

**PRAYER**

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

**CONDOLENCES**

Honourable Members we move to condolences

**MR BUFFETT** Thank you Mr Speaker. It is with regret that this House records the death of Robert John Chapman who passed away on Thursday the 13<sup>th</sup> May at the hospital here on Norfolk Island. Robbie Chapman was born on Norfolk Island on the 11<sup>th</sup> of September in 1924. He was the son of Enty and Pop Chapman and he was a brother to Jean and to Beryl. Robbie trained as a carpenter with the late Charlie Bailey and later he and his father worked together in several pursuits in Norfolk Island. In 1956 Robbie travelled to Byron Bay to train as a flenser in the Norfolk Island/Byron Bay Whaling company, and he worked on the island here during the whaling period and when that eventually closed in 1964 he joined the department of civil aviation, retiring in 1983 because of an arthritic condition. In 1955 he married Enid Harker and they adopted two children. Enid passed away in 1982. Robbie married Dawn in October of 1983. Robbie was a keen and he was a good sportsman. He particularly played football and later lawn bowls, continuing as a bowler for the remainder of his sporting life. He was awarded life membership of the Norfolk Island Bowling Club. Arthritis eventually Mr Speaker curbed all of his activities and he was hospitalised. This was a great blow to Robbie because he was a very independent man and when he had been able he enjoyed helping others who may be in need. Robbie is survived by his wife Dawn and sister Beryl, and to them and his friends and his relations this House extends its sincere sympathy.

**MR SPEAKER** Thank you Mr Buffett. Honourable Members, as a mark of respect to the memory of the deceased I would ask that all Members stand in silence. Thank you Honourable Members. Honourable Members we welcome to the public gallery the Honourable Alan Hunt this morning. Mr Hunt was a member of the Victorian Legislative Council from 1961 to 1992, a Minister in the Victorian Government from 1971 to 1982 and President of the Legislative Council from 1988 to 1992 when he retired from politics. On behalf of my colleagues I would welcome you to the chamber of the Norfolk Island Legislative Assembly and trust that your holiday on Norfolk Island especially during Country Music Festival Week will be a pleasant one.

**PETITIONS**

Are there any Petitions this morning?

**GIVING OF NOTICES**

Are there any Notices?

**QUESTIONS WITHOUT NOTICE**

Are there any Questions Without Notice?

MR NOBBS Question Mr Speaker for Mr Gardner. It is in relation to weights and measures. Is there a Norfolk Island Act which regulates weights and measures and if so are there inspectors appointed and an active regulatory authority in place.

MR GARDNER Thank you Mr Speaker. I have had some correspondence with Mr Nobbs on this matter over the last month and the Act that he is currently referring to is the Weights Act, covers weights only it doesn't cover the weights and measures and I will get to that in a minute. As far as the Weights Act is concerned it is an Act from 1926, has been undated, reprinted as late as about 1987 to bring weights into line with the decimal system. My investigations into the matter found out that the last registered inspector was Sergeant Paul MacIntosh back in 1989 so it has been some ten years since there has been a registered inspector in place. I have had discussions with the Crown Counsel Mr Gordon Gray in relation to the matter of our Weights Act, and I guess it really draws into the public arena whether there is actually a need for a Weights Act, especially if we don't have a registered inspector at this point in time. However in further discussions with Mr Gray it was realised that it is probably one of those pieces of legislation that are long overdue for review and to try and combine not only weights but measures into one piece of legislation. As far as the weights that are used in the Weights Act are concerned they were last in the custody of the police sergeant back in 1989. I have made inquiries with the local police in regard to the whereabouts of those weights and am actually awaiting a response from them to see whether they can actually be tracked down.

MR NOBBS Thank you Mr Deputy Speaker it's in relation to the Hospital. There's a letter in the paper two weeks ago. It's to Mr Gardner, sorry, will you be making a statement later on, on the subject.

MR GARDNER Thank you Mr Deputy Speaker. Yes Mr Nobbs I will be making a fairly lengthy statement and possibly if there is any questions in relation to it that may be the best time to direct questions.

