



**NORFOLK ISLAND LEGISLATIVE ASSEMBLY  
13<sup>TH</sup> NILA HANSARD – 14 APRIL 2010**

**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

**SPEAKER** Gentlemen feel free to remove your coats and please be mindful to put your mobiles on silence

**PETITIONS**

We move to the matter of petitions. Are there any petitions this morning?.

**GIVING OF NOTICES**

Are there any notices?

**QUESTIONS WITHOUT NOTICE**

Are there any questions without notice Honourable Members

**MR SNELL** Thank you Madam Speaker I have a question without notice for Mr Mike King, Mr King you laid a complaint about...

**SPEAKER** Mr Snell you are addressing a question to a Minister

**MR SNELL** To Mr King

**SPEAKER** No. Mr King isn't a Minister, so you might like to ask one of the Minister's who may be able to help you or to wait until another time

**MR SNELL** Thank you Madam Speaker, I ask a question of Mr Anderson, Minister for Finance, it is with regret that we hear that there is a possibility of an accommodation establishment on Norfolk Island that may be in some difficulty, in receivership. Can the Minister give any indication or is he going to give any indication or report on this circulating within the community and a supplementary Madam Speaker, will it have any effect on trading with the Government of Norfolk Island

**MR ANDERSON** Thank you Madam Speaker and for the question Mr Snell. At this point I am aware of the appointment of a receiver manager to that establishment. I've had no contact with that person but the Chief Minister has had, so maybe he can assist me in that regard

**MR BUFFETT** Madam Speaker, a couple of days ago I had a call from a person identifying himself as the receiver and he called at my office with one of his officers and indicated that there had been a formal process to place that particular establishment into receivership, that very day. He wanted to assure me, in whatever context that might mean, that it was business as usual, and I particularly enquired about a number of things. Firstly, I looked at areas that might affect accounting arrangements with the Norfolk Island Administration and equally I looked at areas that might affect



progress but those are some of the main issues that I see that I have to work out in the next three years

**MRS WARD** Thank you Madam Speaker a question again to the Minister for Community Services, responsible for healthcare in this instance, what measures will the Minister take to ensure a deliverable and affordable healthcare scheme into the future

**MR SHERIDAN** Thank you Madam Speaker, thank you Mrs Ward, at this point in time I do know there are some problems with the healthcare system and at the moment our healthcare system is not losing money but the expense issues are quite high and in saying that, I do believe that we have an actuary coming over to have a look at a couple of areas, healthcare, Workers compensation, to see whether or not our systems are delivering the degree of what we want for the community so in saying that I would like to take that question on notice and come back to the House at a future time after the actuarial visit has taken place so that we know exactly where we're heading. Now this might incorporate and no one wants the fees to go up, but we might see some higher thresholds and again we might see some changes in the way that our healthcare provides payment for services provided

**MRS WARD** Thank you Madam Speaker a question for the Minister for Tourism responsible for telecommunication, does the Minister intend to make deregulation for the provision of telecom communications on Norfolk Island a priority

**MR NOBBS** Thank you Madam Speaker, Thank you Mrs Ward. I would have to say I already have. I've commenced discussions both with our legal area, with our Telecommunications Manager and have coordinated a meeting time with the local providers of one the services who are interested in utilising some of the copper and infrastructure that is part of our Telecommunications network so I will be approaching that and have approached that with some priority. Having said that, we do need to ensure that in going along the lines of assessing access to our infrastructure and cabling and reticulation that we are doing it appropriately and the fees and charges suitably apply to cover costs and implementation. Thank you

**MR KING** Thank you Madam Speaker if I could ask the Minister for Tourism whether he could advise the outcome of negotiations with cruise ship operators on port charges and fees

**MR NOBBS** Thank you Madam Speaker, Thank you Mr King. Those discussions are ongoing at the moment. There are a number of factors that are being looked into from the actual on island costs and provision of services to land the passengers here, right through to the posting and other aspects that become part of the arrival and management process of the disembarking and re embarking cruise ship passengers. It is at an early stage and we have a Member of the working group amongst our number as an MLA today and I know that there's been a great deal of work already gone into quantifying the values of the service that Norfolk Island provides in terms of those areas that I specified earlier as well as a breakdown of charges for man hours and equipment provided as well

**MR KING** Thank you Madam Speaker a supplementary question and Minister may correct me if I'm wrong but did I just gain an understanding that he regarded negotiations on port fees and charges as being at an early stage after some eighteen months since discussions began with the cruise ship operators, and is he telling the House that the Government coffers have received nothing from the arrival of the last two cruise ships

MR NOBBS Thank you Madam Speaker in the early stages of negotiations with the cruise ships there were some incentives given to entice them into Norfolk Island waters and following those stages, given that we are only in the second cruise ship past there were some negotiations commenced after the first cruise ship to start recognising some of those fees and charges and it was recognised on both sides

MR KING Thank you Madam Speaker a supplementary question for the purposes of clarity. Can the Minister answer yes or no, did we receive at least one dollar from the cruise ship operators

MR NOBBS Thank you Madam Speaker I will take that question on notice. I think there's some detail that I can provide there

MRS WARD Thank you Madam Speaker my question is to the Chief Minister, responsible for education, does the Minister intend to ensure that every Year 9 to 12 students will be provided with a laptop computer in the next financial year

MR BUFFETT Madam Speaker, I am aware that there is an Australian programme to provide computers such as Mrs Ward has just mentioned and certainly in the educational sphere that we operate, we have an association with New South Wales as being part of that and therefore the standards that are applied equally are standards that we seek to apply here. Whether we are able to meet those arrangements within the time frame that has just been mentioned, I wouldn't want to give a guarantee at this moment but I'll have some further examination to see how we're progressing towards that particular aim

MRS WARD Thank you Madam Speaker my question is to the Chief Minister responsible for the Public Service, can the Chief Minister confirm there is a working relationship between the Norfolk Island Administration and a Commonwealth Department and tell us what this working group is aiming to achieve

MR BUFFETT Madam Speaker there may well be a number of Commonwealth relationship working groups at this time but I think the one that Mrs Ward is particularly interested in is that, that relates to finance and let me just say this then, of an earlier visit by Commonwealth officers there was formed a working group of Commonwealth officers and Norfolk Island officers to pursue some matters that the Department of Finance in the Australian sphere was particularly interested to work through and maybe have some adjustments in our arrangements here to meet certain requirements that they might want. This I understand may well be in part reflected in the JSC examination of the Territories Law Reform Bill. We don't know that exactly at this time but I do have a statement to make in a few minutes which I will endeavour to draw in whatever that group is with the things that are progressing with the Joint Standing Committee in terms of the Territories Law Reform proposed legislation

MR SNELL Madam Speaker this is a supplementary question to the Minister responsible for commerce and for the waste management, Minister you made some mention of a high heat incinerator that is your preference to the burning of rubbish at Headstone, which is understandable but you would be aware that costs are prohibitive. The recent studies that we made on the installation of high heat incinerators, can I have some clarification please Minister that the high heat incinerator you are talking about is the prototype pit burners that we looked at some time ago

MR SHERIDAN Thank you Madam Speaker. Thank you Mr Snell, it is as we're both aware there was some homework done in the past three years in the last Legislative Assembly and there were some options that were given us at that time, and yes, the above ground high temperature incinerators were very expensive to purchase, expensive to operate and we did have a trial with the pit burner that the workers from the Administration put together and that proved to be quite successful. Now as to the actual

outcome that we will achieve, whether it's an above ground high temperature incinerator, whether that system could generate alternate energy has yet to be decided. As with the pit burner, if we were to get a commercially made pit burner which could do the job and it was a lot more cost effective and the end result the output was as good as an above ground high temperature burner well then I believe that would be the way to go, but in saying that I believe it would be a decision of this forum to decide upon and I think we made a decision earlier in the piece that any large expenditure item of the Administration will be debated in this forum so it won't be decided by the executives and we go ahead and do it, so no doubt this will come to the floor in the future but at this point in time, I'm undecided which would be the best. I would just like to see, and I believe this is the only alternate for burning out at the Headstone area, is to have a high temperature incinerator. What kind it is, I'm unsure at this point in time, and it will be a decision that this forum will have to make

MR KING Thank you Madam Speaker if I could ask the Minister for Community Services whether he intends to continue with the practice of reducing or cancelling pensions where a pensioner has received a minor or one off payment and where the effect of the practice has been to push the aged and inform back out into the work force

MR SHERIDAN Thank you Mr King, no. It is certainly not my intention to disenfranchise any pensioners, but in the context of policy I would have to really take this one on notice and talk to the Administration to see currently what is deemed as income and these one off payments that Mr King is referring to, I would have to have some more input to find out exactly where he is coming from and as to what type of payment he's talking about

MR KING Thank you Madam Speaker a supplementary question, thank you Minister for that, can I take it then, or can I ask then if at the next meeting of the House that you table a precise policy of what will or will not be regarded as income under the Social Services Act or will you be exercising your discretion in an ad hoc manner like the previous Minister

MR SHERIDAN Thank you Mr King, no I can't talk about past Ministers but I certainly don't intend to take an ad hoc approach as you indicate. As for tabling the policy with regard to income, I'll certainly talk to the Administration and the officers concerned in the social services area to see if we can table or come to an agreement on such a document that would clarify what income is deemed to be and I'm quite happy to table that once that policy has been formulated

MR KING Thank you Madam Speaker one more supplementary question, Minister specifically in relation to disability pensions paid by the Department of Veterans Affairs those pensions have previously been regarded as income under the Social Services Act, contrary to the practice on the mainland. Do you intend to continue with that practice

MR SHERIDAN Thank you Madam Speaker, thank you Mr King, yes I'm quite well aware of this problem with the ex servicemen's pension, of course I'm an ex serviceman myself and I have been approached on a couple of occasions. I'm not really up to speed with this issue and again, I will take that on notice but I'm well aware of where Mr King is coming from. In Australia they do not deem those type of pensions to be part of income. Unfortunately we are not part of Australia and our social services pension system does not really reflect their system so in saying that Mr King I would just like to take that on notice and I'll come back with a policy in the near future

MRS WARD Thank you Madam Speaker my question is to the Minister for Tourism, responsible for the airline, what steps have been taken to contain costs within the Norfolk Air entity

MR NOBBS Thank you Madam Speaker there have been a number of meetings that I've had with both the Chief Executive Officer of Norfolk Air and members of the Board for the Norfolk Air entity. First and foremost I suppose our aim is for higher seat load factors, which also reduces ongoing costs. There's a seasonal schedule implementation that has a long lead in which enables us to use the historic data for what has been required in terms of available seats in certain seasonable areas for Norfolk Island and we're able to now configure the schedule so that we're not providing excess capacity and therefore paying for that excess capacity. We're also having further discussions regarding our block hour rates and utilisation of the aircraft and whether there may be opportunities in the short term to have further negotiation on those block hour rates and utilisation. We've explored the opportunities of enhancing the availability of scheduled information of the Norfolk Island flights throughout the industry and that's ongoing at the moment. Another area that I have discussed with both the Tourist Bureau Manager and the Norfolk Air CEO is the relocation of the marketing manager position from the Tourist Bureau into the Norfolk Air entity and I see that, that will actually enable a number of things. A better synchronization between the airline and the Tourist Bureau, a better management of reactive strategies, where seat load factors in coming months needs to be addressed through advertising campaigns and partnership campaigns as have been done in the past but also in ensuring that they align themselves and compliment the branding and other media that the Tourist Bureau is working with as well so there are a number of areas already on the way and there will no doubt be more

