



**NORFOLK ISLAND LEGISLATIVE ASSEMBLY
13TH NILA HANSARD – 16 JUNE 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

LEAVE OF ABSENCE FOR MRS RHONDA GRIFFITHS

MRS WARD Thank you Madam Speaker, I seek leave of the House for Mrs Rhonda Griffiths

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

CONDOLENCES

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

MR SNELL Madam Speaker it is with regret that this House records the passing of Peter Grainger Clarke, Owen Rowland Evans OAM, Paulette Eastwood and the interment of Irene Marjorie Christian

Peter Grainger Clarke was a direct descendant of Marcus Clarke, the great Australian colonial writer, and author of 'The Term of His Natural Life,' Peter Clarke was destined to become a gifted writer and an assured thinker. Born in April 1927 and educated at Wesley College in Melbourne, Peter, with ink in his blood, gravitated to a newspaper office. He started work as a copy boy then a cadet reporter, but shortly after, made a life changing move into the world of advertising. In 1964, Peter Clarke, with partners created the agency MCR. He helped create campaigns that put MCR and clients on the map. Among them BHP, Dunlop, G.E., Hilton, Lipton, Yamaha, Rosella, GTV-9, Wynns, Captain Snooze and Toltoys. Peter arrived in Norfolk Island in 1982 and found himself in an affair with the Island that included falling in love and marrying Charisse and establishing their home at Rosshaven, on the cliff top at Point Ross, along with the luxury "Shearwater scenic Villas". Peter's desire to make "Shearwater" a unique holiday destination enabled him to put his many years experience in the world of advertising to good use. In this he was always helped and encouraged by Charisse who owned and operated *Island Realty* and shared Peter's love for, and desire to promote, Norfolk Island and its people. Peter was a lover of chess so chess nights at home were always great occasions for competition and good conversation. His love of the music and literature brought to the Island enabled him to meet numerous musicians and authors, many of whom, if not already, became friends for life. He had an abiding interest, fascination and knowledge across such diverse subjects as football, music, classical as well as rock and ballad, film and theatre, poetry, fiction and non-fiction, philosophy and psychology. Peter had always been, and remained, a prolific writer so that once established on Norfolk Island, his writing continued unabated. Over the years he published five books, the most notable of which was *Hell and Paradise – the Norfolk-Bounty-Pitcairn Saga* (1996) and *The Essential Guide to Norfolk Island* (1996). Peter's quirky humour and delight with words also led to *The Illustrated Guide to the Lost Kingdom of Nepean Island* (2004) and *The Word Maze – An Alien's epic struggle through the intricacies of the English*

Language (2006), as well as a board game *Shrinkwords*. Other than his major books, the writings of which Peter was most proud included his play *The Trial of the Fifteen* that he gave to the Island and which has seen more than 500 performances for which he took no payment, and his *101 things to do in Norfolk Island*. Peter put his heart and soul into Norfolk Island and was always generous with his time and money. Much of his generosity was anonymous or in the quiet background where it may not always have been noticed or acknowledged, but his passing will be felt. To Charisse, Steven, and Desmond, Barbara and Isobel, to his extended family and many friends from the "Friday Lunch Club", Norfolk Island, Australia and around the world this House extends its deepest sympathy. May he rest in peace.

Owen Rowland Evans OAM. Owen was husband to Beryl, father to Phyllis, Arthur and Rodger, grandfather to Young, Brendon, Eric, Jolene, Sharon, Jason and Evangeline, and great grandfather to Corey, Daniel, James, Caitlin, Aiden and Zaria. He passed away on Wednesday 19th May. Owen was the second son of Edward Young and Ivy Chloride Evans. He was born at Number 6 Quality Row on the 18th April 1928. He completed his schooling at NICS, where his mother taught. Following school he took up an apprenticeship with Charlie Bailey and one of his first jobs was to help build the Hospital. Owen, using hand tools, created the windows, doors, scotias, skirtings and tongue and grooved floorboards, and whilst the window were being installed the shortage of hinges meant that windows had to be temporarily attached with four inch nails. During his last stay in hospital he pointed out that the temporary four inch nails were still there, swinging the windows. As a teenager, Owen helped his father with carting using the Ford 6 'truck purchased from the American army on completion of the airport in 1942. He continued to use the truck for the next forty eight years. Owen was an essential carter, loading a range of goods such as building materials, stone, whale meal and petroleum drums. From the arrival of the first plane in 1946 the truck was swept off, washed down and hand made seats were fixed to the deck. The truck became a tour bus and operated a service until 1965. Owen began as the full time carpenter for the Administration in 1965 having learnt from one of the stevedores from the ship that he had secured the job. His employment as the carpenter included repairs to buildings in Quality Row, including government House, the school, lighters, launches and roads. Cock Pitt bridge still contains some of Owen's timber work. In 1988 Owen received a certificate of service for 23 years of dedication to the Administration as a carpenter. On the death of Owen's father in 1972 until 1997 Owen was synonymous with the palm seed business. Like many others he formed a part of the bean seed industry for many years. He was involved with many voluntary services and he approached each with a devotion and passion. He was one of the first members of the Fire Brigade when they undertook this essential service after the DCA gave the operation to Administration, only retiring from the service in recent years. Owen was a founding member of both the Flora and Fauna Society and Historical Society and remained an active member in both. He was involved in the scouting movement, was a life member of the Red Cross, the Fishing Club and the Royal A & H Society. He was an active member of the National Parks Advisory Committee having only recently retired after 25 years. For the past fifty years he was an important Member of the Queen Victoria Scholarship Committee. Owen's entire life was steered by his love of botany and ornithology. He attained a level of understanding of both that few would ever hope to achieve and his knowledge and understanding was recognised and sourced world wide. A consuming facet of his ornithology started in 1966 and saw Owen, the family and community members, band 40,000 wedge tail shear water birds plus tropic birds, masked boobies and little shearwaters. His inquisitive mind led him to wonder if the ducks migrated from Norfolk. Comment was made that they would never leave so with a determination and renewed vigour he set out to prove a point. The point was proven when his banded ducks were recovered in New Zealand, Vanuatu and Fiji. During the thirty odd years that Owen has camped on Phillip island studying and recovering the flora and fauna, he has heavily involved his grandchildren. They fondly reminisce about these adventures. He had some lengthy stays, the longest time continues being eight months. After his own children left home he encouraged the young local children to go out at night to help band the mutton

birds and many stories are remembered by those helpers who now have children of their own. Owen was instrumental in the Australian national parks and Wildlife Service taking control of the management of the Island's natural resource, the habitat of its plants and birds. In recognition of Owen's great contribution to the botanical and ornithological knowledge and conservation of Norfolk Island he was awarded the Order of Australia Medal in June 1981. At his passing the comment was made, "Naeda old pine se gorn." To Beryl, with whom Owen shared an exciting journey of sixty years, to family and many friends this House extends its deepest sympathy. May he rest in peace.

Raymonde Paulette Eastwood passed away on Saturday 12th June at the Norfolk Island Hospital. Paulette was born on the 1st October 1918 in Noumea, New Caledonia. At two years of age she and her mother Marie Antoinette moved to Vila, Vanuatu. There they met up with Papa Combet and stayed for six years. In 1926 the family moved to Pentecost Island, 300 miles north of Vila, to work on a Cocoa plantation. This was very hard work. Paulette went to school in Vila, often being away from home for twelve month periods. They remained on Pentecost for twenty years and she became very versatile, making do with materials on island. These skills remained with her for life and were particularly useful when she moved to Norfolk Island. In 1946 at 16 years she injured her leg, which turned gangrenous and she had to sail on a small ship to hospital 300 miles away in Vila. Her leg was saved with a new drug called penicillin. Her final skin graft occurred in 1991. Paulette arrived on Norfolk Island on the 5th June 1950. Here she met and in 1951, married, Cecil Eastwood, Ina Boniface's father. Her versatility included crochet, needlework and embroidery, sewing dresses for women, cushions and upholstery to name a few. When Paulette and Cecil moved to Bellevue at Longridge, their gardens growing flowers, vegetables and fruit were reknowned throughout the island, winning a number of trophies and prizes. In 2000 her lifetime partner Cecil passed away. Paulette was an active member of this community. She was a member of the A & H Society and the Community Services Leader of the Seventh Day Adventist Church. Paulette had an enviable relationship with her cat Nanette, which lasted for twenty one years. She kept hens and daily collected her eggs. She was often seen in Burnt Pine, particularly at Latitude 29 on the cane lounge where she greeted locals and tourist alike. Her greetings were returned by young and old. At her funeral the haunting strains of "La Marseillaise" preceded her to her final rest as Paulette was French in heart and soul and she was honoured for that. To Ina and Barry, their children Diane, Wayne, Denise and her husband Hayden and Maree and her husband Donald, to Paulette's grandchildren Daryl, Caitlin, Mikiela, Nathan and Mauatua, and to her many friends this House extends its deepest sympathy. May she rest in peace.

Irene Marjorie Christian was the wife of the late George Edward 'Teddy Toy' Christian. Irene was born on the 26th February 1929, the eldest daughter of Arthur and Florence Archer and lived with her family and five siblings in Auckland until her marriage to Teddy when they moved to Norfolk where their family increased to five children, Stephen, Susan, Louise, Beryl and Glynn. Irene was well known at the Ferny Lane Grocery Store with Jean Sim then later as Manager of Holloway's in Burnt Pine. Teddy was a familiar face at the airport freight shed and Irene was just as familiar sitting in Teddy's truck, busy watching everyone come and go and chatting to anyone who had time. It was Norfolk and every one had time. After Teddy's death in 1977, Irene returned to Auckland to her ailing parents. She became Canteen Manager at Image Printing until her retirement and subsequent relocation to Brisbane, where she gained Australian citizenship in 1992. Irene became a volunteer with the LifeLine organisation. Irene's greatest passion, The Salvation Army, became her other family. It gave her an incredible sense of purpose and joy, so much so that she enlisted with them and became a soldier. Irene fought emphysema with vigour, even though she knew she could never win as her breathing became increasingly difficult. Having to give up the Salvation Army Services caused her great distress. Irene unselfishly donated her body to Medical Science and Research. At the time of her sudden death, Irene was surrounded with all the love of her family, including twelve grand children and eighteen great grand children. Yesterday she was laid to rest beside Teddy. May she rest in peace

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

PETITIONS

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 KING Thank you Madam Speaker, I direct my question to the Chief Minister. Will the Chief Minister confirm that contrary to what he indicated in his press release dated 11 June, Federal Minister O'Connor had not sought a review of the Territories Law Reform Bill as a result of the recent Norfolk Island Government visit to Canberra, and secondly, that no letter at all had been received from Minister O'Connor as a result of and following on from the Canberra visit

MR BUFFETT Madam Speaker Thank you to Mr King for his question. I have a letter from Minister O'Connor. If I remember the date, it's not in front of me at this moment, but it was the 1st June which was obviously after we had spoken with him in Canberra, and it indicated that he was going through a process of review, of that particular Bill and that is what I reported in the paper

MRS WARD Thank you Madam Speaker my question is to the Chief Minister. In April I asked the Chief Minister to confirm the existence of a working Group consisting of Norfolk Island and Commonwealth officers and what the Working Group was aiming to achieve. The Chief Minister confirmed that a Working Group exists, one that relates to Finance. Can the Chief Minister provide an update on the Working Group's achievements, particularly those that are working towards beneficial results being achieved for the island's short and long term future

MR BUFFETT Madam Speaker a number of my very able Ministers are looking at various parts of this but I really interpret the question is about a continuing relationship with the Commonwealth.

MRS WARD Chief Minister it was specifically about the Working Group that is currently working on financial issues with the Attorney-General's office

MR BUFFETT Yes, and that of course really means a continuing relationship with the Commonwealth and that's an important part that I would probably like to stress in responding to that. Such a Working Group of course as I reported earlier does exist. It comprises Members of the department of Finance and Deregulation, the Commonwealth Department, the Attorney-General's Department, again a Commonwealth Department, as well as the Norfolk Island Administration. There have been discussions among that group of people. There have been teleconferences among that group of people and the reports that have been given to me, I've not been a participant, but there have been officer meetings, there have not been Ministerial meetings so I've obviously not been a participant in those meetings, however, I have had occasional reports as to how they are going and they are progressing well, and you will know that in Norfolk Island's context, it has a wish to improve its financial arrangements, improve its accountability and this is an effort to demonstrate that we have that

willingness and that indeed it can be done, so there is a want on our part to do these things. There are a number of areas in fact that Norfolk Island would want to improve and it would want to use the Australian standards in going about that particular task. This is but one of them. We've talked about others, such as the Freedom on Information arrangements, privacy arrangements, and one of the particularly good examples of how these discussions can go and have a satisfactory result is when we look at the Ombudsman arrangement. I keep mentioning these, but I mention it again, because it just emphasises how things can be done in a satisfactory way. In that particular instance there were discussions as is going on now in the finance area, with people from the Commonwealth in terms of erecting a regime in Norfolk Island that will examine matter in Ombudsman matters and the arrangements is, that not only will it comply with Australian standards, but it will also allow the Australian Commonwealth Ombudsman to be the Norfolk Island Ombudsman and that is actually part of the Territories Law Reform Bill that is in front of everyone at this moment. That is one of the good things in terms of that particular Bill. There are some other areas that we don't see exactly eye to eye but nevertheless, I want to point out one of the good things in it so to use that example, to come back to the question, that example is really being used as a model in which there can be satisfactory discussion to mold things in terms of Norfolk Island's requirements. Let me again point out that most of the Commonwealth arrangements in these areas that I've exemplified have been designed for the bigger and wider Australian scene. Twenty million people and it doesn't mean that the twenty million people model always fits the 1800 model and therefore some tailoring is needed to be walked through with all of the parties to ensure that there is a workable and satisfactory arrangement that accord into standards that are recognised in Australia and that's happening at present. Within the next week two Commonwealth officers are actually visiting the island to refer to those discussions which you asked about

MR KING Madam Speaker can I ask of the Chief Minister on reflection on his earlier answer, whether he regards that 1 June letter from Minister O'Connor as referring to the a result arising from the delegation to Canberra

MR BUFFETT Madam Speaker given that it was written after our discussion, the answer is yes. If the Minister has another view in mind and maybe Mr King in fact has had some communication there of which I'm unaware. That hasn't been signalled that Mr King might have those arrangements, but if he does, I would be interested to know about that and if there's another slant on this of which I am unaware I would be pleased to have it

MRS WARD Thank you Madam Speaker does the Chief Minister accept that the economy is in contraction and has limited ability to recover and that setting a clear agenda to discuss options of recovery and long term security with the Minister for Territories that might include access to National broadband network, long term financial reform and the provision of Australian standards particularly in relation to disability and the mental health arena, does the Chief Minister believe this is an achievable goal

SPEAKER Mrs Ward I would ask you to be mindful of questions without notice in asking for an expression of opinion. I'm just asking that you be mindful of that

