possible, I am aware that we are exploring devises that can dispose of the waste or generate electricity from the waste or package up and recycle the waste or crush as in the glass crusher to give these areas optimum use. I likewise recognise that it was something that has an impost and will have an RPI effect so I look forward to further input on this one. Thank you

MR BRENDON CHRISTIAN Thank you Mr Deputy Speaker, I'm concerned that it's taken over five years for the Minister of the day with responsibility for waste management to finally deal with the fact that the Waste Management Centre is severely under funded from the waste levy and has had to rely on the Water Assurance Scheme for its operational expenditure. This has not only led the public to believe that the Waste Management Levy covers the cost of the centre, but it has also taken on the necessary funds that are paid by the users of the Water Assurance Scheme that are meant to be used for the maintenance and upgrade of the Water Assurance Scheme and also replacement of infrastructure once the service life had expired. The expected lifetime I believe is around 25 years. This means that at very best serious money will need to be spent in the very near future on the Water Assurance Scheme. I believe this will not happen as most funds have gone to the Waste Management Centre. But what I find the most difficult to accept is that we have now found ourselves, being the community, in difficult financial times, and it has now brought forward the idea of increasing levies to fund the centre. I would find it more acceptable that a workable, realistic plan of management and operation be developed immediately so that no only the Legislative Assembly but Members of the community have a clear and concise document that will move the issue of waste management into the future. Mr Deputy Speaker I look forward to any feedback from the community and further debate regarding this matter.

MRS JACK Thank you Mr Deputy Speaker I would just like to say to Mr Brendon Christian that in fulfilling his requirements, because he had asked me questions in the House and in fact he has even raised it in MLA's, his desire to have some Plan of Management in relation to the working or the operation of the Waste Management Centre and he's asking for some immediate commencement of that and I would dearly love to be able to say to him that I have the funds to begin that immediately. Unfortunately it's not just a simple thing, it can't just simply be done by somebody sitting down with a

wish list. We have obligations under the Clean Seas Act that must be brought in under any Plan of Management dealing with our waste. We have issues under the EPBC Act dealing with waste. The whole variety of recycling and sending things offshore is another aspect, so it's a bit broader than may at first be considered and it's something that I agree, is needed, but the resources I don't have and the funding I don't have

DEPUTY SPEAKER Thank you Mrs Jack. Any further debate Honourable Members. Mr Speaker if I could ask you to resume the Chair. Thank you

SPEAKER Thank you Mr Sheridan. Mrs Jack you did make some mention at the commencement of this debate that you may wish to adjourn the motion. Is that correct

MRS JACK Thank you Mr Speaker I move that debate be adjourned and the resumption of debate made an Order of the Day for a subsequent day of sitting

SPEAKER Thank You Mrs Jack. The question is that debate be adjourned and the resumption of debate made an Order of the Day for a subsequent day of sitting

QUESTION PUT
AGREED

The Ayes have it. That motion is so agreed. Debate is so adjourned Honourable Members

Now Honourable Members I note the time. Is it the wish of the House to suspend for lunch

MR GARDNER Thank you Mr Speaker, I'm just looking at the matters that still remain on the Notice Paper in Orders of the Day and my expectation from those is that we can probably dispense with those within an hour, or half an hour and I would be more than happy to progress

MRS JACK Hear Hear

SPEAKER If that is the wish of the House, then Honourable Members we proceed

**PUBLIC SECTOR MANAGEMENT ACT 2000 – APPOINTMENT OF DEPUTY
PRESIDING MEMBER OF THE PUBLIC SERVICE BOARD**

MR NOBBS Mr Speaker I move that this House, in accordance with section 11(1) of the Public Sector Management Act 2000, recommends that the responsible executive member appoint Aristides Alexis Martinez as Deputy Presiding Member of the Public Service Board for the period 20 November 2009 to 19 November 2011. As I mentioned earlier with the renewal of the appointment of Nadia Lozzi-Cuthbertson's role in the Public Service Board we certainly welcome and thank the committee Members who participate on these Boards and I spoke earlier about the diverse range of areas that the Public Service Board is involved in. I certainly thank Mr Alex Martinez for coming forward and putting his name forward for a position on this Board and to assist us in that role. I would also like to point out that leaving the Board is Ms Cathy O'Sullivan and I certainly thank her for all her input into their deliberations and her assistance in the Board over the number of years that she has been there and thank her on everyone's behalf