MRS WARD Thank you Madam Speaker my question is again for the Minister for Tourism responsible for Telecommunications, after reading the financial indicators and audited report, how confident is the Minister that the Government has the financial capacity to remain committed to the SPIN project

SPEAKER Minister for Tourism and I draw you attention, not to move into expression of an opinion

MR NOBBS Thank you Madam Speaker I'll just give a brief overview then and that is to say that there has been a reasonable interest at this stage in informal commitment to buy into the Norfolk Island band width once we establish the fibre optic network to ensure that it is the correct decision, particularly when you look at what we are currently paying for usage of the satellite system and the very limited band width and the propagation delay on time frames between uplink and downlink for the satellite system. We have indications of interest on island for expanded bandwidth capability as in lease lines, within the new fibre optic network and at the upcoming Pacific Island Telecommunications Conference I'll be discussing with New Zealand Telecom a number of areas, opportunities and their interest already expressed in taking in the SPIN cable that passes through Norfolk Island that they are able to use as additional band width to what they currently have as well as a redundancy system through the network

MRS WARD Thank you Madam Speaker if informal commitments and interest in the SPIN project don't follow through by the fourth quarter of this year, if that doesn't happen, could the Minister give an estimate dollar figure on the penalty rate to withdraw from the SPIN project

MR NOBBS Thank you Madam Speaker I'm happy to take that on notice, and the reason I take that on notice is there had been a change in the time frame with regard to the implementation of SPIN so I'm not aware of what the penalties are as a result of that change, but in real terms the fibre optic connection is something we cannot afford to miss. If the fibre optic network once placed in the ocean, they have a life span of some 25 years. We're unlikely to see one delivered to Norfolk Island as cost effectively or through a similar partnership for a very long time. In terms of industry

initiatives and potential for new industries in Norfolk Island this is the optimum, as well as expanding our capacities both in communication as it stands now. We need to also take into consideration that roaming for the mobile network has only commenced within the last three weeks and the revenue from roaming has been quite a significant figure in just the two week time frame, however, in providing roaming access you also take up just that little bit more of your existing bandwidth, in other areas that we will certainly be requiring further band width access. Education is a key one. Telemedicine, gaming and a number of the ecommerce areas that have shown interest already and additionally there is...

MR KING Thank you Madam Speaker Point of Order, the Minister has wandered away, way, way from the question that was asked about the financial capacity onto the benefits of SPIN which we've heard many, many times before

SPEAKER I'll ask the Minister to confine himself to the answer

MR NOBBS Thank you Madam Speaker I'll actually refute the point of order in that the answer that I was giving was how we could not afford not to engage

SPEAKER Thank you. No point of order

MR KING Thank you Madam Speaker a supplementary question. The Minister referred to increased income from the roaming facility. Is that the \$2m missing income that's been unable to account for in the cash flow forecast given at the briefing

MR NOBBS Thank you Madam Speaker that forecast that Mr King is alluding to is I think a very early draft document which was put together. In my querying of that document with the Manager for Telecom he is now pursuing through accounts and the Accounts Section and the like to find out the exact arrangement of those figures. I will say that given that only one operator has been connected to the roam facility and the amount that has come in, in the two week period, given that there are quite a number of operators Australian and New Zealand, the roam income will be significant

MR KING Thank you Madam Speaker could I ask the Minister for Tourism what arrangements the Minister has put in place to avoid a repeat of the gross financial mismanagement that has occurred at the Tourist Bureau in recent times and what guarantee could he give the Legislative Assembly that there will be no recurrence

MR NOBBS Thank you Madam Speaker certainly a great deal of time over the last three week period has been spent going over the arrangements that the Tourist Bureau has utilised in terms of financial management and contractual and financial commitment over at least the last two years if not the last three years and what I have sought to do immediately is to remove as soon as possible the in between stage that the Tourist Bureau currently has whereby instead of dealing directly through our accounts section they current deal through an accounting body and then uses a software solution to manage the accounts within the Tourist Bureau. Having said that, the reasoning behind that being in place up to this point is that the current feedback I have from the Public Service Chief Executive Officer as well as the Tourist Bureau Manager, is that there appears to be a shortfall in the capacity of the current software used by our accounts section to suitably handle the accrual profile that works for the Tourist Bureau but just to add one other thing to that, I have been in the process of discussion with both the Manager and also drafting documents to make it quite clear to both the manager and the Tourist Board of the Tourist Bureau that no further commitments can be made without it coming through my office and the reasoning for that is that there is quite a wide

spreading of the responsibilities and abilities to commit the Administration or commit public monies within the Tourist Bureau structure and I want to bring that a little more into line so that we are able to manage that very concisely

MR KING Thank you Madam Speaker a supplementary question, I'm not quite sure whether I interpret that there are any guarantees uttered in that response but assuming there were, does the Minister therefore accept that the buck stops with him and that a recurrence of that level of gross financial mismanagement might necessitate his resignation

MR NOBBS Thank you Madam Speaker as with any of the Ministers around the table, we are to the abilities of the resources around us as well as the officers operating those resources. I will certainly give every undertaking to not only see that the reporting is accurate and that we do not have any over spend or issues such as we've had in the need for the last Appropriation but I will certainly guarantee that I will be involved with the Tourist Bureau in all facets that I am possibly able to, to ensure that I can report very accurately on any changes to their financial position and the reasoning for it as well as any commitments to programmes or to other aspects of our tourism

MR KING Thank you Madam Speaker may I ask the Finance Minister whether as a solution to the Government's financial ills, does he entirely discount the possibility of becoming part of the Commonwealth's financial arrangements including the equitable payment of income tax

MR ANDERSON Thank you Madam Speaker, thank you Mr King, it's a matter for the two Governments. Its been stated before and we've stated it as recently as the JSC submission last week, this Government is happy to discuss all possibilities whenever it suits the Commonwealth

MR KING Thank you Madam Speaker can I ask if that was a yes or no

MR ANDERSON Madam Speaker that was a – the Government is prepared to discuss it if and when the Commonwealth chooses to raise it

MR KING Thank you Madam Speaker a question for the Minister for Finance whether in his responsibility for employment and industrial matters, he is satisfied that employers on Norfolk Island particularly larger employers of imported labour, are complying with the law in respect of minimum wages, working hours and other entitlements and will the Minister satisfy himself before the next meeting of the House and if he is unable to do so, would he ensure that officers authorised under the Employment Act are fully empowered to conduct appropriate checks and to investigate and resolve non compliance. A rather lengthy question but...

MR ANDERSON Thank you Madam Speaker, thank you Mr King, if Mr King has any specific concerns then he's at liberty to raise them and obviously to raise them with the Employment Conciliation Board of which I believe he was once a part. Perhaps the former responsible Minister would like to comment on the activity that occurred leading up to the cessation of the 12<sup>th</sup> Legislative Assembly in this area

SPEAKER Minister if you consider it appropriate for you to respond

MR NOBBS Thank you Madam Speaker I'm happy to have a look at the question. With regard to the ...



MR BUFFETT Madam Speaker I am not too sure if this is a point of order or not. But in questions being raised they are to be directed to the executive member. I assume they are to be directed to the executive member of the present parliament. If in fact this is endeavouring to aim at some other parliamentary process I doubt its validity. I'm not trying to make a huge point of it, but maybe it should not go unnoticed

SPEAKER Thank you Chief Minister. I take your point. On reflection I think that's possibly appropriate that you do not take that question

MR NOBBS I'm happy with that Madam Speaker

MR KING Thank you Madam Speaker I'm mindful of the time. Do you need a motion to extend

SPEAKER No Mr King. Question time is sixty minutes

MR KING Oh, is it. 60 minutes

SPEAKER It was changed in recent times

MR KING Well I'm thankful for that. Madam Speaker can I ask the Minister for Finance that given the low take up rate for low income benefits under the Social Services Act which it is agreed is attributable to the stigma associated with having to jump through all the Social Services loops, will the Minister at an early opportunity bring forward a proposal to remove GST on food items

MR SHERIDAN Thank you Madam Speaker I think the question was aimed at the removal of GST which I believe is the Minister for Finance

MR ANDERSON Thank you Madam Speaker and thank you Mr King, in respect of the uptake that would certainly be a matter for the Minister for Community Services but I understand that action was taken only last week to raise the profile of that alternative and we have not yet seen the outcome of that. As I understand it, that was introduced to specifically target those people most affected by the increase in GST and specifically that on food. To answer the question, after twenty days as the Minister it is clear that some matters related to revenue raising require attention when time permits. Reduction or elimination of GST on any type of food would be a policy matter for the Government and it's certainly something which we have not yet considered

MRS WARD Thank you Madam Speaker, this is a supplementary question for the Minister for Finance what measures will the Minister take to contain upward pressure on the cost of living

MR ANDERSON Madam Speaker well there's a lot of factors that go into the cost of living so to determine exactly the influencing inch of those is very difficult to comment on. Norfolk's already an expensive place and certainly any inputs into the cost of anything purchased on Norfolk Island we often don't have a lot of influence over and in respect of the ever rising cost of freight the need to recover cost in respect of Waste Management, all of these things have an influence on the cost of living and the CPI or the RPI adjustment which I believe the member is referring to, it is certainly a concern to me, it's certainly an area which I'll be looking at and which I've not yet had the opportunity to discuss with the officers involved, and if the Member wishes I'm happy to take the question on notice and report back

SPEAKER Thank you Minister, I'll just ask Members to be mindful of the fact that questions without notice is to elicit facts and it is out of order to ask for expressions of opinion. Just to keep that in mind

MR KING Thank you Madam Speaker can I ask a question of the Chief Minister as to whether he is confident that the merit selection process set out in the Public Sector Management Act for recruitment for substantive positions is being properly followed where six monthly acting appointments are simply rolled over

MR BUFFETT Madam Speaker I need to examine the factors that relate to this. Mr King may have specifics in mind, and if he has I would be very happy to examine those. I think it is worthy of me saying at this time that since coming in to office it has been identified with me by appropriate statutory areas including my discussions with the Chairman of the Public Service Board and including representations from various areas within the Public Service itself, that there are some areas of difficulty and this may well be one of them which I'm endeavouring to address. Do I have an answer at this moment. No I certainly don't have an answer at this moment except I think I can identify that there are a number of areas and I would include this one, in the process of examining them closely

MR KING Thank you Madam Speaker I acknowledge the Environment Minister, the Minister for Community Services focus on environmental matters, but I wonder whether he might immediately take some steps on a low cost basis to address the filthy and embarrassing mess to the Headstone Burning area