MR NOBBS Just one for Mr Robertson in relation to Tourist Accommodation. I asked you last meeting Gary whether applications which have not been approved to build let alone your approval to operate as tourist accommodation are now being used in calculating the trigger share market of ten percent. How many applications, this is what I asked you, how many applications have been approved by you utilising these conditional registrations in calculating trigger share market which would have not been approved using the old method of calculating the trigger share market.

MR ROBERTSON Thank you Mr Deputy Speaker. I do have an answer to that. I can give it to you now or I can leave it to a bit later.

MR NOBBS Whatever suits.

MR ROBERTSON I'll give it to you now. Amendments made by the previous Assembly of 1996, to Section 7 of the Tourist Accommodation Act 1984 included the provision of Subsection 7(4a) to allow for in principal, for conditional approval for registration of new tourist accommodation units in Norfolk Island. Now this effectively means that any conditional approval issued under Subsection 7(4a) is in fact a registration and accordingly must be included in any calculation of the trigger market share. I have acknowledged the difficulty that some of the members of this House and industry operators have expressed and have issued instructions to the

Legislative draftsman to remove conditional approvals from the registration provisions of the Act which will mean that only operating registered tourist accommodation units will be used in future calculations of the trigger market share. I am advised that this legislation in fact it will be , it's on the Notice Paper for today, and will be tabled in this House later on this morning. To answer Mr Nobb's specific question on how many applications I have approved under the amended legislation which would not have been approved under the old legislation, the answer is two separate applications for a total of seven units have been approved.

**MR NOBBS** Just one in relation to the crusher for Mr Robertson. I have received a complaint that the crusher is not achieving the environmental standards set down. Have official complaints lodged to date proven so.

**MR ROBERTSON** Thank you Mr Deputy Speaker. Once again the licence and control of that is done through the Administrators office and the person who holds the licence which is Island Industries, however complaints are or have arrived from time to time. They are passed on to the Administrators Office who then gets Snowy and his group to go and make an assessment. To date all complaints that have been received have been looked at and to my knowledge have all been rectified.

**MR NOBBS** In relation to this sort of thing I find it a bit difficult Gary if I may just preface that. Was there not a stop work placed on the operators in the past couple of weeks and what is the relationship really between the Administration employees and the responsibility in that area and the Administrator's office.

**MR ROBERTSON** I thought I answered this at the last meeting, Mr Deputy Speaker. The Administrator does have the power to authorise officers to inspect from time to time in different areas of crown land and this has been so for a number of years and this is continuing today. And under that direction is one which members of the planning section are actually working to. The stop work was placed, I think it was over a dust problem when there was a certain amount of dust being created from the dust running through the road and they were instructed to start watering that area which they did. It was during the dryer period of time. That took place. There was also one when the wind was blowing a little bit too heavier, but under the policy which has been agreed to by this House, if the wind reaches a certain level then they must stop and that was another reason for stopping that particular instruction, until such time as the wind level abated. But the control of that is actually done through Mr Robinson's department.

**MR NOBBS** I just have one and then I'll have a spell if I may. Another one for Gary in relation to the Tourist Bureau. The Airport greeting of visitors by Bureau staff has been part and parcel of tourism for years. Why has the practice stopped and what alternatives are proposed and who is monitoring the present arrangements and will there be a report available on the success or otherwise of the present arrangements?

**MR ROBERTSON** Thank you Mr Deputy Speaker. Part and parcel of the reduction in the greeting team was partially because of financial restrictions imposed upon the Visitors Information Centre. The aircraft is still greeted by one of the personnel going onto the plane and making the welcoming speech. There were in the new building a number of spaces allocated for use of tourist operators to take advantage of and utilise. This hasn't happened. At the moment the Bureau have one person there and are currently assessing and yes it is being discussed

at the next Board meeting and the results of that will be given to me and I will circulate to Members, as to what needs to be done.

MR BATES Thank you Mr Deputy Speaker. Question to Mr Smith, Chief Minister. Recently in response to an invitation from the Prime Minister of Australia, you sent two letters commenting on Norfolk Island's views on the Prime Ministers proposed preamble to a new constitution if Australia should become a Republic. Do you intend to keep the public of the content of those letters and the views expressed by the Norfolk Island Government?

MR SMITH Thank you Mr Deputy Speaker. I did undertake at the time to do that and I fully intend to do it.