MR BUFFETT Madam Speaker without a doubt I think it can be said that the economy has contracted. That's not in doubt and there should be no moving away from that. We all know that we will recover from is arrangement. The time factor to recover is really an essential part to understand in all of the difficulties that we are walking through in terms of our contracted economy at this moment. But in terms of the areas that we have asked about, National broadband network, financial area and the Australian standards particularly in the disability and mental health areas, again I make mention that there are very able Minister's who have detailed responsibility in those

areas, but again I interpret that you are asking about the Commonwealth relationship in this context which is why I highlighted that before because I could see that maybe that was your area of interest. I do need to confirm that we would want to always have continuing relationships with the Commonwealth to discuss not only these areas, but other areas. In terms of national broadband network, there have been approaches by my predecessors, unsuccessful at that earlier time, if in fact there is opportunity for it to be renewed, I would be happy to do that, but I just point out that the earlier ones had not had success and that may be our fate in the situation that we will face in the future. I would not want people to be misled about that situation. In terms of financial reform that you mentioned, I think my earlier answer might have covered that range of how we are travelling in the financial area. People do however, use the word reform rather to imply that they possess something wonderfully new and it's an invention of their own. That isn't the case. That isn't really the class of what we are on about here, but certainly there are situations in the financial area where we would want to see improvements and where we would want to see developments that are desirable and indeed we are doing so as I have exemplified when I answered that last question. I do recognise that in some areas, for example in the disability and mental health area that you've asked about, that the facilities that we might have on island don't exactly mirror those that are in Australia at this time. One asks whether there is the total same need. I really don't have an answer to that at this moment and if in fact, there are pluses in us having further discussions and negotiations with the Commonwealth to see if we have guidelines that might fit our situation I would be happy to do that. We need to recognise of course that there may be costs here and if there are Commonwealth demands well then our conversation may need to take that into account when we have such conversations

MRS WARD Thank you Madam Speaker my question is to the Minister for Tourism. At last month's meeting in response to a question from me about the impediments in place preventing Norfolk Island International becoming a domestic route back to the mainland, it was stated and I quote, "in a nutshell we are certainly doing everything we can to advance in our travel landscape, however it is really determined by the movements of the Australian and New Zealand Governments in finalising those arrangements". Can the Minister explain to this House in what respect is travel between Australia and Norfolk Island, a territory of Australia, influenced by any bilateral arrangement that may or may not eventuate between Australia and New Zealand

MR NOBBS Thank you Madam Speaker. Thank you Mrs Ward for the question. I'll speak more from my understanding rather than a presentation of a document in terms of the understanding I have in regard to the Trans Tasman gateway which is a work in progress between the Australian and New Zealand Governments to facilitate domestic travel between New Zealand and Australia and vice versa. As I indicated at the last sitting when the question was asked, Norfolk Island became aware that the change from international handling of passengers between New Zealand and Australia was something under discussion and we promptly wrote to put our oar in the water so to speak to gain the benefit of Norfolk Island also gaining a domestic status if that was possible in the Trans Tasman gateway discussions and the movement of that change to handle travellers in our region, I suppose, Australia, New Zealand and Norfolk Island. Additionally we have had discussions with the Department of Immigration and Citizenship along a similar vein to not only raise our profile in being considered in this change but also to advance the prospect of Norfolk Island having access to electronic travel authority information through the Trans Tasman Gateway Kiosks as they were proposed, so they are the areas where we have raised an interest and also indicated that we were prepared to take on some of the new technology that would also facilitate the Trans Tasman Gateway. Having said that and also having had a discussion at MLA's briefly about this topic yesterday, I'm in the process of re-writing to further establish whether there's been any movement on this project at this point.

MRS WARD Thank you Madam Speaker a supplementary question thank you. Is it appropriate for the Minister who is a Member of the Norfolk Air Board to have this matter put on the agenda for the next board meeting, and if appropriate have the CEO of Norfolk Air investigate the matter and provide a report through the Board to this House on the way forward

MR NOBBS Thank you Madam Speaker at this stage it's more of a political issue than a mechanics issue of facilitation so I'll seek the advice from the relevant Ministries in Australia to see how this has progressed and I'll report on that

MR KING Thank you Madam Speaker a question to the Chief Minister. During the Norfolk Island Government recent visit to Canberra what assurances and what guarantees or undertakings were given by the Chief Minister to the Commonwealth in an attempt to stave off or reduce the level of Commonwealth intervention in our self Government arrangements

MR BUFFETT Madam Speaker I don't think you could put my conversations in terms of guarantees. The discussions that were had by the Norfolk Island Government in a range of areas merely explained what has been explained locally, that is, that there are some parts of the Territories Law Reform Bill which was the main purpose of our discussion, which had some pluses for this place. There were some areas particularly that have pluses and I've exemplified some of those this morning, the Ombudsman, the Freedom of Information, and the like, which would have pluses if in fact they were delivered by a different methodology. Of course there were some areas that would threaten our self Government arrangements and that was the range of the discussions. I'm not too sure that you can interpret any of those things as guarantees. They were obviously explanations about Norfolk Island's situation

MR KING Thank you Madam Speaker, a supplementary question, does the Chief Minister accept that despite the guarantees that were given by the Norfolk Island Government through himself in 2006, to stave off the then proposed Commonwealth intervention that a sustainable future for Norfolk Island was not secured as a result of those guarantees

MR BUFFETT Madam Speaker the discussions that were had now did not have a relationship in terms of reference to 2006

MR KING Thank you Madam Speaker a further supplementary question, in a recent press article contained in the Sydney Morning Herald the Chief Minister was quoted as saying that he did not regard Norfolk Island's situation as critical. Can the Chief Minister advise the basis upon which he reached this conclusion

MR BUFFETT Madam Speaker I'm happy to look at those words to see them in the context that they were mentioned. I'm not going to be endeavouring to respond out of context at this time

MR KING Thank you Madam Speaker is the Chief Minister prepared to accept a possibility that continuing financial and economic trends might lead us to a point where entry into the Commonwealth financial arrangements is the only workable solution

SPEAKER Mr King, that question is really not in order. That's asking for an expression of opinion from the Chief Minister but I leave it to the Chief Minister or if you would like to reword that Mr King in some way to get the answer that you want otherwise we move on Honourable Members

MRS WARD Thank you Madam Speaker my question is for the Minister for Tourism. It would seem that works at the southern end of the airport runway

are not consistent with what was previously said to be necessary for the CASA runway end safety requirements. Can the Minister please advise

MR NOBBS Thank you Madam Speaker, and thank you Mrs Ward. The RESA runway end safety area for the southern end has commenced. What it has commenced under is the principal that we will move towards fully reaching the expectation or the requirement of CASA for a runway end safety area. The object at the moment is to commence the project and to commence it in the most achievable way possible given that there are some obstructions that relate to land ownership and relocation of roads and things like that, but in the interim we are able to make a substantial start and commitment to meet the 90 metre runway end safety area within that newly fenced region for the southern end of that runway

MRS WARD Thank you Madam Speaker a supplementary question please, can the Minister advise what provisions are in place to ensure quality assurance of the project with regard to design, soil compaction and storm water management

MR NOBBS Thank you Madam Speaker and thank you Mrs Ward. A similar process will be used in terms of engineering, in the use of densometer and appropriate management of the project as well as drains which were also obviously taken into consideration at the other end so I can certainly say that the management plan put forward by the Airport Management takes into consideration the meeting of specifications and the correct engineering process

MRS WARD Thank you Madam Speaker one more supplementary question please. Does the Minister foresee any need to recruit outside equipment or expertise to complete the project in a timely manner and if that is a possibility, does the 2010-2011 budget allow for externally contracted works to be carried out and paid for

MR NOBBS Thank you Madam Speaker I think within the Narrative which the Minister for Finance might well be reading out to us during the Appropriation Bill there is a considerable amount of detail with regard to the RESA project and the funding of external requirements where necessary as well as the recognition that where-ever possible administrative personnel and equipment are being used to keep costs to a minimum

MR KING Thank you Madam Speaker a supplementary question if I may. Given this apparently unexpected change of heart by the regulatory authority can the Minister now table all correspondence with CASA, the regulatory authority dealing with dispensations and exemptions for Norfolk Island in relation to runway end safety measures

MR NOBBS Thank you Madam Speaker I'll discuss with CASA whether it's appropriate for the documentation to be tabled in that manner. I don't have an issue with doing it, that's for certain. I will point out that they haven't had a particular change of heart. In all airports they are seeking to have the runway end safety areas instituted. There is no dispensation in terms of claiming that you cannot afford it or whatever else might be used in that formula, however, they recognise that the steps we are taking to implement RESA at the southern end are appropriate and also move towards meeting all standards required for that end

MRS WARD Thank you Madam Speaker my question is for the Chief Minister. Chief Minister what do administrative orders provide for in relation to regular audit of Administration assets and whose responsibility is it to ensure that audits are carried out

MR BUFFETT Madam Speaker in terms of audit for the Administration there are two areas of audit. One is the internal audit which is somebody who is engaged by the Administration to conduct audit programmes and usually these audit programmes are in conjunction with the overall requirements of the external auditor. The external auditor of course is appointed by a process of coming to this House and Members will know that there have just been arrangements to change the audit arrangements, that's the external audit arrangements, to bring the Commonwealth Auditor General into the sphere to commence I think if I remember the details correctly, from the 1st July that we are about to embark upon

MR KING A question to the Minister for Community Services if I may. Minister does the Social Awareness Group or Committee meet and report on a regular basis and are reports made available to the Minister and this House

MR SHERIDAN Thank you Madam Speaker and thank you Mr King. Yes, I believe they do meet regularly and I'm not aware of any reports given to me in the immediate past but I can certainly ascertain when they last met and have a look at their last report

MR KING Thank you Madam Speaker a supplementary question, are you aware if the committee is an ad hoc committee or a statutory committee. I'm interested to know the extent to which its functions overlap with those of the statutory Social Services Board

MR SHERIDAN Thank you Madam Speaker no, I don't believe I can answer Mr King at this point and I would have to take that notice and get back to him at a future date

MRS WARD Thank you Madam Speaker, this question is for the Minister for Tourism. Two weeks ago in a full page ad in the Norfolk Islander, the Norfolk Island Data Services invited the Government to enter into an agreement whereby the Government uses an existing wireless hotspot network. Will the Minister or the Telecom Manager be considering the offer, particularly if it is mutually beneficial for not duplicating infrastructure and indeed for making savings to the public purse

MR NOBBS Thank you Madam Speaker and Mrs Ward, yes I did actually read that in the newspaper and I think that offer dates back to discussions that I have had with the proprietors of NIDS following our first sitting of real business I suppose whereby I indicated that I would be meeting with the proprietors of NIDS to establish the process to evaluate an asset or otherwise and legislation and commercial framework to support access through telecommunications infrastructure. At that meeting I did suggest to them that it may be worth thinking outside the box of not only what they may need out of Telecom but also what they might be able to provide to Telecom so I certainly welcome having put that on the table. What it would require is a business analysis from the management of Telecom to give an indication of how that might extend capacity and how it might also be supported in the budget in the other parts of their operating framework

MRS WARD Thank you Madam Speaker a supplementary question, does Norfolk Island Telecom have the capacity to provide a business analysis for this type of project in the future

MR NOBBS Thank you Madam Speaker I would think certainly, yes. I think the operating data that they have as well as the historic data and information regarding band width usage and hotspot usage considering that Norfolk Island Telecom has numerous hotspots within the café's and things already I would think that they would be able to establish that

MR KING Thank you Madam Speaker while we are on the subject of Telecom I have a question for Mr Nobbs. At the last meeting of the House the Minister when endeavouring to explain Telecom's drastic fall in profits offered no other contributing factor but that purported unlawful direction of incoming telephony to use his words had impacted on Telecom's profitability. Is it then reasonable to conclude that this redirection of incoming telephony was a significant contributor to the decline in profits

MR NOBBS Thank you Madam Speaker I think I would prefer to see my statement in context before I give too much response to that because my recollection is that I certainly did not say that it was a major factor in change to the budget position for Telecom however it was perhaps a contributing factor and I raised it not merely to point out that revenue was diverted from the public system unlawfully to a private operator, I raised it also to point out that to those persons utilising a system whereby they thought they were going through the public carrier that satisfies privacy and quality criteria, that for many of those people, their communications were going in a diverted manner through an unprotected process. Thank you

MR KING Thank you Madam Speaker a supplementary question, given that over the last two reporting periods, periods when the purported redirection of telephony occurred, and Telecom's operating income fell by only 10% yet the net profit fell by some 200% and our only reasonable analysis that the redirection of incoming telephony could only have caused at best somewhere in the order of half of one percent of that decline in profit, can the Minister now answer my earlier question whether he has identified the significant contributing factors to the rapid decline in Telecom's profits

MR NOBBS Thank you Madam Speaker I'm happy to take that question on notice and look at real figures rather than re concocted figures that are being proposed there

MR KING Thank you Madam Speaker a question for Mr Nobbs, will the Minister advise the House based on an analysis of historical data and local knowledge of sea conditions surrounding Norfolk Island, what percentage of visiting passenger cruise ships are likely to be able to discharge passengers

SPEAKER Mr King this really is very much asking for an expression of opinion

MR KING I would beg to differ if I may

SPEAKER Could you just perhaps reword it a little bit so that it is quite clear that you are not asking for the Minister's opinion

MR KING I'm certainly not asking for an opinion. I guess I'm reflecting on whether a risk assessment analysis was ever undertaken in respect of our entry into the passenger liner industry and whether such risk assessment and analysis revealed what percentage of probability there was of being able to discharge

SPEAKER I'm happy with that thank you. Minister Nobbs

MR NOBBS Thank you Madam Speaker I'm happy to take that question. The analysis that was carried out at the time looked at significant historical data for unloading of our freight ships and also swell conditions, wind conditions and the like. I certainly don't have that file with me at the moment, however, from recollection only I think there was the potential for perhaps three ships not to unload given historic data on swell conditions, wind conditions etc. I think we would all say that a significant amount of effort went in from a Cruise Ship Working Group to not only establish risk and

a business case but also the operating parameters once those cruise ship passengers arrived

MR SHERIDAN Thank you Madam Speaker, a supplementary question there to the Minister, when you mentioned three ships would not be able to unload, what number do you quantify out of, three out of 20, three out of 100, three as per the cargo ships I think we get about two every five weeks so something like twenty a year, so what number did they base that figure on

MR NOBBS Thank you Madam Speaker at the time it was based on the proposed schedule that was put forward by Carnival Cruise for the twelve month period

MR KING Thank you Madam Speaker a question to the Minister for Community Services if I may, could the Minister please inform the House of the status of the document signed by him recently, headed, and I can't remember the exact date but headed, Statement of Intention and whether this document can be regarded as a guarantee of funding for the issues mentioned in that statement or that the stated objective will be achieved or otherwise advise the benefits of this apparently new initiative of the statement of intention

MR SHERIDAN Thank you Madam Speaker and thank you Mr King. I believe you are referring to the Statement of Intention for the Argentine Ant eradication. That's a new initiative that's been bandied around and within the Executives if we do have an idea or a proposal we put up a Statement of Intent for the proposal and just in basic terms you try and identify what you are trying to achieve and Mr King has asked whether it is guarantee of funding. No it's not a guarantee of funding but it certainly identifies what sort of funds you need and in this last Statement of Intent for the Argentine Ant in the first year I think we identified that we required \$107,000 for the programme to proceed and I'm pleased to say that those funds were made available in the budget just recently compiled which will be tabled in this House today. It's just a guideline of where a proposal would like to proceed so no, there's no guarantees in there, it's certainly a working document however that the other Executives agree upon which is a way forward for the proposed activity

MR KING Thank you Madam Speaker I'm interested to know of the Chief Minister whether the Norfolk Island Government has met its KAVHA funding obligations for the current financial year

MR BUFFETT Madam Speaker the current financial year. Do you mean the year that's about to end

MR KING Yes, the current financial year

MR BUFFETT It is my understanding, the answer to that is yes, but I'm happy to check that because there is a question mark as to whether there is something of which I'm unaware may be around but it is my understanding that yes we have

MR KING Thank you Madam Speaker a question of the Chief Minister, at the last meeting of the House the Chief Minister gave notice of his intention to introduce amending legislation within the Public Sector Management area. Can the Chief Minister articulate the objectives of his intended amendments

MR BUFFETT Madam Speaker yes, I did give notice of that and drafting instructions have been issued in respect of that matter. We haven't had a draft so therefore I'm not able to present it today but hopefully that may be the case next week but that will just depend upon the processes.