MR SHERIDAN Thank you Madam Speaker, thank you Mr King, yes unfortunately as most people would be aware that area down at Headstone where we get rid of our general waste, for sure, can be kept in a cleaner state. I believe that factors attributing to this is due to a lack of resources and I intend to try and rectify as soon as possible, and in saying that I haven't had a detailed brief from the Waste Management sector as yet. We are going down there on a site visit early next week and I've asked the CEO to organise a detailed briefing with the manager of that facility within the next couple of days but it is certainly my intention to make that site a lot more pleasing to the eye, if we do have to continue burning there and we have to for the immediate future, but yes, I'll put some measures in place to make sure that it is maintained in a better looking state

MR KING Thank you Madam Speaker to the Chief Minister if I may ask, whether there is a timetable for tabling of his Government's legislative and ministerial priorities

MR BUFFETT Thank you Madam Speaker all of the Members will know that we are continuing to walk through a series of briefings, site visits and specially in the ministerial areas, examination of the portfolio components. Obviously that will lead to identification of legislative needs, administrative practices needs, policy needs and a range of associated things. They obviously will be drawn together to create a timetable. We're not starting at the other end saying timetable, produce a timetable that's inapplicable to the real workings of this island and this place so the answer is yes, that will appear. In terms of a time frame I'm not too sure that I want to be tied to a time frame at this time, but I would think within the next four weeks we would be better equipped to be able to know where we sit with all of these things and be able to bring them forward. Hopefully that might be helpful to Mr King

SPEAKER Any further Questions Without Notice Honourable Members. There being no further Questions Without Notice and we move on to Questions on Notice

#### **QUESTIONS ON NOTICE**

MR SHERIDAN Thank you Madam Speaker I will attempt to reply to all three of these questions. I may not necessarily have all the information but I will

talk to each of them. The first question is am I comfortable in all respects with the practice, purported to be authorised by section 28B of the Healthcare Act 1989, of deducting from any claim under the Act any monies said to be owing to any area of the Administration; and b) Will the Minister table any legal opinion in relation to this practice? Madam Speaker what I can say is that under the Healthcare Act under section 28(b) there is the capability for the Administration to offset any debts owed to the Administration in regards to a payment due under that scheme. They have the ability to deduct that debt from the payment due to the recipient and this is also for the Norfolk Island Hospital Enterprise which is detailed in that section and I'm sure that Mr King is quite well aware of that. The question that he is really alluding to is the practice of the Administration of deducting from that claim any other monies owed to the Administration say in electricity, Telecom, any other areas that outstanding debts are owed and in saying that, there has been some conflicting advice. Back in 2009, February 2009 advise was given to the Administration that under common law they could do this. Now I've followed this through because I was not too happy with it myself, and I had further information and this information has only been forthcoming in the last couple of days considering the questions on notice only made the paper last Thursday Friday and the advise that has been received is stating that, that may not necessarily be quite correct so in saying that I've asked for some further legal opinion on it. I've asked the CEO to establish a policy with regards to the deducting debts from payments under the healthcare scheme to fully reflect what is in the Act and in my opinion if there's to be any monies deducted from a claim, both parties would have to agree to it and this is the thrust of the policy that I've asked the CEO to go down so I hope that explains a little bit to Mr King. I know he does have a problem in this area but unfortunately there has been some conflicting legal opinion like I said from February 2009 to this date and it was only yesterday that I asked the CEO to formulate a policy and this would be based on new legal opinion and saying that I can't table a legal opinion at this point in time because I don't have it. I just asked him to formulate an advice

MR KING Thank you for that details response. You say on the one hand that there was some advice in February 2009 regarding the application of common law which boggles the mind somewhat and at the end of his answer to a question on notice he said that he's unable to table any legal advice. Could he explain that conflict please

MR SHERIDAN Thank you Madam Speaker, yes sure Mr King, I can. I believe the advice from 2009 is outdated considering the advice that I received only yesterday and it was just a brief outline, it does not dictate a legal opinion. It just gave me some indications of how it is perceived to be at this point in time and this opinion disagreed with the previous advise dated 3 February 2009 so in saying that, and then it walks through a couple of issues saying why it can't be so but as for a definite legal opinion this is not mandated as an opinion so I would be unwilling to table this information at this point in time, and like I said, I've asked the CEO to work with Legal to cement their opinion and to make a policy with regard to the payment of a debt out of monies outstanding to a recipient

MR SHERIDAN Thank you Madam Speaker yes, in response to Mr King's question with regard to the Tanalith Plant and the question of whether or not this Plant operates at acceptable standards of environmental protection and the protection of operating staff and nearby residents I would just like to advise Mr King and the House of the following. ; and if operating standards are below acceptable levels will the Minister forthwith authorise the closure of the plant until acceptable levels are achieved? The Tanalith Plant is 30 plus years old and as expected of a facility of this age the general condition is moderate to poor as we were briefed in our in House briefings of the new Assembly. But in saying this, the actual tanalising cylinder is in a fair condition. This cylinder operates within acceptable standards and has no leaks whilst treatment of timber is taking place. The Main area of required maintenance is within the infrastructure that supports the process and these areas are that the existing roof is

rusting and leaks, though I must say Madam Speaker only when it rains, new roofing iron has been ordered and funded from this year's budget and will be installed by the Parks and Forestry team to minimise budget requirements once on island. The timber water tank is in poor condition and will require replacing. It is one of the issues that we decided in the budget preparations for the financial year 2010/11. During the past two months, the plant has been painted externally; minor maintenance work carried out on the building, the immediate site surrounding the plant has been cleaned up by removing some gum trees, fences repaired, gates repaired and signs erected. The internal tanalith treatment room requires additional ventilation poor and these will be installed along with the new roof. The area of greatest concern is the concrete bunded area around the work area designed to contain chemical spills. This is in need of replacement, mainly because of the age and the concrete of this bunded area showing signs of wear and tear. This area will have to be replaced in the near future and as yet has not been costed but it is the intention to apply for the funding in the financial year 2010/11. I am confident that the operation of the Tanalith Plant in no way threatens the safety of staff or nearby residents. A major chemical spill is extremely unlikely and the Plant is operated on strict standard operating procedures and this has resulted in no spills of chemicals from the cylinder since the concrete bunded area was constructed in the early 1990's. In the case of a spill, most of the chemicals would flow into an underground storage tank where it is totally isolated from the environment and could be reused in the timber treatment process. Over the past few years, testing for arsenic has been conducted in and around the plant as well as down the creek line below the plant, and the only so called hot spots were in the close proximity of the plant itself, in the immediate work area which you would expect I believe and I've been informed that these in themselves do not present a health problem for the operator or nearby residents. I am confident that the established work practices for this plant limits the incidence of chemical spills and therefore I see no cause to close this vital operation floor: redesign. Cost to be estimated. Chemical waste: underground sludge/waste water collection tank needs to be emptied and contaminated waste disposed off to the community

SPEAKER Mr King Standing Orders prevents debate on questions but I will allow one supplementary question by convention

MR KING Thank you Madam Speaker I won't enter into debate by convention of course. I wonder whether the Minister might table at the next meeting the answer to this question, how often has the tank been pressure tested, or how recently has the tank been pressure tested and what arrangements are in place for regular and how regular, testing

SPEAKER Thank you Mr King, we'll move on to Question on Notice, No 3

MR SHERIDAN Thank you Madam Speaker the third question is dealing with the Argentine Ant problem and I have had various bits of information here, but I will just read the response in general first and then I will elaborate a little bit further. The question is, Will the Minister outline his plan for dealing with the biggest environmental threat facing the island, Argentine Ants, including the source and timing of funding? Firstly the Administration and this Government is taking the issue of Argentine Ants very seriously. That just puts it down in one straight sentence. The Administration sought Commonwealth funding assistance to control these Ants, and a total of \$20,000 was subsequently approved to be spent for this purpose in June 2008. This was just after the ant problem was identified there in early 2008. The Administration proceeded with a program attempting to eradicate Argentine Ants, and a large-scale baiting program was carried out in November 2008. The Administration has contributed just over \$100,000 towards the program since that time. With this type of problem, it is often said that 10% of the effort involved addresses 90% of the problem, and therefore another 90% of the effort is needed to tackle the remaining 10%, and just stating that this is reflected in the ability to eradicate totally the problem with one treatment so as I say, this is true of the

Argentine Ant infestation. A continued and concerted effort is required in order to eliminate the last remaining populations. If these remnant colonies are left unchecked, they will eventually recover and spread to the areas that have previously been baited and to new areas also and unfortunately this is what has happened over the past twelve months where the follow up baiting was not conducted in the last financial year. The current 2009/10 budget includes an allocation of \$10,000 towards a "biological control program". That allocation is intended to deal with all biological issues that may arise from time to time, not just Argentine Ants. These funds are currently being spent on costs associated with the sampling of areas that were treated in late 2008, and that is what has been conducted over this summer is that the officer in the Administration has been taking samples and finding out where this problem has been eliminated or where this problem has spread to. And so, initial results indicate that the efforts in late 2008 were largely successful, but that there are remnant populations of Argentine Ants that need to be treated again. The Administration again sought funding from the Commonwealth Government last month. The response that they received was that the Administration should apply through the next round of Caring for our Country funding opportunity and the Administration is currently preparing that application and I believe that this submission is due to be finalised today. I think they have to be in by the next couple of days so that is to apply to the Commonwealth for some funding for the next two years to follow up the baiting and sampling programme. The proposed budget is yet to be finalised but I did get an indication this morning that the amount that will be asked for, for a two year period is \$157,000. Now they won't be in two equal parts. The first in the next financial year will be the greater expenditure than the follow up year but that's the total budget for the two years that they will be applying for and that's for the bait and the freight, the Consultants and the local labour so that's the area that this funding would be expended on. Now the advise that I've had indicate that the baiting exercise should be carried out twice per year, at the beginning and towards the end of the warmer summer months and therefore the projected cost for those summers of 2010/11 and 2011/12 are around the \$200,000 mark. I can say, and I go on a little bit there as I have stated, there have been some new infestation of areas since this time and in the main there are some areas out at 100 Acres has been contaminated, the old burning tip at the top tip restored area is where they received some wood chips and they've found some indication of Argentine Ants there. Out around the Church of England Rectory at Bishops Court driveway, that area there, or that was on the edge of the area that was baited last time, also down at Ball Bay where some material from the Waste Management Centre was dumped into the valley beside the old road there's been a spot found down there. Also there's been some areas out Captain Cook's picnic area and they put this down to the upgrade of that road out there, they believe some of the road base may have been contaminated, so as you can see, and of course in the Waste Management Centre area, this was where it all centralised last time. The Hospital and Mawson Units, but we knew about that. That has been treated once, it still has some ants there so as you can see the current and known areas are quite large to an extent and I might even, just read out this little note here from the officer responsible, and he's saying that further monitoring, this is for public advise you might say there Mike, further monitoring will need to be continued on all known sites where wood chip material from the Waste Management Centre has been used or deposited. Also sites where risk material may have been deposited on the island by such as recyclers and scavengers and they go on to say that they need to know all the risk sites so that ongoing monitoring can occur, they sought information related to these sites since the Waste Management Centre was found to be infested but they need to appeal to the public again to advise if they have received or used any wood chip material which may have come from the Waste Management Centre and as he said, he prefers that it be reported twice. They have asked the Waste Management Centre where they've dumped it but if there's any person out there in the community who have received wood chip from the Waste Management Centre and we're going back to something like 2008/2007, the officer Neil Tavener would like to know so that they can do some spot checking to see whether or not there's any ant infestation there. So in saying that, the way forward as I said, we will be applying for some Caring for Our Country submissions to the tune of \$157,000 but if that is not

forthcoming it is my intention that we will have \$100,000 for the next at least two financial years from our own pocket to bait in early summer and again the follow up round in late summer before the cooler months come on so whether or not, if that funding comes off it's a bonus, but if it doesn't, the intention is to get that money through. And just as an aside, with regards to a couple of areas that are in the Forestry areas, that is the 100 Acre Reserve, the Ball Bay Reserve and also around the Hospital, there is a virement of funds that's been transferred from the Forestry area from the building of a new toilet block out there, and I know Mr Buffett won't be happy to hear this, but the funds that's been allocated for this financial year for that toilet block has been transferred across to import some bait and this will happen as soon as BRC committee signs off on it. We haven't seen the paper work as yet. As soon as that's signed off, the bait will be flown in from New Zealand and it is intended to treat the 100 Acres Reserve, the hot spot down at Ball Bay and down at the Mawson Unit area as soon as possible and hopefully that will be in the next two weeks. So that's just where we're going forward with the Argentine Ant problem at this point in time. It is a large problem in answer to a question before from Mrs Ward, that is one of the main areas that I will be concentrating on in the Environment portfolio in the next three years