SPEAKER Thank you Chief Minister. Further debate Honourable Members. There being no further debate, the question is that the motion be agreed to and I put that question

QUESTION PUT
AGREED

Thank you. The ayes have it. That motion is so agreed

CUSTOMS ACT 1913 - EXEMPTION FROM PAYMENT OF CUSTOMS DUTY

MR CHRISTIAN Mr Speaker I move that, under subsection 2B(4) of the Customs Act 1913, this House recommends to the Administrator that the goods specified in the first column of the Schedule imported by the person specified opposite, and on the conditions mentioned, in the second column of the Schedule be exempted from duty . Mr Speaker column one refers to uniforms and the amount of duty applicable would be \$320.48 and they were imported by the St John Ambulance, Norfolk Island and there are no conditions. The second one is a Ball Machine and the amount of duty applicable would be \$289 and they were imported by the Cheryl Tennis Club and the conditions placed upon it is that it be used for the development of youth tennis in Norfolk Island. Thank you Mr Speaker

SPEAKER Thank you Mr Christian. Further debate Honourable Members. There being no further debate, the question is that the motion be agreed to and I put that question

QUESTION PUT
AGREED

Thank you. That motion is so agreed. I note that Brendon Christian is not present in the House

PLANNING ACT 2002 – AMENDMENT OF NORFOLK ISLAND PLAN

MRS JACK Thank you Mr Speaker I move that in accordance with subsection 12(4) of the Planning Act 2002, this House resolves that the draft plan laid before this House –

- a) being a draft variation to the Zoning Map titled “Original Proposal”;; and
- b) being a proposed variation to the Norfolk Island Plan of 25 February 2004 as most recently amended on 5 September 2008; and
- c) deemed to be the Plan under section 8 of the Planning Act 2002, be approved; and

2. For the purposes of subsection 13(1) of the Planning Act 2002 the date of commencement of the approved plan be 27 November 2009

I wish to table the application Mr Speaker and the supporting documents attached to it. Mr Speaker I’ll just read some of the commentary attached to this application. It is proposed that the Norfolk Island Plan 2002 be varied to enable the rezoning of land specifically part of Lot 13 section 4 Quality Row, from open space special use. The draft plan was prepared to reflect the proposed variation to the Norfolk Island Plan and this report was made available to public consultation. Public consultation was undertaken as follows. Gazettal as required under the Planning Act 2002 of the application to vary the plan in accordance with clause 94 of the Plan and also concurrent gazettal also is required by the Planning Act 2002 of the Development Application for the proposal. Mr Speaker I would also wish to state that the KAVHA site manager Mr Bruce Baskerville applied to rezone the