MR BATES Further question to Mr Smith, Minister for Finance. After the preamble to this there about four questions. I don't know whether I should ask them one at a time. It might be better if I do. Decisions have been made to rent commercial premises in New Cascade Road. Could you advise for the benefit of the public, the first question is the purpose, the purpose of the rental of the building?

MR SMITH Thank you Mr Deputy Speaker. This particular subject had some airing yesterday raised by Mr Bates when we were talking about budget stuff. Mr Bates queried the reason why and the cost of renting a commercial property in Burnt Pine. I think there's people in the community that will be aware of what, what we were doing at this particular property. I'd mentioned in a radio broadcast at the time that we were intending to look at the premises for certain purposes, it was also quoted, I was quoted in the newspaper about it as well. It had discussion around the table, certainly with Executives but there may some doubt about whether as a full membership we've talked about it, from what Brian was saying yesterday. The property is the place called 'At Random' or formerly 'At Random'. It's the property that belongs to Ric Irvine. That place became available for rent. At the time Telecom was looking at expansion of it's premises. Mr Deputy Speaker, Telecom has been operating out of the building there at New Cascade Road for quite a long time and that building was originally just to house the exchange. A lot things have happened in telecommunications since those days, which is probably 15, 20 years ago, particularly with the new exchange which got installed in 91, 92, somewhere around that area. We've had the adoption of the Internet services which we have now, the facilities that Telecom deals with in commercial stuff like photocopiers and telephones and things like that. Telecom has effectively run out of room in that small building. We, Telecom does have a share in a building round at the Airport which is the electricity, we call it the electricity shed. One bay of that was paid for by Telecom in effect, and that has been used to store certain Telecom equipment. Last year we purchased a new trencher for Telecom and there's a portable generator which Members will remember we bought two years ago as an emergency stand by generator. With that, trucks and vehicles which Telecom has got, it was felt it would be much more efficient if all the equipment was bought together in one place and that was one of the reasons. The other reason was that the people at Telecom don't have any workspace and if you are working on delicate equipment such as photocopiers and such you really need the proper facilities to do that properly. So there was a couple of properties come up. One was a shed that is right next door to the property that we are talking about and that belongs to Norfolk Jet Express or Greg Prechelt anyway. That was offered to us through Gary I think. Gary had some discussions about that, at the same time as the other property next door was raised. I think the rent, Gary might correct me on this, from the Prechelt shed was about \$600 a week. The 'At Random' was offered at just under a \$1000 a week for the whole property and Mr Deputy Speaker that might sound like a lot of, well it is a lot of money but

however with the proposal to share that property there with Telecom for their various things that they do in the normal telecommunications area, and share it with the what we call the revenue fund things so that we could bring people out of Kingston, from some of the offices there and put them into part of that building too, and that was to share the costs of the renting of that building. We thought that was a good move. Certainly Telecom had to do something and to move other people up from Kingston is a favoured idea and Members have talked about this over the last couple of years. Whether we should relocate some of the office people up into the more central area, particularly the people who are dealing with the public on a regular basis. So with that in mind we did sign up a lease on the 1<sup>st</sup> of May, ten year lease which is what we were offered. I don't think the lease has a right to purchase at this particular point in time but I don't think that is far from our minds if that property became available it would be an excellent one for the Norfolk Island Government to be looking at, particularly when we own the carpark almost, well we do, right next door to that as well. Yesterday when we talked about this there were other options put around, well why didn't we build one ourselves. In last years budget Members may recall there was a bit of questioning about the G.B.E. budgets and there was a matter of some \$60,000 which was put aside to purchase or to build a shed for Telecom which could have been done. There was an application to actually put that in the carpark area with the view to putting the satellite receiving dish particularly for telecommunications next to it, but that was knocked back by the Planning Board, which was appropriate for the board to do if they felt that way. So then we looked at other options and this one came up. The Minister for Tourism and I had quite some discussion about it and we thought it was a worthwhile thing doing, however I know Members do have a problem with the amount of money they see that it might be a waste of public funds. I don't see that myself because I think Telecom is a very busy Government Business Enterprise that has to have the proper facilities to operate properly. We are looking at the introduction, hopefully of Internet gaming this year which may mean that we have to put computer equipment for these sort of operators in the Telecom area where they should rightly be. You need the space to do that and that's an investment in the future. However we'll, I don't know whether some Member today is going to move that we renege on our deal which we can do if the appropriate time frame is put in place. That is the first part of the question answered I think Mr Deputy Speaker , I'll see what the next ones are.