SPEAKER Thank you Mr Buffett

MR BUFFETT Madam Speaker I did want to be more helpful to Mr King in terms of the content, which I think was really his question

MR KING Oh indeed Madam Speaker and of course it's not for me to intrude upon or ask questions about the drafting instructions that were given but they must contain an objective and if Mr Buffett is willing to tell me what that objective is...

MR BUFFETT Yes, I'm happy to do that, I'm not trying to avoid that I was just coming to it Madam Speaker. The drafting instructions really relate to a particular piece of legislation that will give clarity to some of the processes in the Public Sector Management Act particularly in how the Board might need to go through its appeal processes for example and some areas related to that. That's the generality and the detail will come forward when the Bill is ready

MR KING Thank you Madam Speaker a supplementary question which may relate to this particular area. Can I ask whether the Chief Minister can advise whether he has received advise from the Attorney-General's Department in relation to the statutory functions of the Public Service Board

MR BUFFETT Madam Speaker I was really waiting until I had detail to really spread all of this out but I will just mention this at this stage, prior to this Legislative Assembly commencing there had been a number of uncertainties in a number of areas relating to the Public Sector Management legislation, including the area of the Board, including the area of the Chief Executive Officer, including the area of the Public Service Association as it has a mention within that process and my part has been to try and work through some of those issues, give clarity to them, so that the processes might be clearer and the individual cases that needed to be processed could be processed because at present I regret to say there are no individual arrangements working through the process because of the difficulty and that needs to be solved. Now this will not be new to Members because I have explained this to Members although it has not reached a wider profile than that, at this moment. I suspect that Mr King was not present, when that happened, he is asking the question now and if he had been then he would have had the detail and would have been equipped to know the background. To come to the question about legal advice, legal advice has been got from most quarters it can be got from, which I might say is almost part of the difficulty because every time you ask a lawyer about a particular area you may well get a different slant or a different answer and regrettably that has been the case in these cases and it has added to the complexity and has not provided a solution. One of the areas we have gone to is the Australian Government Solicitor. That is an area within the Department of the Attorney-General because you asked whether it came from the Attorney-General. It did not in fact come from the Attorney-General but came from the Australian Government Solicitor's office, and that advice has been considered in the total bundle that needs to be considered in this matter and the legislation amendments that I am referring to is endeavouring to answer some of the questions that have been asked in that process

MR KING Thank you Madam Speaker a question for Mr Sheridan. Could I ask if the Minister is confident that everything possible has been done to ensure adequate local relief is available to cover the forthcoming absence of the island's Counselor

MR SHERIDAN Thank you Madam Speaker and thank you Mr King. The generalist counselor is planning to be on holidays in July for six weeks I believe, and there has been a local person identified to replace her to carry out her role during her absence

MR KING Thank you Madam Speaker a supplementary question please, although the Chief Minister had touched on this subject earlier, and I'm interested to hear the Minister express an opinion in relation, a response in relation to my question. Is the Minister himself confident that the services and facilities in Norfolk Island for the treatment of mental health disorders is adequate to community circumstances and needs

MR SHERIDAN Thank you Madam Speaker and Mr King, I'm aware that the service that we do provide at this point in time does not cover all basis in regards to, especially mental health. The counselor that we do have is a generalist counselor and I'm pleased to say that in regard to the mental health side of things, the Hospital director and I only spoke to him this morning, and he has got advertisements ready and it is the intention to proceed to obtain a second counselor for Norfolk Island and in this regard it would be along the lines of a psychiatrist counselor and this would assist the community and the Government in a lot of areas, especially in Healthcare, Workers Comp, and the community in general and it also will come in very handy when the Child Welfare Act commences in full when the Child Welfare Officers works through the process that the Chief Minister referred to with the Public Service Board etc because I believe that there's an appeal up with regards to that position, so that's stuck in that traffic jam you might say, so that's the hold up to that Act to really commence but it is the intention and advertisements should be placed within the next week for a second counselor for Norfolk Island and hopefully that will provide all the services that the Norfolk Island community needs

MR KING Could I ask is there adequate budget provision made

MR SHERIDAN Yes, it's been budgeted for in the hospital budget and we believe that there is sufficient funds there to cover it

MR KING Thank you Madam Speaker a supplementary question in relation to that, and I do understand Minister that this issue may have been addressed but I'll be interested to know with what speed the issue is being addressed in relation to the counselors accommodation given that it provides no safe egress for the counselor and its in circumstances which deny privacy to a certain extent to those visiting the counselor

MR SHERIDAN Thank you Madam Speaker and Mr King, yes, the counselor's accommodation at the rear of the hospital there has been identified as being not suitable and again, we have to wait for the budget process to complete before we were able to fully commit to the relocation of the counselor and I'm pleased to say that yes, funds have been made available in the hospital budget to relocate the counselor and it is proposed that when we have the second counselor and even maybe the Child Welfare Officer, can work out of the same establishment and hopefully it will be a stand alone house of some type, elsewhere in the island so that it's not within the close proximity of the hospital

MR KING Thank you Madam Speaker could I ask a question of Mr Anderson who is sitting very quietly. In what circumstances would the Minister consider it appropriate that he involve himself in the Workers Compensation affairs of an individual recipient of benefits

MR ANDERSON Thank you Madam Speaker and thank you Mr King. Where ever possible I believe the Minister should remain separate from the day to day administration of his portfolio matters. The difficulty arises on Norfolk Island in that you are not only the Minister you are also an elected representative of a constituent so they tend to make direct submissions to the Minister irrespective of the day to day administration of their claim. In other jurisdictions, in other States and Territories this

wouldn't arise because of the distance between the claimant and the Administration process. Whilst I prefer not to be involved in day to day matters I think the local circumstances make it difficult not to be because of the blurring of the two roles

MR KING Thank you Madam Speaker a supplementary question, could I ask the Minister then whether he accepts that the referral of individual matters by an authorised officer is perhaps unlawful under administrative law to the extent that it disables and interferes with the statutory functions of those public servants who are authorised to deal with such matters outside the political arena

SPEAKER Mr King I think really you are looking for a legal opinion there. It is clearly out of order. Would you like to rephrase that

MR KING Give me time Madam Speaker

SPEAKER I will give the call to the Chief Minister while you are thinking that through

MR BUFFETT Madam Speaker Mr King asked whether KAVHA funds have been lodged and I've just undertaken a check whilst we've been here and I understand that all the funds are up to date

MR KING Thank you Madam Speaker does the Minister accept that the administering or the undertaking of statutory discretion involves a person who is vested with that authority is not disabling himself by referring to factors or persons outside of his office and that by doing so such actions might render the decision unlawful. That was very convoluted

SPEAKER I would agree with you Mr King

MR KING In fact I withdraw that question and will pursue it with a further line and perhaps I could take some lessons in framing my questions in a proper manner. Thank you

SPEAKER The words "Is it a fact" is always very helpful. Are there any further questions

MR KING Well I do have a couple if they pass muster. At the last meeting of the House the Minister for Community Services was asked and took on notice a question relating to what arrangements had been made to repay the monies unlawfully deducted from healthcare claims purportedly under the authority of section of the Healthcare Act. Can the Minister now advise in relation to that matter

MR SHERIDAN Thank you Madam Speaker, Mr King. Yes, I did make enquires with regard to the possibility of the repayment of monies allegedly claimed illegally as Mr King stated. The advise that I got indicated that no, there wouldn't be any funds refunded and the main reason for that was because the debt would then still be due to the Administration and it would be a debt that was long passed since been paid and I was satisfied with that answer and didn't push the issue for those monies to be repaid and then that would mean that, that person would then have an outstanding debt to the Administration so I left it at that

MR KING I'm fearful now Madam Speaker! If I could ask a supplementary question. Did the Minister just inform the House that in circumstances where unlawful deductions are made from money which is lawfully owned by Members of the community that he intends to take no action to rectify those unlawful deductions

MR SHERIDAN Thank you Madam Speaker. No I don't think I indicated that. I think the answer was in the context of the question that I answered at the last sitting of the House and those payments or those funds that were garnisheed from a Healthcare refund at the time, at the time were in their eyes legal because they did have legal advise back at 2009 to indicate that they could do that, but since then, as Mr King is quite aware, I've sought legal opinion myself, or when I say legal opinion, I've had some advise in regard to that matter and I wasn't completely satisfied that the legal opinion that was given in 2009 was in actual fact watertight, so I instructed the officers not to do it, so when the officers deducted these monies, they believed that they were acting in a lawful manner and so that was in the context that when I discussed it with the appropriate officer at the time, with regards to the refunding of funds, and that was all these things that were taken into account, and that's when I formed the opinion that if we refund the moneys the money would still be outstanding so we left it at that you might say

MR KING Thank you Madam Speaker a question in relation to Social Services and my hobby horse of lump sum payments. Can the Minister for Community Services now, does he yet now clearly accept that the practice in Norfolk Island of reducing a persons pension because of an unexpected one off lump sum payment is inconsistent with the treatment of such lump sum payments under the Australian pensions system

MR SHERIDAN Thank you Madam Speaker, yes

MR KING Thank you Madam Speaker, can I ask a supplementary question. Given then that the Norfolk Island policy of treating these lump sum payments as income under the Social Services Act has varied considerably over the years depending on the person holding executive office, what is the Minister's own attitude towards these payments

MR SHERIDAN Thank you Madam Speaker myself and Mr King, we've had a couple of emails with regard to this issue in the past month and I've discussed it with the executives, at cabinet meetings and I believe the decision was made and I believe I made Mr King aware of this that I was to go away and I was to review the actual policy with regards to exempt income in regards to lump income one off type payments because our legislation at the moment does not include exempt income so it would be a policy shift and like I informed Mr King, it would have to be a whole Cabinet decision but I plan to bring a policy paper to the executives for consideration in due course and particularly considering that the Administration officer is on leave until the end of this month and has been for the last couple of weeks so hopefully by the time the July, August sitting comes around I should have some further information for Mr King

MR KING Thank you Madam Speaker a question for Mr Nobbs if I may. Has the Minister completed negotiations with the cruise ship industry for payment of port fees and charges and how much has been paid thus far

MR NOBBS Thank you Madam Speaker I think I'll take that question on notice as the executive level of the Public Service has been working on that

MR KING Can I ask a supplementary question, can the Minister not answer the first part of that question about whether negotiations have been completed

MR NOBBS Thank you Madam Speaker there have been a number of negotiations in terms of land issues as well as providers of facilities. At this point it would be inappropriate for me to provide information that wasn't accurate

SPEAKER Any further questions. Mr King. A final question before question time expires

MR KING How long is question time may I ask

SPEAKER One hour. I was advised that there is two minutes left and that was about a minute ago, but there is no problem Mr King, you can move for an extension of time if you would like that

MR KING Thank you Madam Speaker I'll ask one more question if I may of the Chief Minister again in relation to the Norfolk Island delegation to Canberra, can the Chief Minister explain why Minister Nobbs was not invited to join in his audience with Minister O'Connor

MR BUFFETT Madam Speaker Minister O'Connor indicated that on the first occasion that he had the opportunity to meet with the Chief Minister of Norfolk Island in the context of the present Legislative Assembly, he offered me the courtesy of a meeting with him on my own account and I accepted that and we worked through the issues on that basis. That doesn't mean that on other occasions there would not be a fuller representation and that was amicably discussed also

MR KING Thank you Madam Speaker a supplementary question, it transpires then Chief Minister that part of Norfolk Island's delegation was therefore unable to participate fully or achieve its objective in going to Canberra

MR BUFFETT Madam Speaker that would be the slant that Mr King would place upon it but you need to bear in mind that Mr King was rather opposed to the thrust that the Norfolk Island Government would want to present to the Canberra scene

MR KING Precisely

MR BUFFETT Indeed, so he would want to draw upon matters that he has raised. In fact, the Norfolk Island Government talked in various areas in various ways and this was the one that was agreed that we would do, how we would do it, with the Australian Minister who had responsibility and I would not put it in the context Mr King has just endeavoured to describe

SPEAKER Thank you. Mr King were you looking to extend. Time for Questions Without Notice has expired Honourable Members. We move on to Questions on Notice and I'll move through them in the order in which they appear on the Notice Paper

QUESTIONS ON NOTICE

We have from the previous sitting a question on notice, No 11 from Mrs Griffiths to the Chief Minister