area of land adjacent to Cemetery Reserve from open space to special use and also to carry out a boundary adjustment and change of use to match this proposed new zoning. The application proposed to adjust the boundary lots between lots 13 and 15 section 4 Point Hunter Reserve and Cemetery Reserve respectively at Kingston. Change the use of this adjusted area against open space to cemetery and rezone the area from open space to special use. The proposal if approved would effectively shift the western boundary of cemetery reserve from its present location further to the west to be in line with the existing eastern post and rail fence of the Golf Course to facilitate the continued expansion of the cemetery. The applicant is aware that the Plans of Management for the Public Reserves also needs to be amended and the application is aware of this requirement. The applicant Mr Bruce Baskerville, prepared a Heritage Impact Study and the terms of references for that Heritage Impact Study were based upon the standard HIS Guideline issued by the New South Wales Heritage Council of 2002 and directions given by the Minister for the Environment under section 28 of the Heritage Act Norfolk Island. The ministerial direction required an outline of the proposal and understanding of the relationship with the KAVHA CMP including an assessment of whether it is in accordance with the CMP. Identification of any other relative heritage controls or guidelines including any directions by the KAVHA Board and also a direction and assessment of the possible impacts of the Heritage fabric of the area also considering the modern day cultural practices, that is, access to the beach near the cemetery. One public submission was received in response to the concurrent gazettal and availability for a public inspection. The submission asked that consideration be given to retaining a space for parking and access for walkers and dogs to cemetery beach bearing in mind that dogs are not permitted within the cemetery grounds. The submission suggested the development be carried out in two stages. The first being an expansion up to the current gravel track and the second stage an expansion beyond this line when necessary whilst still retaining a form of access. Also in Mr Baskerville's Heritage Impact Study he did give under section 6 aspects of the proposal that could be detrimental to the significant of the site and this was the continuing use of the track of cemetery beach and he stated that the reserve Plans of Management make several references to this track and although the detrimental impact identified in those plans are within the dune areas behind cemetery beach and Point Hunter Reserve rather than in the cemetery reserve, graveyard or subject area. The proposal itself does not seek to close the existing track but it provides an opportunity to address some of the issues associated with the track. None of the existing plans contain a policy to close the track. Mitigation of impacts arising from its use as envisaged in the reserve Plan of Management and the KAVHA CMP envisages existing tracks or roadways remaining visually low key. He also commented on alternative solutions considered and discounted. One was to do nothing and this would result in only another few years of burial space being available, and this was not deemed to be satisfactory, to extend the graveyard and or cemetery reserve southwards. He stated there were several reasons for not pursuing this alternative and one being the southern area contains the only habitat on Norfolk Island for a prostrate native herb *Calystegia soldanella*. It grows in the vicinity of the sand pit. Extension of the graveyard into this area may result in the loss of this rare plant. Another reason given was the southern area lies on the sand dunes. Sand is not a good medium for burial purposes as it requires extensive shoring and involves a number of occupational health and safety issues for gravediggers. A southerly expansion of the graveyard in 1993 involved removing sand replacing it with a clay loam fill. This has still not seventeen years later, produced a site that is safe for grave digging and suitable for burial purposes. He also stated the logic of sequential southerly extension of the reserve was eventually resolved and the closure of access to the beach once it became hemmed in by burial sites. This was contrary to the Point Hunter Reserve Plan of Management which envisages continuing recreational and conservation uses of this area and he went on to note other aspects. I support this change and extension and I look forward to comment by my colleagues around this table.

MR BRENDON CHRISTIAN Thank you Mr Speaker. I support the motion. I just wonder if the Minister can clarify as raised in one of the submissions, about the access of existing use for the dog owners who currently come into the proposed boundary to adjust the Cemetery Act, for the benefit of the listening public, to the new fence along the Golf Course and I'm wondering what the plans are considering that the Minister mentioned that it is prohibited to have dogs in the Cemetery Reserve and is there an alternate access that we propose for these people as cemetery beach is the one of the only beaches where you are allowed to have dogs on unleashed, and has the Minister taken this into consideration

MRS JACK Thank you Mr Speaker the Plan of Management and the changes there are going to have to be reviewed and taken to account for some of the issues raised by Mr Christian, especially also dealing not with dogs but with car parking and access. As for the dog issue, I'm not sure if that is an Act or a Plan of Management requirement but it is certainly something that is going to have to be addressed, and I may well have to bring if it's in the Act an amendment to the House asap to deal with that issue because it's not one by this expansion was intended to change any of the current usage and day to day uses of that area

MR SHERIDAN Thank you Mr Speaker I think it's a great idea and I know that it will help a section of the lot down at the cemetery if it is extended and I did note that there were two proposals here and I note that the Minister is going with what she calls the original proposal which goes along the actual fence along the Golf Course and set to straightening it up. That's neither here nor there with what she chooses to select and just a note on the dog issue, as I queried the Minister during the week, there is no immediate intention to remove this western bound fence I believe to extend it out to the boundary of the Golf Course so where the people park now will still be utilised for parking and they can get their dogs off their vehicles etc, but it must be noted that the actual cemetery itself is just not only enclosed in that wooden fence. It goes down beyond the toilet which is located on the southern side of the cemetery so in actual fact, people with dogs are already utilising the cemetery to walk their dogs, because the area near the gate is included so in that respect I don't believe anything will change and the people will still be able to park their cars there, walk their dogs, do whatever they like, go camping and this just will be giving the curator of the reserves or the sextant more space to utilise instead of

looking for space each time somebody passes and to actually get all the graves inside consecrated ground. Thank you