MR BATES

Thank you Mr Deputy Speaker. The Chief Minister has touched on some of the other questions but I think we could be a little bit more specific on them. The next one is really if he could give us a breakdown, he has mentioned a \$1,000 a week. If he could give us a breakdown of that rental and also elaborate a little bit on what the improvement costs are to occupy that building.

MR SMITH

Thank you Mr Deputy Speaker . Off the top of my head I can't tell you what the rents are. The property is divided up into I think it is five different areas. There's some workshops out at the back, there is a storage shed sort of in the middle and there is a little place on the side where Telecom is intended to use for their retail sales and then there is the, what Members may remember what was the main part of the 'At Random' shop. The rents can be divided up amongst those five, I think it's five areas. As for the cost of refurbishing. Well there's one part that does need refurbishing and that is the main area, if we were to use that as office space. I haven't got any figures, I haven't been told of any exact figures of what that would cost, and I wouldn't even like to guess but I imagine that we could do it fairly reasonably. But of course the other thing is too Mr Deputy Speaker that we would have to put some furniture into the place which one would expect. There was an amount of some \$50,000 which was put into the proposed budget to supply some of that equipment. Whether it would ever cost that much I doubt but at this

point I've got to say that it's not going to show up in the budget today anyway so that's a bit of a worry. Thank you Mr Deputy Speaker .

MR BATES Thank you Mr Deputy Speaker. I think I'll leave any further on this matter, until we come to the budget because there are some other issues that need to be canvassed.

MR NOBBS George it didn't come to the Finance Committee. Who actually approved the lease of this area and who actually will be occupying it?

MR SMITH If you are asking who signed the lease, I certainly did that. Negotiations were done with Gary and I and I guess in that sense it was an approval of such if you like that way. If you are asking do we have the right to do that. Yes we do, as Ministers in our Executive roles, unless Gary can add anything to that.

MR NOBBS Just a further one when did the lease actually start?

MR SMITH 1<sup>st</sup> of May.

MR NOBBS Who is paying the rent for May and June then?

MR SMITH Well it was my view in the first place that Telecom would pick up the rent anyway, but with the Revenue Fund people sharing it that there would be an amount in the budget that they would share that cost.

MR NOBBS My question to George is this, surely for two months rent, O.K., out of this current budget, surely, the Ministers have not got the right to approve that sort of expenditure on their own.

MR SMITH Mr Deputy Speaker I think we do but that's a matter for debate. As far as the Minister for Finance is concerned with the G.B.E.'s we can certainly do that as I understand it. I stand corrected if that is not correct but that raises all sorts of questions if I can't. Certainly it was a Government decision, the Government all knew about it if your saying it wasn't approved by Members, well it certainly was by the Government.

MR BATES Thank you Mr Deputy Speaker. I have a question for, I'm not too sure if it's for Mr Robinson or Mr Robertson. I'll ask the question anyway. Large temporary road signs appeared yesterday in Cascade and New Cascade Road in conjunction with the Cascade Cliff project. Could the appropriate Minister advise why the signs need to be so large and obtrusive.

MR ROBINSON Thank you Mr Deputy Speaker. The signs are definitely there for safety purposes and generally public safety and particularly road safety signs do not have to go before the planning board so basically as it is a matter of road safety they went straight ahead and did it.

MR BATES Given that we don't have any other road signs on Norfolk Island that come any where near the size of these, I repeat the question why is it necessary for them to be so large.

MR ROBINSON Thank you I don't think people will miss them Brian.

MR MCCOY Mr Deputy Speaker I have a question for the Minister with responsibility to finance, Mr George Smith. 1998 tourism on Norfolk Island saw a remarkable increase in pure visitor numbers. I believe some 17%. Now such an increase although good would be difficult to sustain year after year and therefore we might see a slight downward adjustment through this year, but I point out the visitor numbers are still well on track with the tourism marketing strategy adopted by the Assembly.