MR BUFFETT Madam Speaker. The question that stands in my name on the Notice Paper, No 11. Mrs Griffiths to ask the Chief Minister how is the Chief Minister planning to increase the knowledge and participation of the Assembly in Norfolk's political processes for enhanced performance? Madam Speaker as we all know the knowledge base of Members does vary enormously. Some enter the elected political arena with a very good understanding of the processes as defined by examples in the Norfolk Island Act which we would regard as our constitution and given some of the question that have been raised today, Members will know that the Territories Law Reform Bill is endeavouring to change some of those elementary processes within the Norfolk Island Act 1979. That's one of the areas. The Legislative Assembly Act. The

legislative processes of the public monies, some of which I've got to say we'll see demonstrated today because the budget will be presented further in the sitting this morning. Legislative provisions for Public Servants, Standing Orders for the conduct of business in this legislature which is under your care Madam Speaker and a range of accompanying documents. Other Members of course will come with maybe more limited information. I think it's fair to say that if you are elected to this arena, there is a reasonable expectation that you have a reasonable basic knowledge of these documents. At least know of their existence. The range of topics that they cover and where they can be located and read, and information gleaned from them. This I might add equips the Member with some essential knowledge. I underline the word essential on this occasion. Participation in a range of activities builds upon this knowledge base and some recent examples might be useful. Immediately post the last electoral process there has been conducted a series of briefings for incoming members. All the major Departments and sections of the Administration presented information on current issues. They were to equip Members on the roles and responsibilities that they have in a wide sphere of community activity. Site visits were also arranged and conducted. Most but not all, not all Members availed themselves of these briefings and these site visits. Again, and to elaborate this point, in the last three weeks or so there have been budget preparation under way and again Members have been invited to be present where they would like to be whilst budget bids were made and the budget for 2010 and 2011 shaped. We will see the Minister for Finance present this budget again as I mentioned briefly earlier. Not all the Members again took advantage of participating in that process but that process did offer a further opportunity for Members to experience first hand the details funding process to provide services and to provide resources to the community here. In addition to these, there are Standing and Select committee processes of the House which can add to a Members participation and their knowledge of the Norfolk Island processes. Moving on from that to enhanced performance, and enhanced performance really means constantly increasing this more basic knowledge area that I've referred to and it is the case that really we never cease to learn about methods and delivery. Exploring wider spheres can equip Members to see how others might do it and do they do it better, is a factor also in all of this and to that end each year a Member of the Legislative Assembly is able to participate in the Commonwealth Parliamentary Association activities. Especially relevant is the smaller countries conference which encompasses the South Pacific States where we have many similarities and other small jurisdictions and there are also on line facilities and a limited range of publications available to Members. I've just got two of them here for examples. One is the Parliamentarian which comes out I think on a quarterly basis or periodically throughout the year and gives good information about how other areas are doing things, and one closer to home is called About The House, which is an Australian Government publication which covers parliamentary activities in that sphere. Not all of them have applicability here, but it gives a wider view of how things may or may not be conducted. Now, all of those in terms of this question are things that are available now. They are here and if some of them are new to Members in terms of the question, I hope that it might be useful for them to hear about them. But of course should individual Members have suggestions for us to affordably enhance performance of Members I'm happy to hear from them also and to talk with them. This question came from Mrs Griffiths and in fact some of that is useful to her and she wishes to speak with me further I encourage her to do so and I would be happy to do so. Thank you Madam Speaker

SPEAKER

Question No 15 on notice is Mr King addressed to the Minister for Finance and The Attorney-General

MR ANDERSON

Thank you Madam Speaker and thank you Mr King for the question. Section 38 of the Employment Act provides in relation to rehabilitation services for a person approved for workers compensation: "The Medical Superintendent shall advise and assist a person suffering incapacity for the purpose of restoring the person, as quickly as possible, to the fullest physical and mental fitness of which the person is reasonably capable", Will the Minister advise what can reasonably be

expected in relation to rehabilitation services? I've considered the question trying to provide a meaningful answer though I've had difficulty because of its broadness. In essence I think the answer is that people can be expected to be supplied with rehabilitation services reasonably appropriate to their circumstances. Section 37 of the Employment Act provides that if a person requires medical treatment, they are entitled to the reasonable cost of medical treatment carried out on Norfolk Island with the approval of the Medical Superintendent. Medical treatment off the island if the Medical Superintendent decides that is necessary. Transportation and accommodation costs and rehabilitation services if approved by the Medical Superintendent. Section 38 as the question notes, provides that the Medical Superintendent shall advise and assist to restore a person as quickly as possible to the fullest physical and mental fitness. The services provided in respect of rehabilitation are entirely at the discretion of the Medical Superintendent and utilise that officer's expertise in determining what is suitable. This includes referring people to other appropriate service providers if considered advisable and as each incapacity is determined on its merits by the Medical Superintendent what can be expected in relation to rehabilitation services is what the Medical Superintendent deems appropriate and necessary in each individual case. The provision of rehabilitation services is a matter to be determined by the Medical Superintendent being the person with the relevant expertise. Thank you

SPEAKER Thank you Minister. We move to Question No 16 on notice is Mr King again addressed to the Minister for Finance and The Attorney-General

MR ANDERSON Thank you Madam Speaker and thank you Mr King. Following on from the previous question and unfortunately I'm in the same position. The situation is essentially the same as that outlined in the previous question. The Medical Superintendent is the officer with expertise to determine that incapacity no longer exists. Incapacity is a medical condition and the law cannot prescribe with any precision when it no longer exists. The difficulty is that like lawyers providing opinions, doctors often do not agree on the extent of incapacity or on the treatment that is necessary. In Australia a doctor acting for an insurer may have an entirely different opinion to the doctor providing treatment. We must rely on the opinion of the Medical Superintendent. Thank you

MR KING Thank you Madam Speaker may I ask a supplementary question. Is it a fact that the person for the time being administering the Workers Compensation Scheme for the Administration does not have the capacity to determine if incapacity no longer exists

MR ANDERSON Yes. That is a fact

SPEAKER Thank you Minister. We move to Question on notice No 17 which is Mr King directing to the Minister for Community Services

MR SHERIDAN Thank you Madam Speaker, I'll just read the question which is, Can the Minister inform the House of the estimated cost of maintaining the road verges and footpaths inside the Burnt Pine cattlestops and how much this expense increased as a result of the repositioning of the cattlestops in recent times? Madam Speaker I asked the Grounds Supervisor, Justin Reynolds for some information and he's provided me the estimated cost for maintaining the area in the first period was approximately \$10,500 per year. This equates to approximately ten hours per week and the increase in time as a result of the movement of the cattle stops has resulted in something like three hours per week and that's including those ten hours so you could say \$3,000 per year, \$60 per week has been the extra cost to the Administration but in saying that, this work is already done by full time employees with the Administration so if they weren't doing those three hours work down there they would be working somewhere else for three hours so the actual cost to the Administration I

believe is negligible because they are already being paid and would be working elsewhere on other tasks

MR KING A supplementary question Madam Speaker if I may. Thank you for the response. I wonder whether those same people who are able to maintain such a significant and large area at such minimal cost to the public purse are available to help me do the lawns at my place

MR SHERIDAN Thank you Madam Speaker I suppose I can ask the Works Manager because they do contract out work and if Mr King would like his grounds done by the Administration staff I suppose they would charge accordingly

SPEAKER Thank you Minister. We move now to Question on notice No 18 which is Mr King directing to the Minister for Tourism, Industry & Development, Mr Nobbs

MR NOBBS Thank you Madam Speaker. The question from Mr Kings reads as follows: 1. Is it not a fact that the powers and functions of the Tourist Bureau are established by law and that it is not open to the Minister to arbitrarily interfere? I must admit Madam Speaker I expected a bit more substance to that question however to give it some substance, I will point out that the Norfolk Island Government Tourist Bureau Act 1980 gives the Bureau its operating framework and sets the laws of operation and the framework for the operation of the Bureau, the Board, the nominated Members etc. In my re reading of the Tourist Bureau Act I actually didn't see any reference to arbitrary interference, however, I will point out that prior to election I gave an undertaking that I would review the operations of the Bureau and that has certainly been what I've been involved in with the collaboration of the Chair of the Tourism Board and the collaboration of the General Manager

MR KING Madam Speaker may I raise a point of order. The question is about the powers and functions that exist at the present time not how they might be after a review might take place by Mr Nobbs

SPEAKER I really think that the minister is responding appropriately

MR NOBBS Thank you Madam Speaker and in particular I'm addressing the last line of Mr King's question. That addresses question one. Question 2. Isn't it also a fact that any attempt to "freeze" the functions of the Bureau, such as the Minister's recent attempt to withdraw the Bureau's ability to contract, is unlawful and of no effect? Madam Speaker a direction was tabled to the Bureau in the past 12th Legislative Assembly to advise them to work within in the Public Monies Act. There were some issues that further came out of that in supporting the Bureau onward. My discussions with the General Manager and with the Chair of the Tourism Board were to make it clear that yes, they had these powers, however it was more appropriate and would introduce more accountability for it to come through my office and what I would like to do, is read a couple of paragraphs from the letter that I sent to the Bureau, which in no way and in no part of the content, is a direction or refers to itself as a direction. It is more a proposal of how we move forward and they had no issue of that I will point out Madam Speaker. The Board and the General Manager were quite welcoming of this. I'll read from the second paragraph. "It would be appreciated in future that prior to entering into any financial commitment, the Bureau provides details of any contract or a comprehensive business case including the benefits of the proposed spending to my office as the Minister for Tourism for presentation to the Budget Review Committee. The rationale for this step in the process is that ultimately the Norfolk Island Government is responsible for honouring the financial requirements of any contract or commitment made by the Bureau." And in the final phrase I've put into the letter I said the following "This process is not a criticism of previous actions by the Bureau, it is merely designed

to ensure that the Government remains well informed to manage budget effectively and responsibly." As I said Madam Speaker that was taken very positively by the General Manager and by the Chair of the Board and is in line with exactly what I've indicated in parliamentary sittings and also prior to election. Question 3. Does the Minister recognise the lawful requirement to table in the Assembly any direction given by him to the Bureau? Yes

SPEAKER Thank you Minister. We move now to Question on notice No 19 which is Mr King directing to the Chief Minister

MR BUFFETT Thank you Madam Speaker. The question reads, Can the Chief Minister inform the House the cost to the public account associated with the recent visit by the Norfolk Island Government delegation to Canberra including separately, travel costs, accommodation costs, per diem allowances, miscellaneous costs and consultancy costs paid to the lobbyist firm Crosby/Textor? Madam Speaker the costs to the public account in the context of this question are travelling allowance and that is for three Minister plus the officer, \$9,240; reimbursement of additional travel costs \$129.77; Crosby Textor payment to date is \$10,000; airfares haven't actually been brought to account at this time but they're expected to be at \$4,196.96. Madam Speaker in presenting those I think I would like to just add this. This relates to the Canberra visit 23 to 30 May and there were three Ministers who embarked upon that activity with a senior officer of the Service. Firstly, there were two aims in this particular exercise, firstly and this was without a doubt the focus of the visit, was to discuss the Territories Law Reform Bill with the Minister Brendan O'Connor and a range of parliamentarians and Departmental officers. When we returned from that visit with my ministerial colleagues, we went on air on the Monday after our return and let the community know how we fared on that particular subject so you know about that. But I do want to give emphasis to the next aim which was really to re establish lines of communication in the Federal sphere and I'm confident that Members will applaud this effort. In recent time you will know Madam Speaker that we have been taken by surprise by a number of actions that have happened, including some content of the Territories Law Reform Bill although I don't want to labour those at this moment. Additionally we do have a want and we do have a need to improve and update in a range of things in this place to address a range of issues. And the participation with the Commonwealth as we all know is essential in that process and yet our lines of communication have been in part unused and our conversations have been sparse. The present Minister I think has spent something like 48 hours or so in this place. I can't remember the number of hours but I think you can count it in hours more than in weeks or the like. The division within the Department of Territories is quite new as are its officers although they are endeavouring to make a number of visits here, that will increase their knowledge about this place. The real issue is that if we are to have a working relationship with Australia and its logical that we do and indeed statutorily so, that we do, then we do need to communicate. Yes we've exchanged correspondence, but really that's not sufficient to build rapport. We all know that and face to face meetings and discussions are essential, both at ministerial and officer level, and we were able to open and achieve such discussions on this visit. I mention this factor Madam Speaker because this morning we have ranged over some matters that relate to communication with the Commonwealth and this recent Canberra visit illustrates the efforts that we are making to date to increase both communication and rapport in the Commonwealth area. Thank you Madam Speaker

MR KING A supplementary question please. Chief Minister is it therefore a fact that if you divide \$24,000 by four which is the number of the delegation, you get \$6,000 and therefore \$6,000 was wasted in respect of Mr Nobbs because the Minister wouldn't even entertain him in the office

MR BUFFETT Thank you Madam Speaker I've responded to Mr King on that question earlier. Really to put it into context and to know that really he is politicking in this matter and I've endeavoured to point out that this is an area where we

need to gain rapport with the Commonwealth. Not embark upon more childish things such as Mr King is trying to place upon us this morning

SPEAKER Thank you Chief Minister. We move now to Question on notice No 20. Mrs Ward is asking the Minister for Finance and The Attorney-General

MR ANDERSON Thank you Madam Speaker. The question is done in two parts. I'm asked, What financial and economic indicators is the Minister seeking from the public service, financial institutions, commercial sector and community in order to accurately gauge economic activity on the island? And the second question is What arrangements will the Minister put in place to have the indicators analysed and provided to the Assembly? I read both questions out because I intend answering them together. Unlike when I answered the question to Mr King and am not able to provide a great deal of substance, I am pleased that in this question I'm able to provide some substance and I thank Mrs Ward for her question. Trying to get a view of the way the economy is performing is a matter that I've already been considering. The information that is available is wide and varied but the depth of information available on Norfolk Island is generally only superficial. Probably the most obvious financial indicator available is paying attention to the concerns of the shop keepers and other businesses when they regularly tell anyone who is prepared to listen that times are tough, that the customers are just not there and that they are having great difficulty in making ends meet. That applies also to the financial positions of the ordinary person in the street. However if those same, traders are asked for specific trading information such as the impact on takings on the day a cruise ship has visited, getting comprehensive and reliable data has proved very difficult. If you look at some indicators that are compiled in Australia our limitations become obvious. Exports, imports and balance of trade, be it surplus or deficit, are indicators we could compile but they would be of little real significance. We do compile volumes and values of goods coming into the island and we have another indicator if we consider customs duty collected. They really only confirm for us what we already know, but because of the lag on duty payments the indicators are historical and the picture becomes clear. Housing approvals, the unemployment rate and car sales are all indicative of the activity in a large economy but in Norfolk's small economy they are generally meaningless. The RPI is compiled quarterly and is based on a basket of goods that has not changed for a very long time. An attempt to have the Australian Bureau of Statistics review and compile our RPI with a view to updating it and possibly changing it to more of a CPI, a consumer price index, was considered by another Assembly but the Australian Bureau of Statistics wanted around \$1m to undertake the task. Accordingly that's not occurred. Information that is already compiled, disseminated and widely discussed is the inbound passenger statistics and bed night analysis. This is prepared by Norfolk Tourism each month and is circulated to anyone who is interested. It is timely information albeit historical from the previous month. The Minister for Tourism often refers to it in the House. Information compiled by the airline such as forward bookings and booking taken and ticketed are useful but have variable factors built into them that could make them unreliable. Forward bookings can look good but once the block bookings held by group operators are removed, if they are allocated and not taken up, the whole picture can change dramatically. The trend for last minute bookings, also distort the information. That leaves us with the only real indicator that is constant and consistent. That is GST receipts. this once again has a lag effect because the payments made in any months may not be passed onto the GST office and therefore become part of the statistical analysis for sometimes 60 days after GST transaction occurs. For people accounting for GST on a cash basis if bills are not paid for 90 days, the lag can be from 120 to 150 days after the activity. Despite this limitation I did initiate on the 1st June the collection of data on GST receipts that will be compiled based on Australian Bureau of Statistics industry categories. We will have to ensure the confidentiality is maintained so the data may have to be aggregated in a way that disguises businesses involved. Effective from July this year, monthly and year to date indicators will be compiled and published. Economic indicators for July should be

available by September as the payment of July GST collections is due at the end of August. The indicators will change retrospectively as GST not paid when due is collected for prior months so the figures will be elastic but indicative. The trend should remain. This will also give us the opportunity to analyse individual industry's and sub groups within those industry's and report which contribute the most or least to GST revenue. It will also assist compliance and will allow an analysis of input credit claims by industry and sector so this new monthly indicator will be tabled in the House by the July figures will not be tabled until October so the lag effect will limit the immediate value of the data. I trust that answers your question