MRS JACK Thank you Mr Speaker and I thank Mr Sheridan for reminding me to explain when I say that the original proposal because there was an MLA's a few weeks ago when another proposal came forward and that was to make the ease of use of having a straight cadastral line survey just to go straight from one peg down to the end of the Golf Club fence on that first dog leg I suppose. It was not a proposal I was prepared to carry forward. My intention was always to stay with the proposal and it has had public consultation and that was why the one that's had public consultation is referred to as the original proposal

MR GARDNER Thank you Mr Speaker, I'll try and be brief. My first assessment of this paper is that the officer who prepared it deserves to be soundly complimented on the preparation of an outstanding submission for the variation of the Norfolk Island Plan and as I said in earlier debate and on other issues, the Plan is not something that should something that should very easily be changed, altered or amended at a whim unless there is an overwhelming demonstrated need and community benefit also and this is one of those cases and I firmly support the proposal. In saying that, I am a little surprised that the Planning Board and MLA's had thought previously that it was a good idea to use a different line for the cemetery and I see that in the report that was the

recommended step to take but I do accept the Minister's undertaking as far as the exposure of the proposal to the public in that, that had not been exposed to the public. In hindsight maybe we could have delayed it a bit longer so that could have gone back for public comment. I would be surprised if we would have received any great deal of submissions than that which we did because it would be a great number of years I would think before that extended area would be utilised for the purposes of accommodation in the sense of accommodating dearly departed people but this application clearly does conform with the requirements of the Norfolk Island Plan for rezoning and for amendment. It does adhere to the provisions of the amendment to the Norfolk Island Plan and certainly does meet the community interest and expectations and wholeheartedly support the amendment and commend the officer for preparing such a comprehensive report in the first place. That's Bruce Baskerville. But also the process that's been followed is to be commended in the public exhibition and for bringing it back to the House. Thank you

MRS JACK Thank you Mr Speaker it would have been possible to extend this out and perhaps go for the other proposal however I'm on the understanding the Church of England Bishop is actually coming out on the week of the 30th of November and is going to reconsecrate some of the land and actually consecrate murderers mound because for those who were buried after the rebellion, the Catholic priest made it there but not the Church of England one, until some had been buried so for religious significant and there are many of those of us within this community for which that is a very important aspect and this proposal will ensure that recent and future burials are clearly within the cemetery reserve. Thank you

SPEAKER Thank you Mrs Jack. Any further debate Honourable Members. No. Then I put the question that the motion be agreed to

QUESTION PUT
AGREED

The Ayes have it. That motion is so agreed.

ORDERS OF THE DAY

NORFOLK ISLAND BROADCASTING ACT 2001

SPEAKER hat the motion be agreed to and the Minister for Finance has the call to resume

MR N CHRISTIAN Thank you Mr Speaker, I won't say too much. This matter is to deal with an application for a broadcasting licence in respect of the Colonial Hotel of Norfolk Island where they seek to be able to operate a low powered radio transmitter for broadcasting in the boundaries of the All Seasons Colonial Hotel and it seeks to bring to a conclusion the application that was first received by the Administration back in January 2009 and as Members would recall, part of the delay in issuing the licence has been because of the fact that we actually did have a Broadcasting Authority constituted and we subsequently changed the legislation to allow the executive member to issue licences upon the recommendation or resolution of the House and so we are about to conclude that process I would hope today Mr Speaker

MRS JACK Thank you Mr Speaker look I've got no problems with this matter. My only concern is that we have assurance that any broadcasting won't interfere with any of the emergency services and the Minister took time to tell us that wasn't to be the case, at the last meeting. Any problems with copy right of music being played, I don't believe are matters for us to deal with but rather is between the operator

and whoever the copyright holder is. The other aspect is in the testing period that the testing went on for the period of time it did to get to the stage, surely there could have been a better time limit and I'm just unclear on what aspects there are within the Act to ensure that any future proposal, any testing that's done for that proposal falls within certain boundaries so that we don't have any crossing over of broadcasting into the greater arena as has happened with this one and that's it. I wish them well. There may be issues and I feel sure that the Minister will look into those to ensure greater compliance in testing. Thank you