SPEAKER Thank you Minister. That answers questions on notice and we move on

### **PRESENTATION OF PAPERS**

Are there any Papers for presentation this morning Honourable Members

MR ANDERSON Madam Speaker section 2B(2) of the Customs Act 1913 makes provision for the executive member to exempt goods from duty where the duty payable is less than \$200. Section 2b(5) of the Act provides that there the executive member has exercised this power he shall "lay a copy of the exemption on the Table of the Legislative Assembly ". I so table those exemptions. The particulars of the duty that have been waived is the sum of \$183.95 on the importation of sports Medals and Pins for the Norfolk Island Clay Target Association' the sum of \$154.40 on the importation of a dog on the basis that the dog died as a result of a paralysis tick within two days of arrival and the sum of \$104.77 on the importation of rehabilitation equipment

SPEAKER Honourable Members as the Speaker I have to report that I have received from the Minister for Finance in accordance with paragraph 4A(7)(b) of the provident Account Act 1958 the audited Financial Statements of the Provident Fund for the year ended 30 June 2009. I am required under subsection 4A(8) to lay a copy of those financial statements on the table and I so do

Honourable Members if there are no further Papers for presentation this we move on

### **STATEMENTS**

Are there any Statements this morning Honourable Members

MR BUFFETT Thank you Madam Speaker I would like to provide and update on the Territories Reform Bill. This information for this morning is really not new, but I do bring it forward so that it is actually recorded in the parliament because various other activities have taken place outside the parliament and I think it's appropriate that it so be recorded here. In the context of our most recent activities the Norfolk Island Government has appeared before the Joint Standing Committee on this matter. The Joint Standing Committee visited last week and we appeared before that group last Thursday. We were accompanied by most Members of the Legislative Assembly./ in the context of that particular piece of legislation I should also identify that the previous Government also made a submission to the Attorney-General's department upon this prospective Bill and this Government's submission follows that. There is not a

huge deal of difference between the two submissions that were made. In appearing before the Joint Standing Committee the Norfolk Island Government explained seven major concerns about governance and electoral concerns and four additional matters. Just to give an overview of those the first seven concerns were basically these. The first one was the difficulty about expansion of the veto power of the Federal Minister and thereby reducing the authority of Norfolk Island's executive council. The second concern was the creation prospectively of Commonwealth Public Service positions, notionally attributed to the Norfolk Island situation. I'm talking about Deputy Administrator's and Commonwealth Financial Officer in this context. The third concern was the imposition of a fixed form of Government on the Norfolk Island community. About allocation of portfolios, how the Chief Minister should operate, limiting number of Ministers and the like. The fourth area of concern was the reduction of the Legislative Assembly's power as the elected representatives of the island and the next concern was the matter of removal or dismissal of the Legislative Assembly in certain circumstances. The sixth one related to the legislative capacity of the Legislative Assembly being reduced through the use of Commonwealth Regulations and they were listed and the seventh one really related to new financial framework provisions relating to the public accounts of the Administration of Norfolk Island and I should maybe just mention here in connection with a question that was asked earlier which came from Mrs Ward, that prior to all of this being in place or prior to all of this being proposed I should say, the Norfolk Island Government and the Commonwealth Government had already in place a working group to look at some financial framework for matters. I might say in a moment when I just come to progress this matter that we're endeavouring to link that particular earlier working arrangement with some detail with this particular proposed Bill that might be useful to both parties, so I mention that particularly in terms of the question raised by Mrs Ward. Those seven concerns plus these, they were electoral and governance factors, but the four additional ones relate to the Administrative Appeals Tribunal, the Freedom of Information provisions and Privacy provisions in a very general sense, the proposal under the Bill is to encompass Norfolk Island into the Commonwealth arrangements. That's put very generally but that's the proposal and that was not seen as appropriate. That does not mean that we don't need adjustments and better arrangements than those that we might experience at this moment. The fourth matter in this particular area related to the Ombudsman's Act and this really was a success story and we pointed this out to the Joint Standing Committee and in this success story, there had been significant negotiations between Norfolk Island and the Commonwealth to provide a locally erected statutory arrangement for the ombudsman and allowing the Commonwealth ombudsman to be the person who operates that legislation and that we feel will work well. That is what we see as a good example to try and utilise in terms of the other three, that is, the AAT Administrative Appeals Tribunal, the Freedom of Information and Privacy. I mention all of that in a very general way because I want to say that the detail of this particularly submission is on the Norfolk Island Government website and is also on the Joint Standing Committee's website plus is on the website of the Joint Standing Committee is the Hansard of our appearance last Thursday and I just really wanted to record those things in the context of putting them into the preview of the Norfolk Island Legislative Assembly. May I now just progress to explain what is the next step that we are embarking upon. At the end of the explanation of all of that, the Norfolk Island Government recommended that there should be a pause on these particular proposals and there should be working groups to work through some of the issues so that we might amicably come to a better answer than those proposed which again is putting it into general terms but the stage that we are embarked upon now, is to give substance to that earlier recommendation and that is by this Friday we will have in place a recommendation in terms of the various working groups to address those areas that I've just generally mentioned and that is the plan. In other words the Joint Standing Committee invited us as they did to each other person who appeared before them, person or groups, that if we wanted to make further submissions, that was available and the time frame to do so was this Friday. The Norfolk Island Government has taken that option to elaborate, not change, and elaborate the proposal that has been put to them. Thank you for the opportunity to explain that Madam Speaker

MR SHERIDAN Thank you Madam Speaker. Madame Speaker I would just like to make a brief statement as regard to water quality on Norfolk Island. Many of my Colleagues and I am sure the listening public will be aware of a recently circulated a student report in relation to water and soil quality on Norfolk Island. I have indicated to the House in the past I am very concerned about the sustainable future of Norfolk Island and related environmental issues. As such when I read the report I noted that it was claimed that our groundwater and surface water sources were unsafe for drinking. As I believe that this Government has a duty of care to inform the community of any public health risks I conducted investigations into water quality issues as well as seeking advice as to what the report actually meant. Essentially I wish to state clearly that water sources across Norfolk Island do have various levels of contamination, and some of the water we utilise may not be suitable for drinking. This fact will come as no surprise to those who frequently access water from Headstone or Watermill. At these watering points there are public notices warning that the water is not safe for potable use. I understand that it is common in all jurisdictions who rely on natural sources of groundwater and surface water, that there will be some areas where the water that is not suitable for potable use. It was earlier this year in fact that it was identified in the Norfolk Island Natural Resource Management (NRM) Plan tabled on 27 January 2010 in this very House, that "there is evidence that the island's water resources are polluted...the main sources of contaminants in the catchment are considered to be from livestock waste and sewage effluent which is making its way down to the groundwater and into the creeks". All this aside I do not believe that there is a need to be overly alarmed. I have been informed that the Administration is reviewing the current report and will be conducting further tests and investigations into the sources of contamination of surface and groundwater. I would also like to point out that the Norfolk Island Water Resources Control Plan is currently being reviewed and that targets for the management of water will be detailed within the final Development Control Plan. In addition to whilst not taking the integrity away from the author of the report I have instructed the Administration to carry out further investigations into the validity and extent of the issues raised within the report, as well as assessing the reported sources of contamination and I will report back to this house when I have received this information. In the meantime, residents utilising groundwater across the whole of Norfolk Island should be aware that some water may not be suitable for drinking. The Administration has the capacity to test your groundwater quality, and I advise any member of the community who has concerns in this regard to contact the Health, Building and Quarantine Office to have their water tested. Thank you Madam Speaker

MR KING  
statement be noted

Thank you Madam Speaker I move that the

SPEAKER  
statement be noted

Honourable Members the question is that the

MR KING Thank you Madam Speaker I firstly would like to applaud the Minister for his examination of this issue and the plans that he's outlined to deal with the matter. I think given the nature of some comments within the community in the last few days that the report has been ignored or dismissed, I myself would have said that indeed a student report should not be looked at as a primary document in these matters, but certainly it does warrant the kind of attention that Mr Sheridan has indicated he's going to give it. I am a little concerned and have expressed concern in the past that whilst Mr Sheridan indeed has just said that we do have the capacity to test, that there are not rigorous testing taking place on a regular basis, particularly of those who sell water for home use and that worries me and indicates to me that there are measures that can be put in place almost immediately to reduce any risk that may exist for public health in relation to ground drinking water. Thank you



SPEAKER Honourable Members is there any further debate. The question is that the statement be noted and I put that question

QUESTION PUT  
AGREED

Thank you. Are there any further statements this morning . We move to now to Notices

**IMMIGRATION ACT 1980 – APPOINTMENT OF MEMBER OF THE LEGISLATIVE ASSEMBLY TO THE IMMIGRATION COMMITTEE**

MR ANDERSON Madam Speaker I move that for the purposes of subsection 6(2) and 6(4) of the *Immigration Act 1980*, this House recommends to the executive member that Michael William King, and Melissa Ward being members of the Legislative Assembly, be each appointed as a member of the Immigration Committee. In respect of that motion Madam Speaker I merely say that each of the Members have indicated their interest and willingness to be appointed and I commend the motion to the House

SPEAKER Thank you Mr Anderson. I would like to draw Members attention to the fact that Mr Anderson has made his maiden speech and offer congratulations to him on behalf of the House.