DEPUTY SPEAKER Could you come to your question please Mr McCoy

MR MCCOY O.K. I'll move straight down to the question. The question is does the Finance Minister or Administration Finance Managers have any way to measure the effect on G.B.E.'s when you have an increase or decrease in visitors numbers.

MR SMITH Yes, Thank you Mr Deputy Speaker. It is a good question and that is raised every now and then. Your really talking about some sort of indicators where actual passenger movements is what Mr McCoy is referring to and there is ways that we can tell particularly with the departure tax , the airport landing tax, in the airport area. We certainly see a rise and fall in the telecommunications area when you have an influx in visitor numbers and those sorts of areas, but if you are asking if there is any raw data that we can look at and say yes that is the effect of having an extra 17% of people here in the past twelve months, there is no real indicators and that is something that we really should have because I probably feel the same as you John that for every visitor here there is a dollar effect and one assumes, well we've always assumed that the more people you have visiting, the higher the revenue streams are. It doesn't always work even though as Mr McCoy said Mr Deputy Speaker , 17% increase in the last twelve months or so didn't have a major impact on the budget or the revenue that we've gained. Customs Duty for example is another one of those things actually, it didn't rise significantly more than the year before. So you can't always tell by the raw figures.

MR MCCOY Thank you Mr Deputy Speaker. I have another question I wish to direct to the Minister with responsibility for the environment, Mr Ric Robinson. The Norfolk Island Government Conservator has been preparing draft plans of management for the Norfolk Island reserves and commons and the question is, is there any plans of management for the forest reserve being prepared. If not, why not and when might a draft plan of management be started?

MR ROBINSON Thank you Mr Deputy Speaker. We have in place basically for the forestry area a Benson plan. It is a tad out of date now shall we say. It is being looked at, however we are concentrating on all the other reserves first in an attempt to have plans of management in place before August. Hopefully we can commence working on a plan of management for the forestry area shortly after that. There is no doubt that it does need looking at and it will be done.

MR MCCOY Mr Deputy Speaker I have a question which I wish to direct to the Minister with responsibility for Health, Mr Geoff Gardner. There has been a number of reports and many man hours and dollars spent on investigating ways in which Norfolk Island may improve its method of disposing of waster. What stage is the investigating process at and what

policies do you hope to put in place so that some improvements in this area can be achieved, however small or large?

**MR GARDNER** Thank you Mr Deputy Speaker and thank you for the question John. I guess me an opportunity to let people in the public know exactly what is happening with waste management. I did address the question to a fairly substantial degree in last months meeting in reply to a question that Mr Bates had asked me along very similar lines and in recent days I have circulated to Members minutes of a meeting of the new waste management committee that was formulated of which John is a member, John McCoy is a member. I chair that committee myself and we have been working with a lot of previous material that had been compiled by previous committees, previous employees of the Administration and other people interested in the area of waste management with the ultimate aim of having by the 1<sup>st</sup> of June a comprehensive plan for waste management disposal on the Island. As soon as that comprehensive plan is finalised I intend to distribute a copy of that to all Members and also make a statement to the House in relation to that plan and how that plan will evolve.

**MR MCCOY** Mr Deputy Speaker I have a question that I wish to direct to the Minister with responsibility for Tourism, Mr Gary Robertson. Recently there was a visit to Norfolk Island by an Atlas Travel representative promoting a preferred provider programme. The programme was rejected by a number of accommodation proprietors on the Island, but correspondence has been entered into with their company through the A.T.A. What is Tourism Norfolk Island and your view on this situation, and has T.N.I. entered into any joint marketing arrangements with Atlas Travel?