MR GARDNER Thank you Mr Speaker, the motion to approve the issue by the Executive Member of the broadcasting licence contains within it words to the effect that radio broadcasting facilities is licenced for broadcasting for reception within the boundaries of All Seasons Colonial Norfolk Island premises only. Now I'm not sure, but from the advise that certainly I'm privy to, that is not possible, so I'm just wondering whether the Minister is going to revise the conditions of the approval of the issue of the licence because the Colonial simply could not comply with that, in other words, wouldn't be able to broadcast. From my understanding. The other issue that has arisen which I discussed with MLA's yesterday was the proposed commercial nature of the broadcasting activity and I wasn't sure whether we'd asked the Minister to have a look at that, because as I understand that for example, Radio VL2NI is a community radio station and is not licenced whether that's the right term under Broadcasting legislation whichever one it falls under, to conduct a full commercial radio station, so in other words, it cannot accept full paid advertising and the like. It can receive sponsorship but not paid advertising and there are I think as I understand it, great benefits to VL2NI in not being a commercial station and it doesn't cost them so much to comply and also the royalties aren't as great, and the like. I think there are different standards that obviously apply to community radio stations of that type. In reference to the Colonial's activity as I understand it and again I stand to be corrected, but they have been advertising for a commercial purchase of advertising space on their in house broadcasting system which in my view, probably constitutes it as a commercial activity. If that's right, I'm not sure whether under our licencing regime we can licence that type of activity but my biggest concern at this time is the restriction on them for reception only within the confines of the all Seasons Colonial of Norfolk Island premises. If that is a condition and is passed by this House they will not be able to operate as I am aware, simply because you cannot retain the reception within the boundaries of the Colonial and I know its inconvenient but I really do think that we are playing with a few things that we need a little more advise on. One is the commercial context of the activity and what implications that has for broadcasting generally, not just under our legislation but in relation to the licencing or the activity which is the VL2NI and I would hate us to put our community radio station's ability to do what it does in jeopardy because maybe we are authorising something to happen that doesn't quite comply with the same requirements generally within the island. Now that's long and convoluted but they are I think real concerns and real issues, that we probably need to get some answers on and maybe the Minister can provide those answers, I'm not sure

MRS JACK Thank you Mr Speaker I think Mr Gardner raised a very valid point there and I'm prepared to put on hold my acceptance until those aspects have been satisfactorily responded to

MR SHERIDAN Thank you Mr Speaker I didn't really have a concern with the issue of a license such as this. I think big establishments should be able to broadcast in house, instead of running wires to each room, they broadcast something like this, but as mentioned at yesterday's MLA's yes there was a concern with regard to the commercial nature of it so if the Minister could provide us with some information on that. If it is just purely internal self governing station, no advertising just broadcasting and advertising their own venue, I would have no problem with it, but if they are going to start

competing on a commercial nature then I think that's something completely different altogether and I think the Minister might be able to advise us on that

MR BRENDON CHRISTIAN Thank you Mr Speaker, that was my only concern also. I have nothing further to that. I have no problem with issuing the licence and I can see immediately other than the concerns being raised by Minister Gardner and Mr Sheridan, other than the fact that I find it a little distasteful that this so called test operation has been allowed to happen for so long without any licence and without due process being allowed to take place and if the Minister could ease my concerns as I have concerns about this

MR NOBBS Thank you Mr Speaker I raised most of these concerns at the introduction of this motion at the last sitting, and also queries some of the things that have been discussed today such as the royalties, frequency, allocation content and the like. I also have an issue of the politely phrased testing period in that I feel that's in breach of the Act however I'll stand to be corrected on that. In terms of exactly what Minister Gardner talked about and that's the ability to advertise and its impact on our community station, I think that is something we definitely need to pay some attention to, particularly in the context that I am aware of an email circulated to some retailers on the island proposing that the Colonial FM broadcast radio on Norfolk Island which commenced broadcasting on the 1st June 2009 is able to provide commercial ad spots and I see that would be an acceptable thing if it was restricted to the in house and able to provide those services in house it would be very much like a compendium in one of the resorts or tourist accommodation houses in the island, however, I am equally sensitive to the fact that we don't want any new radio station that is given a licence in this context to have an impact on our community station in the various ways that it operates