MEMBERS Hear, Hear

SPEAKER Thank you Mr Anderson. Is there any debate Honourable Members. There being no further debate I put the question that the motion be agreed to

QUESTION PUT  
AGREED

I think the Ayes have it. The motion is so agreed

**SOCIAL SERVICES ACT 1980 - APPOINTMENT OF MEMBER OF THE LEGISLATIVE ASSEMBLY TO THE NORFOLK ISLAND SOCIAL SERVICES BOARD**

MR SHERIDAN Thank you Madam Speaker I seek leave to move the motion standing in my name on the Notice Paper in the amended form foreshadowed by todays programme

SPEAKER Is leave granted Honourable Members. Leave is granted

MR SHERIDAN Thank you Madam Speaker I move that for the purposes of section 5(1) of the Social Services Act 1980, this House resolves to choose Lisle Denis Snell and Melissa Ward being members of this House, to each be a member of the Norfolk Island Social Services Board and further, in accordance with subsection 4(5) of the Act, appoint Lisle Denis Snell to be chairman of the Board. Thank you Madam Speaker I don't have much to say on this. As is the norm in a new Legislative Assembly the House gathers and appoints each Member to the committee that they have indicated they would be willing to serve on and I would just like to thank Lisle and Melissa for putting their hands up to be on this very important Board. Thank you

SPEAKER Thank you Mr Sheridan. Is there any debate Honourable Members. There being no further debate I put the question that the motion be agreed to

QUESTION PUT  
AGREED

I think the Ayes have it. The motion is so agreed

**HEALTHCARE ACT 1989 – APPOINTMENT OF A MEMBER TO THE HEALTHCARE CLAIMS COMMITTEE**

MR SHERIDAN Thank you Madam Speaker I move that for the purposes of section 22(2) of the Healthcare Act 1989, this House resolves to choose Lisle Denis Snell to be a Member of the Claims Committee. Thank you Madam Speaker I just reiterate what I stated before. Thank you Lisle

SPEAKER Thank you Mr Sheridan. Is there any debate Honourable Members. There being no further debate I put the question that the motion be agreed to

QUESTION PUT  
AGREED

I think the Ayes have it. The motion is so agreed.

**SEA INSTALLATIONS ACT 1987 (CLWTH) – NOMINATION OF MEMBER TO BE REPRESENTATIVE**

MR SHERIDAN Thank you Speaker that for the purposes of paragraph (d) of the definition of “representative” in section 4(1), of the Sea Installations Act 1987 of the Commonwealth, this House nominates André Neville Nobbs to represent Norfolk Island for the purposes of the Act. Thank you

SPEAKER Thank you Mr Sheridan. Is there any debate Honourable Members. There being no further debate I put the question that the motion be agreed to

QUESTION PUT  
AGREED

I think the Ayes have it. The motion is so agreed

**NORFOLK ISLAND GOVERNMENT TOURIST BUREAU ACT 1980 – APPOINTMENT OF MEMBER OF THE NORFOLK ISLAND GOVERNMENT TOURIST BUREAU**

MR NOBBS Thank you Madam Speaker I move that this House in accordance with subsection 4(2) of the Norfolk Island Government Tourist Bureau Act 1980 recommends to the executive member that he appoint Lisle Denis Snell as a member of the Norfolk Island Government Tourist Bureau. Thank you Madam Speaker I would like to thank Lisle for showing an interest in the Tourist Bureau and as we know it's been an area that's come under scrutiny at this point and we certainly look forward to some feedback through the membership that Mr Snell will have with the Board coming back to the Members in our regular meeting. In saying that I recognise the outgoing former Member of the Legislative Assembly for his efforts, Mr Ian Anderson and the Board as a whole, thank you

SPEAKER Thank you Mr Nobbs. Is there any debate Honourable Members. There being no further debate I put the question that the motion be agreed to

QUESTION PUT  
AGREED

I think the Ayes have it. The motion is so agreed.

#### **APPOINTMENT OF A BUSINESS COMMITTEE**

MRS WARD Thank you Madam Speaker, I move that this House pursuant to standing order 20 in addition to the Speaker appoints André Neville Nobbs and David Ernest Buffett to be Members of the Business Committee

SPEAKER Thank you Mrs Ward. Is there any debate Honourable Members. There being no further debate I put the question that the motion be agreed to

QUESTION PUT  
AGREED

I think the Ayes have it. The motion is agreed.

#### **APPOINTMENT OF THE HOUSE COMMITTEE**

MR BUFFETT Madam Speaker I move that this House, pursuant to standing order 19, in addition to the Speaker, appoints Rhonda Evelyn Griffiths and Craig Maurice Anderson to be Members of the House Committee

MR SHERIDAN Thank you Madam Speaker I just want to say that the House Committee has a very important role to play down here in this forum and I'm certain that Rhonda Griffiths and Craig Anderson will carry out their responsibilities in an exemplary fashion, thank you

SPEAKER Thank you Mr Sheridan. Is there any debate Honourable Members. There being no further debate I put the question that the motion be agreed to

QUESTION PUT  
AGREED

I think the Ayes have it. The motion is so agreed.

#### **APPOINTMENT OF STANDING ORDERS COMMITTEE**

MR SHERIDAN Thank you Madam Speaker I move that this House, pursuant to standing order 17, in addition to the Speaker and Deputy Speaker, appoints Andre Neville Nobbs; Rhonda Evelyn Griffiths and Melissa Ward to be Members of the Standing Orders Committee. Just a few words Madam Speaker in regards to the Standing Orders Committee, I believe as has been indicated by yourself during our briefings to this House in the past couple of weeks that it is time to review the Standing Orders, there's a few areas that need tidying up, and in saying that, I hope that this committee will move in that direction and review the Standing Orders of this House to see whether or not they can make it a better set of Standing Orders for this House to operate by

SPEAKER Thank you Mr Sheridan. Is there any debate Honourable Members. There being no further debate I put the question that the motion be agreed to

QUESTION PUT

AGREED

I think the Ayes have it. The motion is so agreed.

**APPOINTMENT OF A IMPACT OF BILLS AND SUBORDINATE LEGISLATION COMMITTEE**

MRS GRIFFITHS Madam Speaker I move that this House pursuant to standing order 20A in addition to the Speaker appoints Timothy John Sheridan; Michael William King and Melissa Ward as permanent Members of the Impact of Bills and Subordinate Legislation Committee and appoints Lisle Denis Snell as the alternate member to act when a permanent member is unavailable due to illness; is off Island; or nominates to be absent due to a conflict of interest or some other reason

SPEAKER Thank you Mrs Griffiths. Is there any debate Honourable Members. There being no further debate I put the question that the motion be agreed to

QUESTION PUT  
AGREED

I think the Ayes have it. The motion is so agreed.

**APPOINTMENT OF A COMMITTEE OF PRIVILEGES**

MRS GRIFFITHS Madam Speaker I move that this House, pursuant to standing order 18, appoints David Ernest Buffett; Craig Maurice Anderson and Michael William King as permanent Members of the Committee of Privileges and Melissa Ward as the alternate Member to act when a permanent Member is unavailable due to illness, is off island or nominates to be absent due to a conflict of interest or some other reason

SPEAKER Thank you Mrs Griffiths. Is there any debate Honourable Members. There being no further debate I put the question that the motion be agreed to

QUESTION PUT  
AGREED

I think the Ayes have it. The motion is agreed.

**AMENDMENT OF STANDING ORDER 20B – PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

MR ANDERSON Thank you Madam Speaker I move that this House delete from paragraph 1 of standing order 20B the words “two other Members” and insert the words “three other Members”. In respect of this Madam Speaker I note that the Impact of Bills committee has three members, the Privileges committee has three Members and that there’s interest being expressed by three people, all of who are keen to participate, and I’m keen to have as much help as I can get, so I commend the motion to the House so that we can have three Members

MR SHERIDAN Thank you Madam Speaker I take a different view to Mr Anderson in this regard Madam Speaker in that yes, he’s quite correctly stated that there’s three Members in most of the other committees, the Business committee the House committee but they also include the ex officio of yourself as Speaker and I think if we were to amend this Public Accounts and Estimates committee to include three Members as well as yourself I believe that will then increase the Membership of this committee to a disproportionate percentage of the Legislative Assembly as a whole and

would take it up to something like four Members out of nine and would be something like 45% of the voting power would reside in this one committee. I do have some issue with it because I believe that if this one committee was to make any consensus decision throughout their deliberations, when it is brought to the House for further deliberation it would be moving past the post and I don't think this is a good way to set up our committees. In saying that the other problem that I do envisage is that No. 22 of the Standing Orders states that it is a bit confusing because it states that unless otherwise ordered this shall consist of a minimum of three Members and they refer to paragraphs 17, 18, 19 and 20 and I believe this should have been change when they introduced 20A and 20B. One could argue that it includes 20A and 20B as well so a minimum of three Members which indicates you could have more, but then it goes on to say that provided more Members are nominated then are required the House shall proceed to ballot so I read that as saying a minimum of three which means that you must have three, and no more than three, and if there's more than three you must go to a ballot. That's just my interpretation of the paragraph and in saying that, if you do have four Members on a committee then it leaves other areas of concern, such as the quorum for standing committee's to be the majority and in this case it would have to be three, whether that creates problems or not but also when it comes down to voting, if you have four on a committee, if it's split, who has the deciding vote. I don't think it's decided in our Standing Orders so I would like to see it left at the odd number and I think three is the right number to have and I do note that we did have two nominations plus yourself Madam Speaker when this forum met to discuss this appointment, unfortunately Mr King has taken it upon himself not to avail himself at these meetings because he believes that they are irrelevant and his doesn't wish to represent his people in those forum so he's sent an email down here indicating that he would like to be on such an such a committee, well he was allocated to a couple. Unfortunately he wasn't put onto this one but I believe Mr King had an opportunity to avail himself of the time to put himself on this, but seeing as he wasn't here to represent himself I suppose the other Members of this forum decided for him and I just won't support that change Madam Speaker

MR BUFFETT Madam Speaker the main consideration that I give to this particular proposal is that it is coming from the Minister for Finance and the Minister for Finance is really signaling that he would find it valuable to have this extent of participation. I understand what has been said earlier. I do point out however that we are nine Members and the figure that is proposed here does not give this particular committee a majority. You remember that in previous circumstances in terms of some accountability issues, people were concerned that there may be five for example out of the nine. This is five out of the nine. This is not a majority. And I also take into account that we have also just put into place a Standing Order committee and there has been identification that there is a need to go through and examine. That can still be done. That does not impair what is happening here and indeed given some experience with this particular situation there may well be a recommendation to do something different, and that could be the case, but this is the need that is perceived to be there at the moment and i would look to meeting that need. I therefore would support this motion

SPEAKER Thank you Mr Buffett. Is there further debate Honourable Members. There being no further debate I put the question that the motion be agreed to

QUESTION PUT  
AGREED  
MR SHERIDAN DISSENTING

I think the Ayes have it. Would you like the House called Mr Sheridan or just your vote recorded in dissent. Thank you. If the Clerk would make that note. The motion is so agreed with Mr Sheridan dissenting

**APPOINTMENT OF A PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

MR ANDERSON Thank you Madam Speaker, I move that this House pursuant to standing order 20B in addition to the Speaker ex officio appoints André Neville Nobbs; Rhonda Evelyn Griffiths and Michael William King as Members of the Public Accounts and Estimates Committee. Thank you Madam Speaker in support of that motion I would just repeat what I said in respect of the previous motion. I'm happy to have as much help as I can get and those people have expressed their interest and I commend the motion to the House

SPEAKER Thank you Mr Anderson. Is there further debate Honourable Members. There being no further debate I put the question that the motion be agreed to

QUESTION PUT  
 AGREED  
 MR SHERIDAN DISSENTING

I think the Ayes have it. I record your dissenting vote Mr Sheridan. The motion is so agreed.