**MR ROBERTSON** Thank you Mr Deputy Speaker. To answer the last part of the question first, No. Atlas arrived here a couple of weeks ago with a document which was not purely relating to Norfolk Island but to the whole of the area they cover for tourism. It broke, basically the proposal broke into four parts the method by which somebody in accommodation could join and be put into different categories, and they were based on platinum, gold silver and there was a listing. If you went in the platinum then it was a \$15,000 fee and it went down to I think it was \$10,000, \$7,500 and \$5,000 in the last part, something, but the result of it was guaranteeing that should you have taken this particular proposal or part of it then they would ensure that you got sufficient number of tourists or accommodation houses gained a benefit from that, to those degrees. The interesting part was that if there's 58 accommodation places on this Island and had at one end of the scale every accommodation house accepted the \$15,000, it would have most interesting to see them fill all those places on a regular basis. Following the discussions that had been held with the Bureau and the letter that had been sent from A.T.A. to Atlas I understand that they are now reviewing the matter and they are coming back with a separate proposal. Now in the mean time there is nothing to stop any accommodation house on this Island accepting those proposals or part of and as it is by nature a commercial venture then anybody that wishes to do so may do so. But as far as the Bureau is concerned they are certainly not in favour of it because all it is, is virtually taking more money off the Island to do something that they should really be doing anyway.

**MR BROWN** I want to ask a question of the Chief Minister. How much rent has been paid to date in relation to the 'At Random' building and from what section of the Administration has that rent been paid?

**MR SMITH** Thank you Mr Deputy Speaker. I can't give you the exact figures John but the 1<sup>st</sup> of May, what's this nearly three weeks down the track. I assume that would



be being paid out of Telecom because there is no actual budgeted money in the revenue fund to pay that.

MR BROWN Mr Deputy Speaker that's the very purpose of my question and I would be grateful if the Chief Minister would provide me with an accurate answer as quickly as possible.

MR NOBBS For Mr Robertson if I may. The proposed crusher at the Airport. Has there been any progress in the environmental assessment of the proposal and when will members of the public be afforded the opportunity to comment?

MR ROBERTSON Thank you Mr Deputy Speaker. I'll just sort through. I actually have spoken with Mr Adams from the Secretary of the Planning Board on this very matter just recently and from what he is stating there is a PA, which is a preliminary environmental assessment which is currently being undertaken by the Government at the Norfolk Island Airport on Douglas Drive down at the end of runway 1/1. PA has been undertaken by the Government in order to have available the previously assessed site as a fall back rock crushing site option in the event that other sites that are privately located run into difficulty which lead to production stoppages. Currently the PA is approximately midway to completion and a local biologist will soon be engaged to undertake a vegetation study which will form part of the completed preliminary assessment. Now correspondence has also been sent to various Australian and New Zealand places seeking the availability of organisations to independently review the PA at the time when it is finalised and I understand that we're about half way through this thing and it's been, Mr Adams been working on it for approximately a month now and he is available to step that up if need be.

MR NOBBS Just a further question for Mr Robertson, not on that subject but on off shore finance. The general public has received little information of late on the proposed off shore finance centre. Do you intend making a statement and if not what has happened to the proposal?

MR ROBERTSON Thank you Mr Deputy Speaker. The off shore finance centre had reached a stage of negotiation and awareness I guess within the Australian parliamentary areas. Through a extensive amount of lobbying by Maine Marketing. This lobbying has enabled us to get into different areas such as the Minister for or the PM's office. The Minister for the Treasury department, the taxation department and various other parliamentary areas which we need to get in and have communications with to further this proposal. Recently we'd reached the stage where there was to be discussions with Minister Hocking, who is the Minister in charge of Financial areas within the department. He didn't accept the proposal that we'd put to him and suggested that perhaps in his view, Sydney should be the financial centre of Australia. He went on to quote that he wasn't prepared to accept that Norfolk Island should become a so called off shore centre because in his view we would then start introducing bottom of the harbour schemes and things of that nature. That tended to slow things down a little. In the mean time we've recommenced negotiations with different banks. We've had discussions with the Commonwealth Bank, had discussions with the Westpac Bank in Sydney, we've had discussions with Treasury again and we're having on going discussions with the tax office, purely to further the negotiations to start to establish a better deal, and one of the things that have come out of that you may recall that recently we had the 'Philip Morrice' who is the High Commissioner from England was here and he's very involved with trade commissions as well. He gave us some excellent areas to investigate and these are currently being done in Sydney at the moment. The result of that, we're having a tele-conference I think it's taking