MRS WARD Thank you Madam Speaker a supplementary question and thank you for that very detailed response Minister Anderson. In that I did miss whether there would be any dialogue with the financial institutions to seek perhaps and opinion and discussion with them where they felt things were going

MR ANDERSON Thank you Madam Speaker. I deliberately not addressed that because I believe on an informal basis the information that we may get may not be able to be disclosed. Certainly they compile information in relation to loan applications and types of loans and those types of things, but that's information which is specific to those institutions which we would only be able to force access if we change legislation. Certainly we could talk to financial institution managers and obtain their views, but that would only be a general indication of the way they feel things are moving within their specific spheres, so it's not one I address specifically

SPEAKER Thank you Mr Anderson. And the final Question on notice No 21, Mrs Ward is asking the Minister for Tourism, Industry & Development. Mr Nobbs

MR NOBBS Thank you Madam Speaker I will read Mrs Ward's question and thank her for the question. 1. Will the Minister inform the community how much public money has been directed at harbour feasibility studies, reports and conferences over the last 20 years including specific detailed expenditure since 2006? In looking at this question, I gained access to the file which as I demonstrated to Mrs Ward this morning is quite sizeable and I think it may only be part 1, so a fair degree of research has gone into evaluating harbour proposals for Norfolk Island as well as being mentioned in numerous commissioned reports and things like that. However, I do thank the Finance Manager and Finance Department for establishing the amount spent and that is, and I'll read directly from the memo that I have from the Finance Branch – "the Finance Branch has a recorded spend of \$130,210 for the purpose of a port feasibility study. The expense was shared between a number of entities in a number of ways leading up to those feasibility studies. It's worth knowing that the above expense of \$130,210 was incurred between 30 June 2007 and 15 October 2009. The Finance Branch is unable to recognise any more expenditure for this purpose over the past twenty years. I will just point out that in the 12th Legislative Assembly some more practical assistance was given to the Harbour Board where ever possible, so that's not necessary accountable in terms of their assessments and their way forward, but part 2 of the question queries, What outcomes have been achieved for the community as a result of such expenditure of the public purse? As I said earlier there are a large range of file information within the file which I would like to go through with some detail but as an overview what I can glean so far from the documents is that they have given substantial wave energy data, tidal information, various scenarios, for breakwaters and landing platforms. Thank you Madam Speaker

MRS WARD Thank you Madam Speaker a supplementary question, will the Minister table specific detailed expenditure and is it a fact that there is an outstanding feasibility study still due to the Administration

MR NOBBS Thank you Madam Speaker the Research Assistance is currently not on island, I think she's had a fair bit of carriage of the feasibility study so I'll endeavour to take up with the Research Assistant. The expenditure that I've provided there is as I say, from the Finance Manager and Finance Department so as far as I'm aware, that is the full detail

MRS WARD Thank you Madam Speaker a supplementary question, is the Minister unaware that there is still an outstanding feasibility study on port harbour feasibility still due to the Administration

MR NOBBS Thank you Madam Speaker as I said there is quite a volume of material within the file. I'm not aware that there is still further information coming in and as indicated by the memo from the Finance Department they certainly didn't indicate further works were being undertaken or aren't necessarily completed, however I will look into that

SPEAKER Honourable Members that concludes Questions on notice this morning and we move now to Papers. Are there any papers this morning for presentation

PRESENTATION OF PAPERS

Road Traffic (Fees) (Amendment) Regulations 2010, the Road Traffic (General) (Amendment) Regulations 2010 and the Planning (Amendment) Regulations 2010

MR SHERIDAN Thank you Madam Speaker in accordance with section 41 of the Interpretation Act 1979 I table the Road Traffic (Fees) (Amendment) Regulations 2010, the Road Traffic (General) (Amendment) Regulations 2010 and the Planning (Amendment) Regulations 2010

Immigration (Amendment) Regulations 2010

MR ANDERSON Thank you Madam Speaker in accordance with section 41 of the Interpretation Act 1979 I table the Immigration (Amendment) Regulations 2010

Financial indicators for April 2010

MR ANDERSON Thank you Madam Speaker I table the financial indicators for April 2010. The April indicators were not available for the May sitting of the House and since it their distribution I have caused a short analysis to be included in the local paper. They show that our situation does not appear to have deteriorated any further since March. When I presented the March indicators I foreshadowed changes that would arise from the budget process that would result in the financial indicators becoming in time more meaningful and hopefully easier to understand. I don't propose to speak to the financial indicators at this stage. I will outline how those changes will occur in the discussion related to the Appropriation Bill, thank you

Virements

MR ANDERSON Thank you Madam Speaker section 32b of the Public Monies Act 1979 makes provision for the executive member to direct in writing a transfer between divisions, subdivisions and items that may be deficient or for which no provision has been made, a sum out of any saving arising in any other division, subdivision or item. Subsection 32(b)(1) provides that the executive member shall lay a direction given under that section before the Legislative Assembly within two sittings days of the making of the direction. I so table those directions

Public Sector Remuneration Tribunal Determination

MR BUFFETT Thank you Madam Speaker, pursuant to section 13 of the Public Sector Remuneration Act 1992 a determination was made by the Tribunal on the 28th May 2010 in respect of the Application 1 of 2010 by the non contracted Staff

of the Norfolk Island Hospital Enterprise and Application 2 of 2010 by the Nursing Staff of the Norfolk Island Hospital Enterprise. A copy of the determination has been formally provided to me and as required I formally table a copy of those determinations

Annual Report 2008-2009

MR BUFFETT Thank you Madam Speaker the Chief Executive Officer of the Public Service has provided the Norfolk Island Annual Report of the Administration for 2008-2009 and I accordingly table that also

Governance Review of KAVHA

MR BUFFETT Thank you Madam Speaker within recent times, that is prior to this Legislative Assembly a report was commenced on a Governance Review of the Kingston and Arthurs Vale Historic Area and this report has been provided to me in its completed form and the Australian Minister has invited public comment on this report. Now that's been publically announced in the press and elsewhere and whilst there's no statutory requirement for me to do so, I would like to table this report, particularly so that Membership of the House may have maybe a more ready facility to see it, and indeed encouragement to comment, if that is what they would like to do. I table the report Madam Speaker

SPEAKER Thank you Chief Minister. Any further papers. Honourable Members if there are no further Papers for presentation this we move on

STATEMENTS

Are there any Statements this morning Honourable Members

Plant and Fruit Diseases Amendment Regulations 2010

MR SHERIDAN Thank you Madam Speaker, I wish to make a statement in regard to the Norfolk Island Plant and Fruit Diseases Amendment Regulations 2010 and in particular the proposed importation of apples into Norfolk Island. Madam Speaker back in March 2010 the Commonwealth assented to the Plant and Fruit Diseases Amendment Bill 2009 which amongst other things, made possible, the importation of apples, as long as the required regulations were in place to make this happen. At the Executive Council Meeting on 15th March 2010 the proposed Regulations were recommended to the Administrator who in turn forwarded them to the Minister for Home Affairs, the Honourable Brendon O'Connor MP for instructions in accordance with Section of the Norfolk Island Act 1979. On the 26th May 2010 I received advice from the Administrator that the Minister had instructed his office not to make the proposed Regulations. For the record and for public interest I will read into Hansard and table the reason as to why those regulations were not made and the reasons were (a) the proposed Regulations adopt the Tasmanian Governments Plant Quarantine Manual Tasmania for Norfolk Island Quarantine purposes, (b) no justification for the adoption of the Tasmanian Governments Plant Quarantine Manual for Norfolk Island was provided with the proposed Regulations, (c) the failure to provide justification was contrary to the Minister's earlier instructions dated 9th March 2010 which I relayed to the previous Norfolk Island Government in a letter dated the 11th March 2010. As stated in that letter the requirement is that any Regulations proposing the direct adoption of particular mainland guidelines or protocols be accompanied by justification for the use of those measures, and it is apparent after receiving the above advise on the 12th March 2010 the previous Norfolk Island Government did not have enough time before the Territory's general election held on the 17th March 2010 to give full consideration to the issues raised by the Minister as set out in my earlier letter. The letter went on to say, in instructing my office not to make the proposed Regulations the Minister asked that I emphasise to the Norfolk Island Government that the Australian Government will not support further attempt to adopt Tasmanian quarantine controls or those of any other State or Territory in the absence of justification for the use of such measures. As explained in my letter dated 11 March 2010 the requirements to provide justification

reflects concerns raised by the Department of Agriculture, Fisheries and Forestry that during this consideration of the Plant and Fruit Diseases Amendment Bill 2009. As also explained in my earlier letter, a key issue is the need to determine Norfolk Island's pest status for quarantine purposes. Any justification for the adoption of quarantine measures would be largely dependent on Norfolk Island having a properly assessed pest status. Defining the Territory's pest status would ensure that quarantine measures are not applied to pests already on Norfolk Island and that any new measures are implemented to address only those pests which could adversely affect the Territory's economy and environment. This is a fundamental obligation of the World Trade Organisation Agreement on the application of sanitary and phytosanitary measures, the SPS agreement for which Australia is a signatory. As also explained in my letter dated 11 March 2010 referral to Plant And Fruit Diseases Amendment Bill 2009 Norfolk Island identified a number of issues in terms of Australia's obligations under the SPS agreement and similar agreements that DAFF is now working through. The Minister asked that I inform the Norfolk Island Government that DAFF is continuing the assessment of Norfolk Island's quarantine regime in the context of Australia's underlying obligations under various international agreements. As advised the Minister will provide advise on that assessment once that advise has been received. And Madam Speaker the letter ends. Madam Speaker this bring me to the reason as to why I have informed the community as to why the Regulations were not made. In a normal atmosphere where Regulations are made they are then tabled in this House and thence the community would be aware. On any instance where Regulations are not made then no-one is the wiser except for the Minister of the Government. Madam Speaker this means that new Regulations will have to be made prior to any importation of apples and as advised Norfolk Island needs to determine its pest status for the purposes of quarantine. I have on the 10th June 2010 written to the Administration in regard to the assessments being undertaken by DAFF regarding Norfolk Island's quarantine regime and pest status and have received a response indicating that DAFF regards the matter of Norfolk Island's pest status as a matter for the Norfolk Island Government in the first instance. I will be progressing the matter on identifying Norfolk Island's pest status within the resources of the Administration though assistance may be sought from the Commonwealth if deemed necessary. Thank you

SPEAKER Thank you Minister Sheridan. Are there any further statements this morning Honourable Members. There being no further statements we move now to Messages

MESSAGE FROM THE OFFICE OF THE ADMINISTRATOR – NO 5

I have to report a lengthy Message. Message No. 5 from the Administrator given under section 24 of the Norfolk Island Act 1979, reasons for withholding assent to a proposed law entitled Valuation of Land Bill 2009 (NI). I Owen Walsh, Administrator of Norfolk Island furnish the following message in accordance with section 24 of the Norfolk Island Act 1979, (Clth).

I, Owen Walsh, Administrator of Norfolk Island, furnish the following message in accordance with section 24 of the Norfolk Island Act 1979 (Clth). Her Excellency the Governor-General, acting on the advice of the Federal Executive Council, declared on 6 May 2010 that she withheld assent to the Valuation of Land Bill 2009 (NI) (hereafter referred to as the Bill). The reasons why Her Excellency withheld assent to the Bill are as follows:

- The Bill would have allowed the Norfolk Island Government to 'cause a valuation to be made' by a valuer registered in a state or territory of the Commonwealth and appointed by notice in the Norfolk Island Government Gazette. A valuer would have unfettered access to land on Norfolk Island during 'the normal hours of duty of the Norfolk Island Public sector' and a landholder would not be able to refuse entry. A copy of the valuation would be made available to the landowner on request.

- The Bill was cited as: 'An Act to value land and for other purposes'. However, the Bill did not indicate what those 'other purposes' might be or the outcome being sought. Nor did any explanatory material or statements accompany the referral of the Bill. The Legislative Assembly's intentions and the issues it took into account as its meeting on 29 June 2009 were unavailable because the tape recording used by the Legislative Assembly for the production of its Hansard was faulty.
- The Legislative Assembly's Hansard of 17 June 2009 indicated that the Bill as introduced was fundamentally different from the version passed by the Legislative Assembly on 29 June 2009. For example, the original version included review provisions, but the final version did not.
- The Norfolk Island Government was asked for an explanation of the Bill's purpose and the extent to which it would meet the requirements of the Norfolk Island Act 1979 (Clth) for Territory laws to contribute to the 'peace, order and good Government of the Territory'. The Norfolk Island Government was also asked to provide other relevant information including: the reasons for the fundamental change between introduction and passage of the proposed law; the reasons for removing review rights; and an assurance that any proposal to introduce land taxes would include adequate avenues to appeal the land valuation on which a land tax might be based.
- The Norfolk Island Government's response did not address the issues of concern
- The Norfolk Island Government's response stated that the Bill's purpose was detailed in the explanatory memorandum. However, the Norfolk Island Government provided the version of the explanatory memorandum that related to the Bill as it was introduced – not the Bill as it was passed by the Legislative Assembly
- The Norfolk Island Government's response did not define or explain the purpose of the land valuations proposed by the Bill. The Norfolk Island Government did state that appeal rights were removed from the Bill 'because it is not the desire of the Twelfth Legislative Assembly to introduce land taxes or rates'. No additional information was provided on the Legislative Assembly's views.
- It is constitutional tenet that proposed laws such as the Bill must serve an apparent purpose. Valuation for the sake of valuation is not an apparent purpose.
- The primary purpose of land valuation in other Australian jurisdictions is for revenue-raising such as the imposition of land taxes or rates. The Norfolk Island Government stated that it did not intend to introduce land taxes. However, there remained the potential for powers in the Bill to be used to collect land valuation information for purposes unrelated to revenue-raising. For example, the information could be used to establish the value of an 'asset' to determine eligibility for a Norfolk Island pension or benefit. However, the Bill would provide no means of disputing the veracity of that information. The absence of such basic appeal rights is contrary to the Commonwealth's commitment to improve transparency and accountability in Norfolk Island governance
- The Bill was an initiative of the Twelfth Legislative Assembly. The Thirteenth Legislative Assembly was sworn in on 24 March 2010. Withholding assent to the Bill would allow the new Legislative Assembly to reconsider the purpose of, and the need for, such legislation. Withholding assent to the Bill would also give the new Legislative Assembly the opportunity to consult the Commonwealth to ensure that proposed legislation is consistent with the Act and with the national interests inherent in Norfolk Island's governance which include the rights of its residents.