**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

MR KING Thank you Madam Speaker I move that in accordance with standing order 20B(3) the Assembly refers the following questions to the Public Accounts and Estimates Committee for enquiry and report to the Assembly:

1. Was the Norfolk Island Government, the Legislative Assembly and the community of Norfolk Island fully and adequately informed of the state of public finances during the past three years and if not, in what manner and to what extent was the information deficient?
2. What was the nature of, the extent of, and the appropriateness of internal funds transfers within the Public Account during the past three financial years ending 30 June 2010?
3. In respect of the following expenditure items:
  - Runway End Safety Area (Airport runway extensions);
  - Capital acquisitions of airport plant;
  - Capital construction of airport fire station also known as the emergency Services building –
  - a) Were the public procurement processes followed in terms of both the letter of the law and the spirit of the law, and agreed guidelines, and if not, in what way were proper processes able to be circumvented?
  - b) Were the items properly costed, adequately managed and brought in on budget and if not, to what extent were proper processes not followed and budgeted expenditure exceeded?
  - c) Were the respective projects fully and properly considered as to their individual necessity and if not, to what extent were they inadequately considered?
  - d) Was the Legislative Assembly adequately informed about budget performance of each expenditure item on a progressive basis and if not, what was the extent of the inadequacy?
4. What reforms should be made to ensure greater accountability and transparency of the public finances?
5. That in respect of each discrete question the Committee report to the House progressively

Thank you Madam Speaker this is a machinery motion which refers to the Public Accounts and Estimates Committee matters of in my belief extreme public interest. It is not appropriate in this debate Madam Speaker, nor did I ever think it was appropriate in this debate, and I'm mindful of the motion of amendment that may follow, for me to draw any conclusions on these questions. It is appropriate however to say that the subject

matters have attracted extensive public interest and attention over the past recent years. Perhaps the reason for the wide public interest Madam Speaker lies in the lack of clarity about purpose, cost and management procedures, perhaps arising from scant public debate or scrutiny in this House. The committee may never be able to determine the precise reasons for such a degree of public interest but it will most certainly be able to point to the reasons for public uncertainty and confusion. Madam Speaker some two weeks before the recent general election the community was treated to a chorus of uncertainty and possible confusion about the state of the public finances. In its last meeting before the election the 12<sup>th</sup> Legislative Assembly discussed the state of public finances with some Executive Members describing them as exceptional, healthy and solid. Madam Speaker contrast that with the current Minister for Finance's description some three weeks later that the financial position is serious. On the 6<sup>th</sup> March a Minister of the former Government stated that the Government has and I quote "...an excess of some \$4.3m cash' when Madam Speaker that is patently not the case. Contrast that however with the position briefed by Senior Management of the Public Service some few weeks later that the financial position was very serious and in financial distress and that airline forward booking monies had been utilised. So Madam Speaker who is right and who is wrong? I'm inclined to accept the interpretation of Mr Anderson as observed by a regular contributor to the columns of the local newspaper, if he's not right he's been on one wild spending spree since he attained office. One of the important tasks for the committee is to examine just how the position became so confused and distorted and to recommend improvements on information flow and presentation. The committee will be required to examine whether the advice of the Public Service has been clear, adequate and persuasive and whether adequate opportunity was extended for impartial and fearless financial briefings of the Legislative Assembly by Membership of the Public Service or whether political fandangling was the order of the day. The committee is also asked in my motion to examine internal funds transfers within the public accounts and to report on their appropriateness. Once again Madam Speaker it is not for me to reach any conclusions in this debate, I may pause and say that I may reach conclusions in debate on the amendment, but not at this level of the debate, about internal transfers that have taken place. I can say however that as a matter of fact, the amount of internal transfers that took place in 2008/09 was 400% greater than that of the previous year. Whether that is simply a tidying up of the balance sheet or an exercise in political financial expediency, is not for me to say at the moment. What it does reflect however is the ease with which funds are transferred internally from one section of the Administration to another, often without reporting to the Legislative Assembly. Certainly, but depending upon how the transfers are characterized, without the need for appropriation in the normal manner. On first glance, questions which arise and require examination by the committee relate to how a decision is made and who makes the decision to characterize the transfer in a certain way, that is as a loan, an advance, a subsidy or whatever and what distinctions there may be between or among those terms and on what terms may apply to any borrowings or loan in the public account. It is important that there is an understanding of these issues so that Members of the community and Members of this Legislative Assembly in particular are satisfied that the discretions and flexibilities in dealing with these transfers have not and will not result in a lack of transparency and avoidance of Legislative Assembly oversight. The third part of the task referred by this motion is to examine the three largest financial transactions of past recent years. That is the RESA or the Runway Extension Safety Area project, the acquisition of new Rosenbauer Panther Fire Engines and the construction of the fire station come Emergency Services Centre. In each case there is an abundance of anecdotal evidence, at the very least anecdotal which says that the costs were not properly estimated and substantial cost over runs occurred. I say anecdotal because the paucity of progressive and informative public debate can lead to no clear opinion in that regard. There is a suggestion however in public records that one end of the RESA project cost as much as the complete project was expected to cost. The Panther fire engines seem to have exceeded their original cost estimate by some 25% although it is not clear if all the associated costs have been brought to account by the end of 2008-2009. The fire station at best is an enigma. There is evidence that the original cost

estimate was in the order of \$600,000 and that over a prolonged period costs progressively increased to some \$2,500,000 with the Minister for Finance of the day, claiming in March this year that he had in fact saved \$1.3m. Creative outcome indeed Madam Speaker. The only thing which is reasonably clear in this matter is that as the shed changed size and shape and morphed into the structure it is today, so did the cost blow out. That is a matter of clear record, as it is that changes in the nature and size of the project were decided without the benefit of full and proper debate in the House and therefore without public explanation of changing costs or possible over runs. I do appreciate that rumour and innuendo cannot drive the proceedings of this House and there has been a lot of that in respect of these projects. The fact is however that the rumour and innuendo was born of a lack of public debate and challenge and might well have been avoided. The outcome is a community which is not confident about the expenditure of substantial public moneys. It seems to me to be sufficient weight of evidence and community concern to justify independent and specific financial audits of the three transactions but as Members will appreciate, that will be a hugely expensive option to pursue. I do appreciate that we have very little money and resources at present, but these questions must be aired and that in House focused enquiry is by far the least expensive option, provided every endeavour is made to narrow down the issues and that committee Members remain mindful of the cost factor then the expense should be contained at a reasonable level. Certainly a level which justifies the benefits which will come from the enquiry, restored community confidence, improved accountability measures and a flow of clear, unambiguous financial information to Legislative Assembly Members and Members of the community. I may join the debate at a later time in respect of the proposed amendment, but I make one final point that my motion suggests that no fixed time limit for the committee and the ability to report progressively on these questions. I commend the motion

MR SHERIDAN

Thank you Madam Speaker with Mr King's proposal here with regard to virtually investigating over the last three years, the expenditure by the last Government I understand where he's coming from and I have asked these questions in the House in the past myself because I was very unhappy with the way some of these things moved forward, but I fail to see what is to be achieved by going down this road and reliving the past where we of the new Legislative Assembly can make commitment as has been indicated by Mr King and myself that major capital items will be discussed and debated in this very forum. Something that really wasn't done in the past. I just don't know what Mr King wants to achieve here. I can't really see anything being achieved. I think if this new Legislative Assembly makes a commitment to the community that we intend to move forward, we are going to be open, we're going to discuss things in the house, then this could be a fruitless exercise. I just see that it's going to waste a lot of time, resources and at the end of the day, will we really gain from it. I don't think we will. In saying that Madam Speaker I won't support the motion as it is now

MR SNELL

Madam Speaker I tend to agree with Mr Sheridan there. Justification is probably quite right in Mr King's proposal, to bring this matter forward and to the public arena, more than it has been done in the last three years, or so he claims. As a Member of that Legislative Assembly over the last three years I think the public out there has taken the necessary steps to ensure that this perception that they've received doesn't happen again. Mr King will certainly keep us on our toes in that regard as he's quite rightly pointed out. I do appreciate where he's coming from. It is a bit of a witch hunt of course. What can be achieved from it and what ramifications will come out to the public perception of what has been carried on over the last three years, what justification and what penalties will apply. It's an area where we may be able to improve on how things are done, we appreciate that, but I agree with Mr Sheridan, in the long term, what's going to come out of this, we pull somebody aside and say you've been a naughty boy, you spent money that you shouldn't have and so on, that person is no longer here to defend himself. Madam Speaker I know there have been other instances where there have been similar enquiries with similar actions taken by other Legislative



Assembly's on areas that have been very controversial in regarding public finance. It happens. I'm not quite sure whether there's going to be much justification for all of this so I tend to agree with Mr Sheridan, I will oppose the motion

**MRS GRIFFITHS** Thank you Madam Speaker I think it's finally important that this House and particularly its Public Accounts and Estimates Committee look very carefully at what happens, not only in the past and in terms of the infrastructure and the expenditure that's happened, not necessarily on the main three, but how we actually conduct our business. How are we responsible and I think that the very important element of this motion is recommendations on how we improve our reporting. How we improve our accountability and transparency and as a newly appointed Member of this committee I don't believe it is the intention of the Members to conduct a witch hunt but mainly to serve the Members of the community to look exactly at how we spend our money. Are the processes sufficient. Are our legislative mechanisms appropriate. Are our Administrative mechanisms appropriate and that I think is where we will be going. Certainly the committee looks forward to making recommendations to this House on a number of reforms that can be made to improve these services for all the community. Thank you Madam Speaker

**SPEAKER** Thank you Mrs Griffiths, and I invite the attention of the House to Mrs Griffith's maiden speech and offer congratulations to her on behalf of the House

**MEMBERS** Hear, Hear

**MR BUFFETT** Madam Speaker very briefly. In coming in to Government in March 2010 one thing was very clear and it remains clear. We will need to expend energy. We will need to expend resources, time and skills to make our way forward. I'm of the view that we really need to expend all our energies to make our way forward to survive. This motion as I read it is really about the past. It's not unimportant, but we will require all of our energies to move forward. I do see an amendment on the paper and I do see that this amendment would foster optimum accountability and transparency, to pick some words from it. I don't support this motion as it stands. I would support an adjustment if that's coming forward

**SPEAKER** Thank you Chief Minister. Any further debate Honourable Members. I look to Mr Anderson then. You had foreshadowed an amendment on the programme today