place on either Monday/Tuesday of next week. Following that it is our intention to formulate a more specific type of approach to areas which we now have in roads in. At this moment that I speak, hopefully, Tony Maine who is the principal member of Maine Marketing is having sessions with Bank of England in London on his expense and this avenue was opened up by Philip Morrice for us to further that and to look at all the ramifications that will come through with the English side of it, bearing in mind that most of the off shore finance centres are all operating under English law when you look at all the ones, Cayman Island, Cocos and so forth. So that's where we're at. At this stage it's costing this Government nothing because the funding for Maine is coming from the R.T.I.F. who are also looking at communications as well, so the expenditure from us is zero but we are getting quite a number of in roads and some really good I guess opportunities within the banking world. You may have seen and people of Norfolk Island may have seen appearing in different publications over the past 2 months ago anyway, where the financial institutions of Australia had, were suggesting that this proposal as far as Norfolk Island becoming an off shore finance centre was one that definitely had merit and needed to be followed through. But we are following it up but it just needs to reopen some doors that have now been closed to us.

**MR NOBBS** Just another one on that same subject. You may be able to just clarify. It's been suggested to me that the consultants are more interested in communications than the finance centre. Whilst there was a communications concept in there could you explain what the relationship is please?

**MR ROBERTSON** Mr Deputy Speaker the one thing that was given to us loud and clear, that the communications need to be state of the arts if your going to get involved in off shore finance. Part of the R.T.I.F. funding was based on communications within remote Australian territories, and we are in a remote off shore Australian territory, not part of or involved in, but the, that funding was made available to us to further our communications, linked in with our communications as a bi-product from that was how far would we need to go if we actually picked up the off shore as well. Now coupled with that you've got Gaming which also requires some better form of communication than is currently here and if we can link the whole lot together then it becomes a pretty viable sort of a situation. So that's where that link up occurred. The funding is based on communication, the bi-product being off shore finance and we try to link the two of them together and that's where we're at.

**MR NOBBS** I've just got a series of questions on the Cascade Cliff project if I may Gary. Is there a final estimate or cost of the project?

**MR ROBERTSON** Thank you Mr Deputy Speaker. The project itself came out at 2.8 million. 2.8 was the tender. There's been some extra costs involved and that is the cost of the metal for fifteen or seventeen hundred ton, to actually lay down for Youngs Road for access way. That metal has been purchased. There was contingency I guess of around about 10% of the project roughly 3 million so your looking at \$300,000. There some other bits and pieces that needed to be taken into consideration if we were to look at it as a whole, such as we've asked for probably the price of \$116,000 which was the purchase of 44c which is reverting back to us anyway, it comes into the land which is the "Champion Estate", so if you count all that up it comes to a round about three, four, somewhere around there. SMEC costs, O.K. SMEC's two, two hundred and thirty thousand I think it was somewhere around there, and that goes up and down too depending on what it is but they've got a base costs which has all been worked out along with a budget which is worked out by a month by month as to how it should come on line. What actually happens, what has to be purchased, what work is being done and how they progress from that point on.

MR NOBBS I am not too sure if we are up to 3.4 or 3.6 depending on whether we have SMEC but it's obviously over the \$3 million. How will we fund the remainder above the \$3 million as promised by Canberra

MR ROBERTSON Canberra have been approached with the difference, remembering of course that there is a \$300,000 contingency in there which may or may not happen but that's totally dependent on whether... One of the instructions has been that everything is to be kept to a minimum as far as extra bits and pieces that can be costed into a job - whilst we are doing something we can do this or we can do that while we're doing it. All of those we are trying to keep down to a minimum. We have made an approach to the Australian Government and said well part and parcel of this is that you offered the original loan. If they could extend it to \$3.4m if needed which they are discussing at this stage. It's not in their budget this year. It hasn't been put in but it's being discussed. Other than that, it's a case of us picking the thing and running with it and charging the extra on the rock and you may recall it was assessed basically at, I think Brian worked it out at \$17.30 if the quantity of rock was there and that would be adjusted to pick up the shortfall. There are two areas where it could come from

MR NOBBS The other question is what funds have been expended by the Norfolk Island Government to date on the project