And that is dated 23 May 2010 signed by Owen Walsh Administrator.

MR SHERIDAN
message be noted

Thank you Madam Speaker could I move that the

SPEAKER
Administrator's message be noted

Honourable Members the question is that the

MR SHERIDAN
Administrator's response in I suppose it was the 4th dot point, he states that the Norfolk Island Government was asked for an explanation on the Bill's purpose and the extent which it would meet the requirements of the Norfolk Island Act 1979. The Territory laws contribute to the peace, order, and good governance of the Territory, etc. then in dot point 5 he says that the Norfolk Island Government's response did not address the issues of concern. Madam Speaker in the Government's response in a letter dated 12th February 2010 to His Honour the Administrator, I just refer to a piece of it, it says in paragraph 8, the purpose of the Bill was detailed in the explanatory memorandum a copy of which is attached. If further requests and explanation of how the Bill contributed to the peace, order and good government of the Territory. Madam Speaker in this response, and I'll read it into debate, as this request is unprecedented I seek your guidance on the manner of responding. In that context, I note that section 51 of the Commonwealth of Australia's Constitution Act 1900 (UK) otherwise known as the Australian Constitution, provides that Parliament shall subject to this Constitution, have power to make laws for the peace, order and good government of the Commonwealth. It would assist if you could provide us with details of how the Commonwealth advises the Governor General and Executive Council on this issue in relation to Bills which it presents for assent including a template for such advice if one is in existence. Madam Speaker so I only point that out because the Government of the time did ask for some advice. They asked for some guidance in the manner of how to respond so that the Bill could get assented to, but as you will know, there was no advice forthcoming and so, the message that was presented to the Governor General was without the advice that the Government had asked for. I'm just pointing that out and it may be in defence of the previous Government that when advice was asked for from the Administrator they did respond, and then they asked for more advice but that wasn't forthcoming from the Administrator in regard to the way that they go about proceeding

SPEAKER
Honourable Members. There being no further debate, the question is that the House take note of the Message and I put that question

QUESTION PUT
AGREED

Thank you Honourable Members that paper is so noted. I don't believe that there are any Reports of Standing committees today and that being the case I move now to Message No 6 in relation to the Appropriation Bill 2010-2011

MESSAGE FROM THE OFFICE OF THE ADMINISTRATOR – NO 6

His Honour the Administrator Mr Owen Walsh, in a message dated 15 June 2010 in accordance with the requirements of section 25 of the Norfolk Island Act 1979 I recommend to the Legislative Assembly the enactment of the proposed law entitled "An Act to authorise expenditure from the Public Account for the year ending on 30 June 2011"

Honourable Members we move on now to Notices on the Notice Paper

NOTICES**APPROPRIATION BILL 2010-2011**

MR ANDERSON Thank you Madam Speaker I present the Appropriation Bill 2010 – 2011 and table the Performance Budget Narrative Paper and move that the Bill be agreed to in principle. Madam Speaker I table the supplementary budget papers being the Performance Budget Narrative and moved that the House take note of the paper and the paper be printed. The Appropriation Bill 2010-2011 is a requirement of the Public Moneys Act 1979 and has the purpose of authorising Revenue Fund expenditure from the public account. The cupboard transferred to me was already close to bare and is expected to be more so by the end of the 2010/11 financial year. Before the election in March I said there is no magic wand to fix the island or its finances and the poison chalice having been thrust upon me, I now provide to the community a view into the crystal ball and the figures to go with it. The Appropriation Bill only deals with the expenditure from the Revenue Fund. In the past the Government Business Enterprises, that provide fee based services and did not require general appropriation for their spending, were managed as Administrative Services Funds under the Public Money's Act. This has proved cumbersome and misleading when managing and trying to report the consolidated financial position of the Administration to the community. The 2010/11 budget of the Administration of Norfolk Island contains several significant changes designed to improve both the transparency of the Government's finances and the information provided in relation to public expenditure. The goal is more understandable reporting and better management of Government finances. A policy decision has been made by the 13th Legislative Assembly to bring most of the previous Government Business Enterprises (GBE's) into the Revenue Fund. Those not being included are the Health Care Fund, the Workers Compensation Fund and KAVHA all of which have special arrangements related to their funding and therefore will remain as Administrative Services. This consolidation has the effect of making the expenditure of those operations that are being included, to now be transparently subject to appropriations passed by the Legislative Assembly as part of the Appropriation Bill. In the past there was no such requirement for these operations to have annual appropriations approved by the Assembly and expenditure was at the discretion of the responsible Executive Member as was the management of the entity. In a practical sense this change has the effect of dramatically increasing the size of the required Appropriation Bill as this now includes almost all of the Administration's anticipated expenditure and presents them to the Assembly for consideration in passing Appropriation. During implementation of the budget it has the added advantage of allowing a consolidated picture of the financial status of the Administration. The second major change in the 2010/11 budget is the phased introduction of program-based performance budgeting with approximately 30% of the Administration's cost centres having their budgets presented in this new format. The introduction of program-based performance budgeting is to clearly relate the financial resources provided for Government activities to the expected outputs from those activities. Unlike the previous line-incremental approach to budgeting, under which very little information is provided on the expected results of the expenditure, the program-based performance budget provides financial resources to discrete activities, which are clearly described, along with the performance measures by which the public and the Assembly can measure their success during the year of budget implementation. The basic unit of the program budget is the activity or service function, and related activities are grouped into programs within the same operational area. It is proposed that the phased introduction of program-based performance budgeting will occur across the Administration over the 2010/2011 and 2011/2012 financial years with complete introduction in the 2012/2013 financial year. The phased approach to the introduction of the changed budget format is to provide Section and Branch Managers with sufficient time and the necessary assistance in the increased financial management responsibility that the changed budget system requires. The most obvious change in the budget format is that the areas that are in the program format have the individual activities of their budgets appropriated at the activity (instead

of an individual line-item) level. The effect of this is that a simpler schedule to the Appropriation Bill is required and in principle the level of allocated funds is determined by the objectives of the cost centre. In the 2010/2011 Appropriation Bill these program budget areas lead the schedule to the Bill with the remainder of the Administration having their budgets in the previous line-incremental format. Operationally during budget implementation all the normal accounting controls remain, requiring all expenditure within the activity to be charged to the appropriate category of expenditure. However this is handled as part of the financial controls that support the budget. A higher degree of detail is provided for those areas with their budgets in a program format with the fine detail provided in the Performance Budget Paper that I have tabled. For each operational area the respective Branch/Section managers have divided their operations into discrete budgeted activities. For each activity there is a stated objective along with the means of delivery of the service or activity, for example, details of the staff involved or any particular equipment or processes involved. For each activity the managers have suggested performance measures by which that activity may be measured and in so doing have undertaken to monitor and measure the activity accordingly. The actual performance and level of achievement will be the progressively reported outcome. Reporting on performance will be undertaken on a quarterly basis through the Office of the CEO to the Budget Review Committee (BRC). The information provided by sections to the BRC will be subject to verification by the expanded audit function of the Office of the CEO. In this initial budget year the performance measures supplied by the individual sections have largely been accepted without modification. It is expected that these performance measures will evolve in future budget years becoming increasingly important to managers as effective parameters to determine the success or otherwise of their operations. By incrementally "stretching" these performance measures and improving the skills and equipment levels of Administration staff to meet these demands it is anticipated that the overall performance and efficiency of the public service should show improvement. It is important to realise that in this first year of program budgeting, the improvements in performance will be realised slowly and progressively and continue over several budget years. The 2010/11 budget is the start of this process and should lead over time to measurable increased efficiencies. Before I comment on the content of the Bill I think it is worth reflecting on the similarity of the circumstances commented upon last week by Mr Glenn Stevens, Governor of the Reserve Bank of Australia in his discussion of the crisis in parts of Europe. He said in a presentation last Wednesday that the problems currently being experienced in parts of Europe have been, like us, slowly but steadily accumulating over many years. Like us they have consistently spent more than the economy has earned. We for example have not funded depreciation and pretended we had a balanced or surplus budget and continued to spend. The difficulties they find themselves in are similar to ours, but fortunately we are without their substantial debt. The root cause however is the same. We have been living beyond our means for too long, as has parts of Europe, and they like us have not been putting enough aside in the necessary areas in the good times. The problems have been allowed to grow. We therefore find ourselves with a financial situation that I have previously described as "serious". This budget provides for minimal capital expenditure and that will result in our infrastructure deteriorating still further. I note some previous Ministers for Finance when presenting past Appropriation Bills have commented that insufficient funds were being allocated to maintain the infrastructure. This is not a desirable position nor our preferred position. It is certainly not the one the economy of Norfolk Island desperately needs to provide a "kick start". Without a substantial capital injection it is doubtful the economy will ever be able to provide the funds needed to restore the infrastructure base and make up for the accumulated and unfunded depreciation which will now total \$44.35 million. While ever we continue to fool ourselves, as we have in the past, that things are OK while not recognising the depreciation of our infrastructure - we are not facing reality. Much of the capital expenditure in the recent past was on high ticket items that had low priorities. That must not be repeated. The current financial situation means we effectively can do nothing to address the problem - but it will not go away. The proposed budget reflected in the funds to be appropriated by this Bill has been justifiably described as a "maintenance"

budget, the same description given in the 2002/2003 budget, and that is all we can expect until circumstances improve. It is probably better described as a “bare bones” budget and if it is to be afforded there is no room for variation and no room for over spending. It is critical the Government and the public service do everything possible to achieve the income projections but that requires co-operation from ALL sectors of the economy. On that note – now to the Appropriation Bill itself: The Bill anticipates a deficit of \$512,400 for the next twelve months. That is another way of saying our bank account will be \$512,400 less by 30 June 2011 than it was at 1 July 2010 if the other elements of the budget are achieved. Over spending or lower revenue generation will both affect the outcome. While our reserves are getting lower---this currently appears affordable, but anything beyond that will require serious reconsideration of Government funding measures, of service delivery or even reduction in staff numbers. No tax increases, reduction in Government services or staff cuts are planned at this time. At the half yearly budget review that will need to be closely scrutinised and while people will understandably cry “we cannot pay any more” the alternative will be we must decide which Government services must be cut or must cease and that will lead to reconsideration of staffing. Under the newly consolidated Revenue Fund the total revenue is estimated to be \$57,763,300. Revenues from taxes such as the GST are estimated to total \$10,806,000, revenue from charges, such as the fees and fines levied by the Administration amount to some \$729,200 and other earnings from sources like the liquor bond and Norfolk Energy, \$46,228,100 so total revenue of \$57,763,300. On the other side of the ledger Salaries and Wages are estimated to be \$11,703,700, recurrent expenditure \$45,913,800 and capital expenditure of \$658,700 – so total expenditure of \$58,265,700. That gives a Revenue fund negative balance of \$349,000 which will in reality be funded by the prepaid ticket sales --- money we have not yet earned. One of our major expenditure items is Education. It will be funded to the extent of \$3,373,800 which factors in a pay rise for teachers as per the arrangements with the NSW Department of Education and Training. Welfare will receive \$2,186,900, Norfolk Telecom receives \$1,769,700. Norfolk Tourism will be funded to the extent of \$1,614,500 and charged with the responsibility, along with Norfolk Air, of improving the visitor numbers. More on that later, however this funding level represents a 16.2% increase in the approved budget for last year and confirms the Government’s commitment to increasing visitor numbers in these difficult times. The Norfolk Island Hospital Enterprise will receive a grant in the next financial year of \$1,414,300. This includes an amount of \$150,000 to investigate and prepare plans for a new hospital. We do not have a source of funds to build a new hospital but with the information collected and the plans prepared we will be in a better position to pursue funding. Health Building Quarantine will receive an injection of over \$100,000 to continue the attack on the Argentine ants when they again become active in the warmer months. As far as major liabilities go the repayment to the Commonwealth for the Airport loan has not been provided for because there are simply insufficient funds. I will be asking the Commonwealth for a further deferment of the loan repayment. The debt to the Department of Education of \$3,216,000, not including interest, has been provided for and will continue to be repaid at the rate of \$240,000 per month. That reduces the outstanding balance by about \$40,000 per month. We have a substantial and growing liability to New Zealand Telecom which we are attempting to quantify as they have not yet advised the amount outstanding. The island’s lifeblood, Norfolk Air, is budgeting to lose \$1.563 million in the 2010/11 financial year. This is based on an assumption that we will ---- through the efforts of The Minister for Tourism, the Airline General Manager, the General Manager of the Norfolk Tourism and all their staff, return our visitor numbers to 29,000. This will be no mean feat given other mainland domestic destinations are hoping to arrest the slide in *their* visitor numbers. I did not support factoring in the increase --- preferring to be pleasantly surprised if and when it eventuates. Some of my colleagues did not share my view and the increase has been allowed for. I am not saying it cannot or will not happen I am saying that in this tight budget the opportunity for a blow out is always a possibility. The infrastructure needed to support the airline, the Airport, will receive capital funding of \$270,000 for the completion of the Runway End Safety Area. This is necessary to comply with the requirements of CASA and avoid the still more

costly alternative of shortening the runway. I do not propose providing an analysis of what we are spending because in short we are only spending where it is absolutely necessary. Cuts have been made where possible and spending is planned to be held as close as possible to that in 2009/10. Finally may I acknowledge the support and assistance of all the Ministers, and the cost centre managers for the time and effort they put into preparing the budget submissions, the CEO and the Finance Branch for the preparation of the figures and the information that makes up the budget and the Schedule to the Appropriation Bill and to the Chief of Staff and the other Members for their contributions. In closing it should be remembered this is an Assembly Budget. It is prepared with all members being entitled to be involved and make contributions and many have done so. Ministers have obviously been closely involved. The final document is presented by myself as Minister for Finance but it is a co-operative effort with fine tuning performed by the CEO, the Executive Director, the Finance Manager and me. I commend the budget and the Appropriation Bill to the Assembly. Thank You.

SPEAKER Thank you Minister Anderson. Honourable Members before we move to debate on the substantive motion which is that the Bill be agreed to in principle, I would ask that we vote on the motion that the paper be noted and printed and that's in relation to this document.