**MR ANDERSON** Thank you Madam Speaker, I move that all words after "THAT" first occurring be deleted and the following be substituted: "in accordance with standing order 20B(3) the Assembly requests the Public Accounts and Estimates Committee to enquire into and report to the Assembly on appropriate reforms that could be made to ensure that there is optimum accountability and transparency in the public finances". Thank you Madam Speaker, at the risk of being somewhat repetitive, I'll make submissions to influence the debate. I seek support for the amendment I have proposed to the motion moved by Mr King. Madam Speaker, we have just appointed the Public Accounts and Estimates Committee and it will no doubt be keen to enquire into any matter referred to it by the Legislative Assembly. My concern, Madam Speaker, is the time, effort and resources that will be expended to extract the information and details required to answer the Motion as moved by Mr King. To assist Members, I will address Mr King's Motion point by point: Taking the first point: For the last three years the state of the public finances were reflected in the information disseminated by the 12<sup>th</sup> Assembly. Each month I believe the then Minister for Finance tabled financial indicators and made a statement in the Assembly explaining the financial position as he saw the finances and as he chose to report them. Those statements were challenged and expanded upon as the other Members saw fit at the time. The annual accounts were presented to the Assembly; they were fully audited, considered at length and eventually

accepted by the then assembly members and were subsequently available to the public for scrutiny and comment. I must therefore ask, Madam Speaker, what benefit would the community gain from going over old ground? Taking the second point: The nature of such internal transfers would be by virement to approved budgeted expenditure and by internal loans between entities when additional funding was necessary or a loss making entity required additional assistance. Internal fund transfers for the past three years were undertaken by the public service in accordance with established procedures. They arose when managers or section or department heads made requests to the then Minister for Finance or the Minister having specific responsibility for their particular area. To attempt to extract the documentation for such movements for the past three years would, I am advised by the public service, take perhaps a full week for one of the accounts staff and apart from the wages involved would result in lost productivity - that frankly - with our stretched resources could be more productively utilised elsewhere. Even if the relevant paperwork was extracted the committee would potentially need to speak to each person involved in each individual virement - to gain an understanding of the appropriateness of each individual transaction. I suggest therefore, Madam Speaker, that reviewing the nitty gritty of the internal transfers for the term of the last Assembly is counter productive and of little if any benefit to the community, or the current assembly. However, Madam Speaker, I can advise that I have already put in place a procedure with the Finance Manager of the Administration of Norfolk Island, whereby a schedule of virements approved by me will be tabled in the House. Taking the third point: The matter requires a further examination of internal procedures relating to specific projects, all of which have already been reviewed by the internal and external auditors and passed as acceptable without comment. The Legislative Assembly of the day had the opportunity to scrutinise the expenditure and the budget performance and it appears to have been satisfied with the explanations of the then minister for finance. Again, Madam Speaker, I must question the value to the community of going over old ground when those matters have been subject to the normal audit scrutiny and the methodology was largely the way the previous Minister for Finance and the Assembly of the day chose to deal with those matters. That brings me Madam Speaker, to point four of Mr King's Motion. Madam Speaker, I applaud point four as being of benefit to the community and to the 13<sup>th</sup> Legislative Assembly and is, in my view, a method of achieving a useful outcome in terms of financial accountability and transparency. It is therefore, the subject of my amendment. I commend the amendment to the Motion to the House. Thank you Madam Speaker

MR KING

Thank you Madam Speaker I'm surprised that there's not further debate. I'm surprised about some things. I'm not surprised about other things. I'm surprised at Mr Anderson's words. I'm not surprised at some of the words of former Members of the Legislative Assembly because issues touched upon by my motion must be of some considerable embarrassment. The motion of amendment suggests that there is no desire on the part of those who have spoken at least to understand where we have been and how we arrived there. I'm surprised to hear that some Members say they can't see what can be gained yet I fail to see how you can move forward without having understood where you were, where you are and how you arrived there. Something is dreadfully wrong with the financial management and financial understandings of the Government of the 12<sup>th</sup> Legislative Assembly and the Assembly itself. It may well be simple to throw a bunch of words together and say things like the normal audit processes have been carried out and the normal financial indicators were delivered and discussed in this House that opportunity was given for debate. You need to reflect on the reasons why with all those processes and procedures which were available to be followed that the confusion still existed. Tim Sheridan, Minister Sheridan knows that there are questions which remain unanswered. At the end of his term in the 12<sup>th</sup> Legislative Assembly he offered some challenge to the way the financial situation was being portrayed. Perhaps it was too little too late and I think I might have expressed that to him. He was curtly dismissed with accusations that he didn't know what he was talking about. I guess if he's happy with that and the way in which he was dismissed, he's happy to sweep all this under the table and vote for the amendment. Another

Member of this House who was a former Member of the 12<sup>th</sup> Legislative Assembly confesses to not knowing that the situation was as made as was portrayed in the briefings, and not knowing that the forward booking monies had been utilised, to pleading total ignorance. I guess that if he accepts that he may perhaps have just missed something, or that it's okay that neither the Administration nor the Government was able to properly inform him and convince him of the situation that he'll also vote for the amendment. Another former Member of the 12<sup>th</sup> Legislative Assembly, now a Member of this House, will confess over a quiet cup of tea that the proper financial situation was not disclosed because they didn't want to panic the community. I guess that, that Member will also vote for the amendment because it would appear that, that Member suggested the community ought to be treated like a mushroom. Feed them manure and keep them in the dark. In my primary debate I touched on the cost implications. I was prepared to accept that the committee could adopt a bare bones and focused approach to the task. I recognise that there are means of minimising costs in favour of widely beneficial outcomes. To rely on cost implications in my view, relatively minor, but I accept that we have very little in the way of money and some things have got to take some priority but to rely solely on cost implications to vote down my motion is in my view tantamount to saying that politicians in our financial environment can do as they please because we don't have the money to place their conduct under the microscope. That surely cannot be the case. I'm disappointed that I'm accused of conducting a witch hunt. I had anticipated that quite frankly, that there was some sole political objective, that I want to simply score a few political points. I agree, that I am motivated to a certain extent by politics. I think I'm a politician. I think I was elected as a politician. The reality is that I'm here representing my constituents and I will not resile from that responsibility. There's no way possible that my constituents will accept that the issues touched upon in my referral motion should be simply swept under the carpet and forgotten in the interests of getting on with the job and avoiding any associated costs. I say to Members do yourselves a favour, vote to show that you are serious about transparency and accountability, vote to show the conduct of past Assembly's is not beyond examination, vote to show that you can move forward with some pride and some confidence and some purpose. I will not support the amendment

MRS WARD Thank you Madam Speaker I will support the amendment to the motion today as proposed by the Minister for Finance because I have faith in the newly elected Members of the Public Accounts and Estimates Committee and that they will enquire fully into appropriate reforms that could be made to ensure that there is optimum accountability and transparency in the public finances. Thank you

SPEAKER Thank you Mrs Ward and I invite the attention of the House in that is Mrs Ward's maiden speech and I congratulate her

MEMBERS Hear, hear

MR SNELL Thank you Madam Speaker. Mr King referred to the spending of the pre paid ticket moneys, and that was directed at me. I was surprised to learn that the pre paid ticket moneys had been spent. Now we learn a little later that apparently it hadn't been spent and there is some confusion regarding that issue. I don't know whether I can call on the Minister for Finance to clarify that. In regards to transparency and accountability I consider that in the time of the 12<sup>th</sup> Legislative Assembly that transparency and accountability as mentioned by the Minister for Finance has been adequately dealt with. There have been some areas that certainly didn't come to my attention but as a non executive it may have not needed to come to my attention. It may have been clouded in my vision of what transpired but I support the amendment to the motion, thank you

MR SHERIDAN Thank you Madam Speaker I see this amendment as satisfying Mr King's requirements as it supports No 4 of his motion anyway but the committee is able to do a vast range of things and I believe what he is trying to achieve

in numbers 1,2 and 3 he can virtually achieve by the amended motion. He can investigate and come to a conclusion to ensure that the appropriate reforms that could be made to ensure the optimum accountability and transparency of the public finances. Of course, he's going to have to do some of the work that he's indicated that he wants to do. Not necessarily at appointed expenditure items but across the board. I would just like to refer back to, and I know that we're talking to the amendment to the motion, but I would like to refer to the motion as a whole and in number 1, whether the community was adequately informed of the state of the public finances, is virtually the question, during the past three years. I believe they were. The financials were tabled monthly. I had a lot of questions to ask about those figures but those figures are the figures. You can't change the figures. That's what the figures area and you've got so much income and you've got so much expenditure and there's the difference. No investigation is going to alter that at all. It's just the manner in which the Minister for Finance of the time and the weight of his words in regards to those figures. As we all know figures can be construed in any way you may want them to be, in the negative or the positive. Just depending what side of the argument you are trying to take. I've believe the current financial Minister Mr Anderson has adequately explained the appropriateness of internal funds transfers by the virement process. Of course in the last few years we've been in a serious financial system worldwide and of course, when you do your budget it is very hard to pin down exactly where you want your money spent, that's why it's called doing your forward budgets and your forecasts. That's exactly what it is. A forecast. And if you find these are inappropriate then yes, you do have to transfer some money from one area to the other. It doesn't mean to say that all of a sudden you've got excess money or you've got no money in one area and excess in another. You are managing the accounts to survive and I think over the last couple of years it's been the essential thing. Major capital expenditure items aside, that's what we've been trying to do and in respect of those large capital expenditure items I believe at the Joint Standing Committee just the other day and Mr King stated that the 08/09 had nil expenditure on capital items for the Administration. I would see that as very wrong if you just look at these items that he's talking about. They were started in the 08/09 year for sure, some of them completed in the 09/10 but the majority were started in the 08/09 year. I was reading in transcript to Hansard last night and it's been stated that there was no capital item's of expenditure in the 08/09 year so you can play on figures as much as you want to in reporting them and sometimes you are not entirely accurate but I'm just happy that it has been stated that we want to move forward. I can't see what will be achieved by going over old ground, even though some of those questions or answers that will be forthcoming or would most probably be happy in hearing, I'm quite happy to let the past lie and I want to move forward and this amended motion enables this Public Accounts and Estimates Committee to look at the appropriate reforms and I think that would be a better way to go instead of getting pinned down on certain items. Give it a abroad brush instead of a particular one aim so Madam Speaker that's all I have to say

MR NOBBS

Thank you Madam Speaker I'll be agreeing with the amendment. Minister Anderson has also pointed out some of the audit capacities that have been used in the past and will of course be used in the future as well as some work that he's already done in terms of virement, but just in jotting down a few notes for example in point one, at the level of documentation that you would have to go back through on just that one level which dealt with informing the community, there were countless radio interviews, many of which were in specific financial detail from the financial indicators as in they were read point by point from the financial indicators, the Minister's forum offered further questioning of those from Members of the community as well as discussion from the Members, I wouldn't even hazard a guess at how many newspaper releases or statements or even copies of intergovernmental communications that were made available, further to that much of the basis of how the 12<sup>th</sup> Legislative Assembly moved forward was on Econotech assessment, as in econometric studies from professionals in the field, that was also placed on the website, was also reported on a number of ways, the financial indicators as Minister Sheridan has pointed out were prepared for Accounts, tabled in the House, available to the public, similarly the airline

financials and the audited reports and as much as there have been ongoing discussion about people's views of the audited reports, they are that, in particular the externally audited reports and this also comes back to our invitation for the Commonwealth Auditor to come along on line to further give the community confidence in the audit process and things like that, and also there have been numerous statements through Hansard with regard to the global financial crisis impacts, stimulus application and the like, infrastructure grant applications, proposals for task forces, the communication with financial deregulation sections and of course we've tabled and discussed and debated budget appropriation and a lot of the other mechanisms that we used in that time and I guess what is worth keeping in mind as we look at other places that have forward debt or future debt I think is the terminology in many cases, and in Australia is a case in point of hundreds of billions of dollars that any Government of the day is going to make decisions that are going to be appropriate for the day as well and in saying that I agree with the motion proposed. Thank you