MR N CHRISTIAN Thank you Mr Speaker I'll attempt to address the concerns that's been raised. In respect of the ones by Mr Gardner where we strictly interpret the words of the motion in that the radio broadcast is for reception with the boundaries of the all Seasons Resort only and I think what we are trying to intend there is not a broadcast that should be receivable in the wider community. It's almost impossible to stop some of the radio waves escaping from the Colonial's property because it's a rectangular piece of land so in strict terms they're not going to be able to comply with the words of the motion but I am aware, during the testing phase of the transmitter was set at the power of 20 watts which I suspect would be more powerful than Radio VL2NI and it has been detuned to 2 watts and I've been informed by Gary Summerscales, the radio technician that if problems do occur with the strength of the transmission he can detune it further and he is the only one who has access to or the capability to detune it. I met with the Manager of Norfolk Telecom on Saturday morning past who is the responsible Technical Officer for all of this and he verbally advised me that everything with the application and installation of the equipment was in order and I was able to proceed with the motion that was before the House. He had no difficulty with the issue of a licence. In respect of the commercial content and the difference between VL2NI and the Colonial radio, this is for an internal broadcasting, it's not something that's widely available or meant to be widely available or to compete with VL2NI and the original application stated that this is to be an in house radio station, which will be broadcasting music and our own advertising. Depending on availability there may be limited space for others to advertise. I would imagine that type of advertising as being no different to putting a brochure on the shelf in the reception area. That's how I understand it to be however I am a little bit disturbed and I suppose they can charge for that service if somebody wants to pay to be in a compendium or something like that, I see that as no different but I actually am concerned that the Chief Minister has referred to an invitation that was circulated to others inviting them to participate in the programme which has been broadcasting since, what date, the 1st June when in fact no licence has been issued and Mr Sheridan actually queried me about this at the previous meeting and I did come prepared because I was expecting another question and it clearly states in the extract from the Act, that the broadcasting services are to be licenced and a

person shall not operate, conduct or provide a broadcast service in Norfolk Island without a licence issued by the Executive Member and I have not issued a licence in respect of this and the penalty is 50 penalty units and 10 penalty units for each the broadcast service continues to operate in breach of this section after notification from the executive member of such a breach. Well Mr Speaker I haven't notified them of any breach because I've only just become aware of the breach, but they've actually admitted an offence so I'm not quite sure where we stand there so I'll have to seek some clarification of the legalities of that but that in itself shouldn't stand in the way of issuing the licence

MR GARDNER Thank you Mr Speaker, I still hold just a concern about the commercial nature of the activity. My limited understanding of VL2NI's ability to do what it does suggests to me that it can't operate in the same way as this is proposed to be licenced to operate and I just want to make sure that we are going to issue a licence. We are not breaching something else that I'm not currently aware of or that we should be aware of and I really would be interested in the position of VL2NI under whatever system or ability it has to do what it does as far as the community radio station because I understand that there is a clear distinction between that and a commercial radio station under licencing provisions and it must be the Australian legislation that extends or something else but as I said, I don't know and obviously I'm looking to you to provide that information

MR SHERIDAN Thank you Mr Speaker with regard to VL2NI being a community radio and their ability to do things, it's my understanding that they do charge for activities at this point in time with regard to advertising etc so if they're a community radio station and they don't have the ability to do that, may be they're out of place with their licence so maybe the Minister should just leave this on the table for a while and get some information back to us on everything that we've discussed in the last 15 minutes or so

MR N CHRISTIAN Thank you Mr Speaker I'm happy to adjourn the matter and seek some further advise but what I can say is a personal opinion that the operations of VL2NI where they conduct essentially what is commercial activity under the guise of sponsorship is pushing the boundary in what's allowed

MR GARDNER Thank you Mr Speaker, and that may well be the case and it will be in everybody's interest obviously to clarify that for both VL2NI and the Colonial and in saying that I have no issue with the issuing of the licence other than ensuring that it complies with all statutory requirements, whether they are our own or those imposed under whatever Australian broadcasting legislation might extend to Norfolk Island

SPEAKER Any further debate Honourable Members. Thank you Mr Christian I call on you

MR N CHRISTIAN Thank you Mr Speaker I move that debate on the matter be adjourned and the resumption of debate made an Order of the Day for a subsequent day of sitting

QUESTION PUT
AGREED

The Ayes have it. Debate is so adjourned Honourable Members

FIXING OF THE NEXT SITTING DATE

Thank you Honourable Members we move to the fixing of our next sitting day