**QUESTION PUT
AGREED**

The ayes have it thank you. We move now to debate on the substantive motion that the Bill be agreed to in principle.

MR SHERIDAN Thank you Madam Speaker I won't say too much as I believe the Minister for Finance has mentioned all. The big ticket items in my area of responsibility but I would just like to echo the Minister's words in thanking the Public Service, particularly the Chief Executive Officer and the Finance Manager and officers for presenting this. It was a big task considering as the Minister for Finance has indicated they brought all the GBE's into the revenue fund and now its presented as one document and previously we had been looking at budgets for the revenue fund from around the \$13-14m mark and now we are looking at a \$58m budget which puts into context the real cost of running Norfolk Island and I must just make note, I was always critical of the salaries and wages in the previous revenue budgets that were presented when it was about \$6.5 or 7m out of a total budget of \$13-14m where I always used to say, that's a pretty high percentage, 45 to 50% of that budget goes towards salaries and wages. But if you look at it in the whole context of the Administration it's roughly about 20%. Some \$11.5m out of \$58m so in that sense it puts things into a better context. Just a brief comment on some of my areas of responsibility and some of the funding that I've been able to coerce my fellow colleagues into providing for me this year and it has been mentioned, but Health Building Quarantine area is \$107,000 for the continuation of trying to eradicate the Argentine Ant, and the problem that we do have here on Norfolk Island. Also in welfare it's one of our big ticket items, and as you would be aware it is increasing here, the cost of providing welfare and in this years budget it's just over \$2m, \$2,186,000 and this is just slightly down on last year by \$15,000 but the increase to social service benefit is up to \$1.3m, is up by \$50,000 with \$100,000 being put aside to be reviewed at the half yearly review. Also included there is some \$25,000 for the continuation of the immunization policy that we have in place for young children and for the Gardasil programme and in particular the continuation of that programme for the young women aged between 19 and 26 and since that was announced about six weeks ago, something like 30% of the eligible young females on the island of that age group have taken up that opportunity. I believe the other two thirds may have already had it done elsewhere and they don't require it, so funding's been put in there to allow those programmes to continue. Also we have some money put aside for the GST rebate for low income earners, if they come down to the Administration. That facility is still available. Also there's some \$58,000 in there as rebate for our pensioners in the

reduction in telephone, electricity, and registration. The Administration carries the can of \$58,000 this year in regard to those rebates. It's pleasing to note that in the public works area there's been a move to have Rawson hall refurbished and I've convinced my colleagues to just put a small amount of some \$20,000 to go towards that and it's hoping that some interested groups in our community will raise some funds and hopefully over the next couple of years we'll be able to give Rawson Hall a make over. As the Minister for Finance has mentioned there, the hospital will receive a grant of \$1.4m and included in that is \$150,000 as he indicated so that I can get some architectural drawings done so that we can then have the business plan so we can then pursue our funding for this hospital and it's a long time coming. As indicated in questions we also are adding one counselor to our hospital staff and we'll also be moving counselors into appropriate accommodation. A line of note there is the healthcare area and we've provided a \$250,000 subsidy because the health area is a stand alone operation and at the moment we are in the red so we've had to subsidise that to the tune of \$250,000 and what this does mean is that after the actuarial review which hopefully will be done before the September quarter levy period it is more than likely that the healthcare levy will have to be increased or some modifications to that scheme done to ensure that the healthcare scheme remains viable. So that's just a heads up that the Government has provided a quarter of a million subsidy to that area to ensure that it can operate but things will have to change and it most probably will be in the September levy period. On a good note there is funds set aside for sports, \$5000 as normal to our sportspersons and also \$5000 to youth sports so that's encouragement for the young people of Norfolk Island to get out there and partake in the sport of their choice and this is just a small assistance to recognise their achievements. In the waste management area, there is a need there for a new loader. We've been hampered you might say by the lack of some equipment there and I'm pleased to say that \$120,000 has been provided for the purchase of a new loader. With those few words Madam Speaker I think that's all I have to say

MR SNELL

Thank you Madam Speaker I would like to congratulate the Minister for Finance for his completion of this bare bones budget that he's presented as the Appropriation Bill this morning. My concerns are of course that we are projecting a deficit and we are projecting a deficit in areas such as the operations of our airline services Norfolk Air. I'm not convinced that the appointment of a Marketing Manager to combine the marketing of Norfolk Island in conjunction with the Norfolk Island Government Tourist Bureau and Norfolk Air is going to turn around the number of visitors to Norfolk Island as envisaged by the Minister and I share his concerns that we may be looking at pie in the sky of 29,000 visitors to Norfolk Island in the next financial year. I'm also concerned that other areas of tourism, in particular the management structure of our co ordination with our wholesalers and our contractual arrangements within Sydney in particular on the East Coast of Australia I think it's one that deserves a great deal of attention I'm assured by the Minister for Tourism, Mr Nobbs, that he'll be looking closely at those contractual arrangements and has already done so. I'm hoping that some progress will be made with the new General Manager of Norfolk Tourism and that we can all come to some satisfactory arrangements with that, much more to the benefit of advertising and promoting Norfolk Island than has been achieved in the last two or three years. The airline remains a great problem for us, budgeting for a deficit in excess of \$1.5m. When you consider that up to three years ago we were running an airline at break even or a little profit. We need to rethink what is going wrong, not only in this area but in the area of tourism as well. There are other areas that maybe we need to take some account of within the general structure of the Norfolk Island Government Tourist Bureau, in the areas of the position of the Development Officer and other areas that might at this time due to the reduced number of visitors, prove to be superfluous. But Madam Speaker those are ongoing issues. Issues that are being dealt with by the Minister, issues that are going to be dealt with by the Tourism Board and issues of course that this House will take into account as it moves towards the mid year financial review of budget but again, Madam Speaker I congratulate the Minister for Finance, Mr Anderson, for a bare bones and no rubbish type presentation of this budget. Thank you

MR BUFFETT Madam Speaker if we have reached the end of discussion I would like to just add some brief words. This is of course the day for the Minister for Finance. It's not necessarily the day for me to make a great and lengthy speech about this but I do want to offer him compliments in his attention to detail and preparation and the presentation of this 2010-2011 budget which is obviously reflected in the Appropriation Bill that has just been presented. This is a maintenance budget as Members have heard, and the community will hear this also, yet it does provide as Mr Sheridan has pointed out, still funds for those things that need to be provided within the community. That has not been faltered upon, although one would like to do much more but the basics are yet provided. It also provides specifically for promotion in our principle industry which we recognise as needs to be the method to lift our game, import dollars into this place and re introduce us to overall financial stability. And that's something that is obviously being worked upon by the Minister for Tourism. Funds aren't abundant. We have little in reserve and what you've heard is telling it as it is. That needs to be how it is. To tell it as it is. To better overview our funds the Minister has pointed out that the GBE's in the main except three of them have been brought into the revenue fund. The figure in terms of the Appropriation Bill of course, but it does mean that there is greater participation in the process by Members around this table, public scrutiny of the processes and the accounting process is more transparent. Of course the GBE's will continue to be managed by the Managers. That needs to be mentioned and emphasised and there will still be entity accounting which they will have responsibility for. Yet we shouldn't be despondent about our future. Although the figures are not good. Our visitor figures are more encouraging for later in the year. We are in the middle of our winter period at this moment and the Minister for Tourism has been energetic, very energetic in rebuilding the Tourist Bureau area. He's brought together the airline and the tourism bureau to better bring visitors to this place and there are a range of things that he will tell you about and has told you about, and will be able to emphasise from time to time that we look forward to lifting the figures. Lifting the figures to more the 29 mark is what we are budgeting upon in this particular budget. If we can do better than that then we would look to do better than that, but that's the base figure that we are endeavouring to project in all of the assessments that have been made today. I again compliment the Minister for bringing this budget in, in the manner that he has

MR NOBBS Thank you Madam Speaker and I would like to make a few comments in recognition of both the Appropriation Bill as prepared as well as some of the concerns and the recognition of the challenges in the tourism landscape both within Norfolk Island and outside. I'll commence by saying that although the Appropriation Bill has been described and is a maintenance budget, it is worth noting that there are many areas of pro active budgeting for the coming financial year and I'll just cover off a couple of those that particularly fall into my area of responsibility and that is that the safety issues were foremost in budget preparation discussions with lighterage operations and equipment budgeted for to ensure safety concerns of personnel and the safe delivery of freight to Norfolk Island. Lighterage also commenced a longer term process of identifying a replacement crane as the current cranes go through their life cycle. CASA's airport safety requirements are also being addressed in the airport performance budget with runway end safety area for the Ferny Lane end of the airstrip, planned and budgeted. This plan utilises where possible Administration employees and equipment and although the volume of earth to be placed in the new RESA is about one tenth of that placed at the St Barnabas end of the runway it is also a demonstration of project management and initiative by the airport management. The Tourist Bureau budget is the result of assessment by the GM to establish contracted and effective budgeted programmes and brings a saving of around \$400,000 on the previous years funding whilst ensuring that Norfolk tourism moves forward with promotion and enhancing on Island experience as well as the linkages to the areas such as Mr Snell pointed out, with regard promotion, wholesalers, retailers and marketing. Included in the Tourism Bureau's budget is an amount to expand the capacity of the Visitor Information

Centre and that's to enable the Bureau staff to decentralize within that centre and therefore enhancing the best use of resources between all those personnel and ensuring that the focus is quite clear in terms of how the Bureau and Visitor Information Centre work and liaise. Within the Norfolk Island Legislative Assembly cost centre a new line item have been added and that's commerce development and that's entered to enable research and development of alternative revenue and employment opportunities for Norfolk Island and although the budgeted amount may seem low at \$20,000 given the importance of that role, this amount is aimed specifically for development of new commerce opportunities through renewable energy systems and communication based industries so what that seeks to do, is in many ways to provide opportunities to move away from the current reliance entirely, or almost entirely, on airborne tourism. On that note the airline budget ensures tight management of charter operations, related costs and advertising, and takes into consideration the potential upward movement in fuel costs for the coming financial year. Now as Mr Snell and the Minister for Finance have pointed out, the \$1.5+m loss for Norfolk Air, just to put that into some context, over the last financial year a worst case scenario for a loss of \$3m was budgeted for. At this stage as far as I'm advised, we look at coming in at around \$2.5 or \$2.54 of that amount so the airline management has definitely shown the ability to establish a budget that they can satisfy and with regard to one other area that was discussed was the marketing manager's role and whether or not that was an effective proposal, the proposal was to further synchronise the airline and the Bureau or Norfolk Tourism to ensure that again, the focus is clear on the destination marketing, the focus is clear on the strategic marketing and to get the best outcome possibly out of those areas. BVDV which is the bovine viral diarrhoea was also discussed in the lead up to the budget and as I've indicated earlier in the sitting, I've given a sign off to a proposal to enable joint funding to enable cattle to be treated and immunized for this. In the budget preparation it has been deferred to the Budget Review Committee and having discussed that with the Stock Inspector and a number of others such as our Planning Officer, there are some areas of movement that we can make leading to that budget review anyway and that will be obviously some discussion with cattle owners and also a review of the legislation to ensure that whatever does move forward is the best way to eliminate BVDV, the legislation supports it to ensure that we do that. I'm quite pleased also to note that within the Appropriation Bill before us on the table today there is a centralization of Public Service training, and recognition of that across many of my areas as well, and I have no difficulty in telling you that the Tourist Bureau General Manager, the Board of the Tourist Bureau, the airline and myself are fully dedicated to doing everything we can to improve tourism numbers and I'm certain that we will

MR KING

Madam Speaker let me firstly join in the congratulations that have been heaped on Mr Anderson. I'm well aware as is everyone else that he came into a job, took on a task which was particularly onerous and it looked fairly dismal from the start. I'm buoyed by the fact that he has presented the budget in a very frank and open manner, far better than what we have experienced in more recent years. I cannot thank him enough for his frank presentation, however, budget time is the time of the year when Government's conventionally give expression to new policy initiatives and in fact, that is probably the most important tool in the policy tool box. Certainly the most important time on the political calendar. The time when Government's would normally set down their essential beliefs in a reasoned policy programme. It's a time when in the normal conduct of Government business, to restructure taxes to shift unfair burdens and inequities, a time when Governments map out the financial plan based on expectations and forecasts which are supported and justified by national accounts and economic indicators, independently gathered, collated and analysed and I was interested to hear Mrs Ward's question in relation to that. I'm not quite sure the answer got to the nub of the difficulty in not having adequate economic indicators but nevertheless, the debate is asking those questions. Budget time is supposed to be, the most worthwhile tool as I mentioned but unfortunately it appears not to be in Norfolk Island's toolbox. The strategies employed elsewhere. Invariably the objectives of targeting Government expenditure to direct stimulus to the most beneficial or deserving

sectors and to maintain a level of expenditure designed to either preserve the real value of government expenditure as many world Governments did during the global financial crisis to provide some balanced growth in Government spending to offset other economic downturns, unfortunately we do things a little differently in Norfolk Island though some will no doubt argue that the Norfolk Island Government's response to the global financial crisis was to provide additional economic stimulus through the work on the airport. I would argue differently that the expenditure was well on the way before the GFC and it would in any event have been nigh on impossible to convince me that the airport expenditure was in circumstances at the time, an economic and financial target to achieve the deepest and widest economic stimulus expenditure. The fire engines for example Mr Anderson has referred to them as high ticket items of low priority. I think some \$2m or in excess of \$2m for the fire engines. Stimulus which was directed not at the Norfolk Island economy it's actually stimulated someone else's economy. In Norfolk Island and particularly in the last decade we haven't as I mentioned employed the usual budget tools and strategies or even had great regard to them. Instead of targeting expenditure, instead of policy related tax adjustments, instead of programmed capital works, instead of structured borrowings and balanced deficit budgeting, we approached budget time with some desperation. We cut spending to the bone as Mr Anderson has pointed out; there is no argument about that. There's been little or no, certainly inadequate capital spending. There's been insufficient regard to tax burdens or easing any inequity or unfairness. As I mentioned earlier we have no set of national accounts to guide us in our thinking. What we've largely done is to approach our annual budget with a view of balancing it at all cost. Forget any planned deficit or structured borrowings, just get in there and do the maths. In the early years of self Government we were able to take a great deal of pride in being able to express new policy initiatives and objectives at budget time. We were able to have introduced pensions as of right, workers comp measures, capital works programmes, and plans. Cyclical road programmes. It then became a matter as capacity diminished to simply presenting a balanced budget. A simply mathematical exercise and to do that, and I've been party to this practice, in my couple of years as the Minister for Finance, but at least I acknowledge the folly of the practice of following flawed strategies. To balance the budget the first thing to go was capital infrastructure expenditure at the hospital, school, and public buildings continued and continued to deteriorate. The next one was capital replacement expenditure and staff was required to function with unsafe or inadequate equipment and systems. Next to go was staff training and recruitment embargoes so that professionalism and quality of Public Service diminished. Then came cuts in the environment budget and we said hello to new pests and exotic weeds which threatened our natural flora and fauna and we said goodbye to certainty and confidence in public health matters like ground water contamination, sea and air pollution. Then there was denial of cost of living adjustments to the Public Service and on some occasions calls on the public sector to carry the can by reducing their working hours by 10%. Situations which all added to an increasing malaise and low morale in the Public Service. Once we had exhausted all those areas we changed our focus to the Government Business Enterprises and progressively stripped them of their working capital and their ability to maintain pace with technology while we removed their ability to invest in capital upgrades. We robbed the businesses of any promise of expanded services, efficiencies and improved profits by failing to understand the benefits of research and development investment. It's remarkable that the thinking that surrounded those many years of policy and strategy neglect that we continue to the present day and the end result is as Mr Anderson has pointed out, he has been handed a crock. An empty cupboard. He's come forward with a bare maintenance budget I think he described it as. I reflect on the description by Mr Adams, way back in 1997 where he used a little colourful alliteration and called it a bare bones bill paying budget and that is indeed what it is. It has the legacy of a reluctance to embrace modern concepts of budgeting and planning. He has an economy which turns solely on a declining sole industry, tourism, and despite all the trumpeting of the former Government about industry diversification, tourism remains essentially the only industry. Even the marlin fishing boat which the former Government claimed as an upcoming industry diversification has up anchored and sailed over the horizon. Certainly I