MR SNELL Thank you Madam Speaker I again support Mr Andre Nobbs in what he just had to say there, I'm not here to provide an excuse or to try and justify the previous policies of the Minister for Finance but we have to take into context what I think he was trying to achieve and what he did achieve has been a benefit to the island and will be an ongoing benefit for many, many years to come. The timing was probably inappropriate, as it co incided with the global financial recession, problems that affected many Governments throughout the world and as Minister Nobbs indicated it certainly affected us here. We have to ask ourselves, what would have happened had the 12<sup>th</sup> Legislative Assembly put a hold on all spending and what serious impact it would have had on the financial economy of this island had that happened. It didn't happen. We introduced our own type of stimulus package as the Rudd Government did in Australia. They put out a stimulus spending as well, and packages to encourage the retreat from the type of recession that was affecting other places in the world and my belief of what was done here was the right thing to do, I think the previous Minister for Finance recognised that and took advise form the Legislative Assembly on that and I think again, to continue those projects, to keep the money within the island, was the right decision at the time and I'll stand by that. Thank you Madam Speaker

MR BUFFETT Madam Speaker this is semi a point of order I suppose. This matter, this motion is a referral and there have been some good spread of debate in respect of it. I think we are now starting to concentrate upon the detail of some of this where in fact it is the principal of referral in this total matter that is in front of us and I just draw that to attention

MR KING Thank you Madam Speaker it's a valid point the Chief Minister makes. I thought it would have been reasonably clear from my earlier contribution that I didn't want to get into any of the detail about that but that those things be for consideration by the committee but I'm now invited by the debate of others to change my view in respect of that although I wouldn't want to prolong the agony of this debate unnecessarily. I can see the way it's going and I'm pleased that I have had the opportunity to say what I have. Again I'm surprised that some of the Members can so readily accept the kind of information that's given to them from whatever source. I'm surprised that they would accept so readily without wanting to know how it was that an Executive Member of Government said only a couple of months ago, one month ago, that we had \$4.3m in excess funds then are willing to forget about that, that's the past, let's just move ahead now, that they're willing to accept statements like for example one that I may quote just briefly, a statement similar to this have been made without wanting to know how such statements could be made or on what basis or what information and with what justification, that statements like this could be made when the reality of this is quite different. We're only talking here of the last meeting of the Legislative Assembly in respect of the airline, talking about January 2010 I expect, and I quote, "I expect this will be the last of the large monthly losses and budgets prepared by Norfolk Air management forecast the loss of \$124,000 in February 2010 and a surplus of \$12,700 in March and

losses of \$78,044 in following months. Those figures issued only a few weeks before those particular time lines occurred, and the outcomes were so grossly different to what was forecast only a couple of weeks beforehand. Surely that must play on Members minds to know and to understand how such statements can be made without any regard to what was a particular trend. I hear justification of past conduct and past procedures, the capacity of audit, making no mention about the reluctance over many years, almost every year, to table in this parliament, copies of the covering management letters that are attached to the audit reports. We know how difficult they are to get hold of and perhaps Mr Anderson might be able to enlighten us and perhaps table them at some time in the not too distant future, all the management letters that accompanied audit reports over the past three or four years which would probably more accurately reflect the situation, such as the one which was tabled and probably the last one that was tabled in 2005 by the Auditor General of Queensland and you will recall the content of that. I'm sure you don't want me to quote it here, so that's, if you regard the audit procedures as being satisfactory and I unfortunately have a different view. I'm not happy about the monthly financial indicators and I think one or two in the campaign debate leading up to the election mentioned similar difficulties with the financial indicators that are tabled every month. For example the earnings from GBE's merely reflect the monthly proportion, of one twelfth, or two twelfths, or three twelfths of that money which was expected from the GBE's without any reflection on the ability of the GBE's to pay that money but that's often led the Legislative Assembly Members up the garden path. I don't want to reflect poorly on the ability of the Administration but all those matters can be dealt with quite differently and more persuasively. I have read the one line disclaimers in some of the financial indication letters that have been sent to the Legislative Assembly. I don't believe those statements were made strongly enough about the state of the public accounts. We simply cannot dismiss it with a simple line saying this position is not sustainable, and must be expanded upon. So there's a lot of things that can be done. I hear Mr Nobbs and I understand his desire to defend the 12<sup>th</sup> Legislative Assembly. I don't really want to get into that because there's far too many instances of questions which of course led to my motion so I'm not going to do that. Mr Sheridan fully misconstrued my debate in relation to internal transfers. Virement of course I never mentioned virement. Virement is a transfer of appropriated expenditure from one place to another. I was talking about ...

MR BUFFETT

I raise a Point of Order Madam Speaker

SPEAKER

You are probably going to raise the same one that I was just going to draw Mr King's attention to, and that is to be careful of Standing Order 62, personal reflections on Members which I believe is may have been done to Mr Sheridan

MR BUFFETT

Yes that is applicable Madam Speaker and I've listened patiently and I can see the want to raise these matters but I think I've got to remind that this motion certainly appears to me to be a matter of referral and we have now been significantly led into debate on particular components whether we like a particular component or don't like a particular component in terms of the things that's listed there and whilst can understand that there needs to be mention of some of these things, to actually support or otherwise the motion, we have now gone on significantly beyond that and I think we are now starting to call the matter of relevance

SPEAKER

When an amendment is before the House there is licence allowed to continue the debate into the prime motion and that is why I have allowed further debate but I agree with what you are shying now. I think we have reached a point where we've moved into lack of relevance. It is of course, always open to a Member to move that the question be put

MR SNELL

Thank you Madam Speaker I so move

SPEAKER The question before us now is that the question be put

QUESTION PUT  
AGREED

Thank you. That motion is agreed to

I now put the question that the amendment be agreed to

QUESTION PUT  
AGREED  
MR KING DISSENTING

Would you like the House called Mr King

MR KING Not necessary Madam Speaker if you could just record my vote

SPEAKER The amendment is agreed and the amendment now becomes the motion and I now put the motion as amended

QUESTION PUT  
AGREED

Thank you. The ayes have it. The motion as amended is so agreed

#### **FIXING OF THE NEXT SITTING DAY**

MRS WARD Madam Speaker I move that this House at its rising adjourns until Wednesday the 19<sup>th</sup> May 2010 at 10 am

SPEAKER Thank you Mrs Ward. Honourable Members that reflects the third Wednesday in the month which is how we've been travelling for quite some time in recent Assembly's. Is there any debate on that question. No further debate, I put the question

QUESTION PUT  
AGREED

Thank you I believe the ayes have it. That motion is agreed to

#### **ADJOURNMENT**

MR BUFFETT Madam Speaker I move that the House do now adjourn. May I mention two things before we conclude? Can I just point out that the sparse Notice Paper in respect of Government business especially shouldn't be seen as indicative of the way ahead. Time will generate a workload greater than we see today and I just really wanted to make that mention, particularly to new Members so that they will not be misled about the way ahead.

But the substantive matter that I wanted to raise at this conclusion time Madam speaker, I wish to pay tribute to you, having concluded twenty six years as Clerk to this Legislative Assembly. Twenty six years which you relinquished upon your being elected at the general election just passed and then your election to the Speakership, very welcome elections. I would like to pay tribute to the fact that you entered the Clerkship from the quite earliest days of this Legislative Assembly. You will probably remember that we progressed from the days of having two people come from the Australian Parliament.

The Clerk Assistant if I remember correctly was Alan Browning, and Jim Pender his assistant, and they would come for a week before each sitting of the Legislative Assembly and be here whilst we undertook that process. We progressed beyond that and not long after that you were appointed to be the Clerk of this Legislative Assembly and have now been so for twenty six years and over those years you have given valuable service as Clerk. You have really gained unprecedented experience, if I might use that terminology and to us as Members you have encouraged us, you have assisted us, you have equipped us, you have cautioned us and I have said in another forum, you have scolded us from time to time and I equally say so here, but really you have gained this Parliament Madam Speaker, esteem and standing amongst world parliaments because of your presence and your knowledge. You've organised a number of things of which we know. CPA principals to come to us, including the Secretary General, Governor's General to this House, Ministers and Parliamentarians, Speakers of other Parliaments. You are the longest serving Clerk in the Australasian sphere. Twenty six years. I know that there has been another gathering of Norfolk Island parliamentarians and their officers and associates. I think there was greater frivolity on that occasion than I would want to exhibit here, but nevertheless I want to acknowledge that it happened to acknowledge your service. Today we need to acknowledge and pay tribute to your contribution in this, our Parliament and it's been my honour on this occasion Madam Speaker, to do so. I pay you tribute

MEMBERS

Hear, hear

SPEAKER

Thank you Honourable Members. Is there any further participation in adjournment debate Honourable Members

MR SNELL

Madam Speaker I would just like to mention that the cruise ship visitation in the last month and of course one yesterday, I would like to pay tribute to the men and women who served us so admirably in the last two visitations, particularly the men on the wharf and those in the launches, the information officers, the dancers and musicians, and a lot of them did this voluntarily, went down to entertain, the transport operators for their continuing movement of people, the Tourist Bureau for all their work in organising this and in particular the agent of P&O here on the island and certainly to P&O themselves for taking the opportunity, for taking the desire and giving us the desire to come to Norfolk Island and to enhance our tourist industry. It is very much appreciated from comments that I've received. We will get return visitations from those that were on board the vessels. We had two magnificent visitations from P&O, the Pacific Sun, and it certainly will be a great addition I'm sure to the further tourism portfolio of Norfolk Island. Thank you Madam Speaker

MR NOBBS

Thank you Mr Snell you took the words right out of my mouth but I did have a brief list, most of them you've certainly covered and I'll give just a general coverage and also add the fact that the radio station was instrumental in providing some information updates for the community at large as well as some of the passengers, as well as the musicians and the KAVHA team down here as well as the Cruise Ship Working Group and the ongoing work of both the coordinators on the shore and up in town and also at Rawson Hall and I certainly can't not thank the Members of the Lighterage personnel and the individuals in the Public Service who assisted and also the heavy equipment operators. In actual fact, a particular thank you to the community Members and the private sector operators who also enhanced those people's visits here and as Mr Snell pointed out, there were quite a number who are already looking at ways to book their way back to Norfolk Island for a longer trip

MR SNELL

Madam Speaker, I would also like to say that the Chamber of Commerce needs to be congratulated as well on their involvement, but it's an exercise that I think was very well received and appreciated



SPEAKER Thank you Mr Snell. Is there any further participation in adjournment debate Honourable Members. There being no debate I put the question that the House motion be agreed to

QUESTION PUT  
AGREED

Therefore Honourable Members this House stands adjourned until Wednesday 19 May 2010, at 10.00 am