commend Mr Anderson and the Chief Executive Officer for the energy and commitment that they've given this exercise. It is an exercise which will result in more transparency and accountability. It hasn't made his task easier in balancing the numbers or doing the mathematics. It may on future occasions but certainly not on this occasion. It does however seem to me that the new financial management arrangements will result in an immediate level of long overdue accountability which will prevent, for example, the previously unconstrained capacity of the Minister for Finance and the Government of the day to transfer money backwards and forwards within the public account. An incidence which was increased by some 400% during the term of the last Government, in fact, during the 08-09 year. It will prevent also the spurious characterization of expenditure which has been employed to avoid the need for appropriation. Furthermore these new arrangements will require from this day forward the expenditure for all Government Business Enterprises, as planned, presented and approved by the House. No longer hopefully, will we have the situation where Government Business Enterprises are allowed to function for some three quarters of a year without planned and approved expenditure as they were allowed under Mr Nobbs former Government. Madam Speaker I welcome those changes and I look forward to as I understand, will be a product of the new system, concise quarterly reports and more meaningful periodical financial indicators which may hopefully go some way towards dealing with the issue that Mrs Ward has about economic indicators. I understand those to be part and parcel of the new arrangements and I applaud that. None of those positive changes in transparency and accountability can or has helped Mr Anderson in dealing with the 2010-2011 budget. He will know and he has indicated in his delivery that our current financial circumstances demand a new approach. He knows that we cannot continue along the path that we're following. A path lined with uncertainty and grave concern for our future. He has spoken for himself in that regard and it's not necessary for me to repeat his words, but he has marked the half yearly budget review in six months time as being the crucial point. He can see as he approaches this budget preparation that there is little or no room for the present Government to put its policy stamp on the Appropriation Bill. He's had to work with what he has. He will know that despite every indicator otherwise in a recent press release that it would be foolhardy to increase taxes when an economy is already depressed and when private demand is at an all time low, he understands that you can't tax a declining pool of wealth. He has mentioned I believe in his debate that there is room for some flexibility but whatever the extent of that flexibility in income streams is, I suggest that it will not be sufficiently significant as to materially effect the outcome of the financial year. In some respects it doesn't matter in my view whether the deficit is \$500,000 or \$5m, we have no means of funding a deficit whatsoever and I remind Members that the reported deficit takes no account of depreciation. As Mr Anderson has pointed out, an additional \$3.5m which on paper and not to be ignored would increase that deficit immediately to some \$4m. Just as we can't continue to ignore as Mr Anderson pointed out, our unfunded accumulated depreciation of some \$40m odd, I can't remember what figure he mentioned. Nor does the \$500,000 take any account of the \$500m contingency allowance which has been placed and needs to be placed at the disposal of the executive member to run a combined fiscus. That is a global line item. Agreed that it may not be funded but I think it would be foolish of us not to say that it should be factored into account and I believe that for the combined fiscus that we're looking at managing now, that such an allowance is adequate and certainly necessary. Whatever answer we come up with when we do the maths I've mentioned that we can't fund any level of deficit at all. All we've done and all Mr Anderson can do is go through his motions of minimising expenditure and estimating. That would be fantasising over revenue. Fantasising is not the right word. Personally but subject to closer examination through this coming week I suspect that based on the revenue figures contained in supporting papers a deficit of some additional \$1.5 to 2m is closer to the mark. I see gross over estimation in at least one revenue source. I see mysterious and at this stage unexplained variations in long term trends in the Government Business Enterprises, like large increases in the net profit margins of some of our larger businesses like Airport, Telecom, Norfolk Energy. Significantly I see that an estimated 8% decrease in the operating expenses of the airline is expected to improve our bottom line by \$1 to 1.5m or

something or other and I wish Mr Nobbs well. I wish the Government well in achieving that but at this point I cannot be satisfied that such improvements are realistic and I remind Members that for every 1% swing in airline costs can mean a variation of some \$200,000 in overall budget performance and budget outcome. In a 1% movement. We are proposing a reduction of some 8% in operating costs. All of this brings me to the assumption underpinning the budget and that is an assumed increase in tourism numbers to 29,000. I think that works out to about 7 or 7¼% in tourism numbers. That is the underpinning factor for this budget on which this Government has based its budget. If that number is of course not achieved we can reasonably expect any deficit to blow out by an additional \$1.5m and the economy to be denied probably some \$10m worth of economic activity that the Government has foreshadowed by forecasting an increase of over 7 in tourism. Do we really want to run those risks with perhaps misplaced and unjustified optimism. I say we cannot by any stretch of the imagination mislead the community in this way. Flying by the seat of our pants or buying a ticket on the wing and pray expressed is simply not good enough. Of course I would like to see a turn around in tourism but I'm not prepared to be a party to misleading the community on false hopes which belie current and recent trends and which ignore regional, national and international developments over which we have no control. This time last year Norfolk Island was nearing the end of a financial year in which we had experienced a fall in visitation of some 15%. A 15% fall over the previous year. We were caught then as we are still caught now in tourism crisis which have spanned several years and which have resulted in a steady and dramatic decline of some over 25%. Despite that long term trend the Government of the day expressed confidence that tourism levels could be maintained at 29,000 for 2009-10 but what happened is that tourism continued to fall following the same trend and it fell by an additional 10%. Is it any wonder that the retail sector and other business sectors are hurting. There have been some uncertainty certainly in my mind about whether our major tourism contribution comes from the domestic travel segment of the Australian marketplace or whether it comes from the international segment. Personally I don't know the answer to that but what I do know is that if it is the international travellers segment, then that market has increased by an average of some 6.9% per annum, right through the years that Norfolk Island has experienced its steady decline. Right through GFC. Now that may come as a surprise but that is a fact. So if we've been drawing from this segment then we sure haven't been able to maintain our market share. In fact, what we've done is attracted a diminishing share in an increasing market. If we've been drawing from the domestic market and this segment has been flat and is expected to remain flat for the next two years or so. These aren't my figures Madam Speaker these are the figures and forecasts of the Tourism Forecasting Council of the Australian Government body which comprise them. A membership which is smarter than you and me. Perhaps even smarter than Mr Nobbs. That's probably why I'm sure that Mr Nobbs would be referring to them for a professional opinion from time to time. Based on that background it is very difficult to accept a Norfolk Island Government forecast of 7% increase in tourism. And on top of that we've had to contend not only with the deepest discounting war that the airline industry has ever had. Or a deteriorating debt crisis in Europe, as Mr Anderson referred to. Or the uncontrolled and overheating economy in China. All of which experts are saying could result in a double recession. Factors over which we have no control. And in that climate it is very, very difficult for me to accept, given the historical background and the events over which we have no control, that we can justify saying that we are going to have a 7% increase in tourism. I wish it were the case and I wish you well. Madam Speaker that's all I have to say and what I want over the coming week is to exam the appropriations and hopefully discuss some more points with Mr Anderson. I don't think there's any room left for him to move short of miracle it seems to me that we're in the deep stuff, up to our waist and no amount of self congratulations or back slapping will extricate us. It seems to me that perhaps the better approach to the budget given our extremely poor circumstances could be to grant interim supply for six months, and establish bench marks which if not reached would lead us to join in the Commonwealth financial arrangements which really promise the only hope for redeeming ourselves financially. Thank you

MRS WARD Thank you Madam Speaker, firstly I would like Hansard to record that as the Chief Minister advised, all Members of the 13th Legislative Assembly were given the opportunity to have input into the budget process. I've read in past Hansard that backbenchers were blocked out. This has not been the case in this budget. It may have something to do with the fact that we have an open minded Budget Review Committee. It may be that there are assertive women on the backbench. The Bill is one that deals with expenditure but it would be remiss not to mention projected revenue. Where the money is coming from. Projection is more optimistic than I believe is reasonable. Tourist numbers are again predicted at 29,000 for the 2010-11 year and I do recall the Minister for Finance called for a more conservative estimate of I think 25,000 people but this appears to have been over ruled by the length the tourist numbers will increase. Revenue projection based on gaming appears to be based on an erratic industry and so to rely on this form of revenue is of concern and I've spoken with an existing gaming operator who has experienced some rapid decline in revenue. I question Telecom's mobile roaming and telehousing revenue and will continue to question Telecom's liability. We should remember that once revenue has been predicted, expenditure is allocated and is theoretically spent. That is putting it simply. So this draft Appropriation Bill that is already running in deficit seeks to spend more than we have and more than we may receive and if that happens, and hopefully I'm proven wrong, then there is one conclusion. Money must be found from somewhere else. And the only place to find that money is from the community. That equates to you and me and everyone around this table, and everyone who visits. Another quick option is to put the Public Service onto a nine day fortnight however neither of these options are being proposed. On the contrary the budget, aims to avoid increases in taxes or a reduction but no one can guarantee that outcome. I mention these things because we should not pretend that everything is alright and this maintenance budget is anywhere near fixing the challenges we face and although Minister Anderson has worked tirelessly with the Budget Review Committee, particularly the Chief Executive Officer, the Director of Community Services, the Finance Manager and the Chief of Staff, he cannot perform miracles. He cannot draw blood out of a stone and he cannot force people to come to the island in droves. The Minister is tabling a maintenance budget. A conservative but still over optimistic in my opinion. Having voiced my concerns I do intend at this stage to support the Bill, because not to support the Bill would be a vote to effectively shut down the Public Service and I would not do that, but I have recorded my concerns and will go so far as to suggest a review in four months time. There is no provision in this budget for our significant repayment to the Commonwealth for the airport upgrade, however there is a contingency plan of \$500,000 which as explained before is mainly due to the fact that our Healthcare and Workers Compensation scheme are so unpredictable but a Government must allow for that as best it can. On a positive note \$107,000 has been allocated to the Argentine Ant programme. This Legislative Assembly is facing a situation where there is not adequate capital to invest in capital works. It is proving difficult to adhere to the Norfolk Air contract and we've got to the point where all we can find for research and investment into new technology is \$20,000. it is time to recognise our economic structure is flawed and unsustainable. What this budget will do is give us a chance to step back, have a good look at where we are, where we are going and where we really want to be. If we continue in our attempt to run three layers of Government and remain responsible for the funding of all things we will continue to be in this position and it will get worse. It's not only our community the local community that has increasing demands on the public purse. We are now having to satisfy more and more a mainland standard and I'm not saying that's a bad thing. It's a reality. We have argued against or resisted this call in some areas for many years. Now's the time to move forward and address those challenges in a sensible and sustainable way. In continuing to deliver essential services such as education and a police presence is becoming increasingly difficult due to the fact that the island recruits mainland staff and those people are entitled through their employment arrangements to receive annual pay increases. They come from the real world where that happens, where people receive wage increases based on performance, experience and time served. The island relies in inescapably on their expertise. The budget continues to subsidise Norfolk Air and the Tourist Bureau

and what we effectively doing are subsidizing travel and holiday and the decision to subsidise has been reached. For obvious reasons but also partly because of contractual agreements signed by the previous Government. However, now the money has been allocated we have to do what we do best and that is work hard to make it work, because right now we have no choice. The business community is now a major tax collector or a major component of Government revenue and should be respected for that. I'm committed to having a better understanding of issues faced by the public sector. We must obtain the information to better understand how our decisions as an Assembly effect the business community and we need to ensure that no Regulations or non compliance burden is imposed on business unless absolutely necessary and more importantly we need to understand why non compliance is an issue in the first place. In closing Madam Speaker I am a realist and all Honourable Members I'm mature enough to understand my concerns and expect that I will continue to question because the island's future is at stake. I'll leave it there thank you Madam Speaker and perhaps comment more on expenditure next week

SPEAKER Thank you Mrs Ward. Is there any further debate on the question that the Bill be agreed to in principle. If there is no further debate then I look to you Mr Anderson to move a motion of adjournment please

MR ANDERSON Thank you Madam Speaker if I could make some quick comments before I do that. Just by way of clarification, Mrs Ward mentioned the \$500,000 contingency and Mr King mentioned the \$500,000,000 contingency. I just want to clarify that it is \$500,000 whilst I prefer the latter. In respect of the programme budget narratives which I have tabled, I would commend to the entire community that they obtain a copy because there is a great deal of information to show where we are moving forward. Having said that I move that debate be adjourned and the resumption of debate made an Order of the Day for a subsequent day of sitting

SPEAKER Thank you Mr Anderson. Honourable Members the question is that debate be adjourned and resumption of debate be made an order of the day for the next sitting and I put that question

**QUESTION PUT
AGREED**

That matter is so adjourned

SUSPENSION

I look to you Honourable Members whether we break down for lunch and I look for a motion of suspension

MR SNELL Thank you Madam Speaker I so move

SPEAEKR What are we suggesting. 2.30

MR SNELL Thank you Madam Speaker yes

SPEAKER The House stands suspended until 2.30

RESUMPTION

SPEAKER Honourable Members we resume at Notices

MR BUFFETT Madam Speaker this is a regretful announcement. During the luncheon suspension Madam Speaker we received news about the death of Keith Snell who is the brother of our colleague Lisle Snell and as a mark of respect we

extend our condolences and I propose Madam Speaker that we adjourn until adjourn until Wednesday 23 June 2010, at 10.00 am.

SPEAKER

Thank you Chief Minister and I put that question

QUESTION PUT
AGREED

Thank you Honourable Members this House stands adjourned until Wednesday 23 June 2010, at 10.00 am.