MR ROBERTSON Well originally we started paying the first part and it all came out of recoverable. That's all been paid. That's all come back from the funding itself and at the moment there's a payment of the 1700 tonnes of road base. That's come out of us but it's been picked up (there's John shaking his head), I'm saying it's in that extra bit. It's come from the Commonwealth but it's over and above the perimeters of the actual money itself so what I'm saying is at the moment we've picked it up within that knowing that at the end of the day we have to pay for it then that's where it will come from but it's in the \$3.3/\$3.4m we've put into it

MR NOBBS So just in relation to the 1700 tonnes of road base, in the original agreement do we as Norfolk Island pay for it or does it come out of the loan funds, and I repeat that it's not funds coming directly from the Commonwealth it's a loan which we have to repay, was it facted into the loan fund or not

MR ROBERTSON No. It was an extra

MR NOBBS Just carrying on, a quick one on that as we haven't got any Weights Acts, who is responsible for checking such things as road base or any other supplies that are created locally onto the site. Who checks them

MR ROBERTSON Thank you Mr Deputy Speaker. This was actually discussed yesterday morning. At the moment the weigh bridge that is used, and the only weigh bridge on the Island is owned and operated by Island Industries. The trucks that are taking it down goes across the weigh bridge, those documents are passed across to us and at that point is accepted. The engineer who is in charge of the project checks all of that sort of stuff and I guess he does a supplementary check by doing a volumetric measurement. We have suggested that over the next few days that a couple of trucks of known tare weight be put on that scale and tested to see how accurate it is, as a test at this stage until such time as Geoff gets his weights and measures up and running but that's about all we can do. We have to accept what's there but we do have a method of

at least checking with some of the gear that's come up recently and have current tare weights on them to see how accurate it is

MR NOBBS Thank you Mr Deputy Speaker I just was to ask a supplementary if I can. Gary I earlier didn't ask for the gory details I just wondered who was responsible, was it one of our people or was it SMEC or who is actually responsible for signing in any deliveries

MR ROBERTSON The current project engineer which in this case is Richard Evans which is SMEC

DEPUTY SPEAKER Mr Gardner you were endeavouring to signal to me. Maybe you had some complementary response to make

MR GARDNER Thank you Mr Deputy Speaker just in relation to the weights and the direction that Gary was heading on that. As I mentioned before in relation to a question Mr Nobbs asked me on the Weights Act 1926 and speaking to Mr Gordon Gray it may well be worth Ron having a chat to Gordon about the practices of operating a weight bridge because Gordon in fact actually did that while he was working through university and is fully conversant with the practices of operating a weight bridge and I guess the current practice of driving a truck on and weighing the front half and then backing it on that is an accepted practice in the industry. As far as the calibration of the weigh bridge is concerned, if a given tare weight, whether that tare weight be right or wrong according to the scales, whatever then you put on that truck will be an accurate measurement

MR NOBBS Just another one for Gary on tourism marketing. In last weeks paper a local wholesaler was announced. What are the details of such a development and what is the government's reaction to such an announcement

MR ROBERTSON Thank you Mr Deputy Speaker. That announcement was an interesting one. It's not actually a local wholesaler. It's registered and will be operating out of a site in Queensland in Brisbane. Whilst it is operated by Norfolk Jet Express and in that respect it cannot, is not a local company. The number of wholesalers who have come on line or have depleted because of the Atlas takeover, I had the Bureau give me detail of what the current situation is regarding wholesalers. Do you want all of those gory details now or would you like them...

MR NOBBS No, you can have them in Statements if you like

MR ROBERTSON Thank you

MR BATES I have one final question for the Chief Minister Mr Deputy Speaker. The new satellite dish has been installed to retain the ABC and SBS television services. The question is, will any additional services be made available to the public through this facility in the foreseeable future

MR SMITH Thank you Mr Deputy Speaker. As I understand it Mr Deputy Speaker, with the installation of the satellite dish up by the radio station I understand that we will be able to receive ABC and SBS in digital form from the satellite and I also understand

that Channel 7 or one of the commercial stations, is available of the satellite and also 2JJJ the radio station is coming in loud and clear certainly at the site of the dish. I put a proposal to Members yesterday that if Channel 7 was indeed available at the moment and Channel 7 had no problem with us rebroadcasting that signal which I understand is the case, that we actually take SBS off for a short period until we can fund the new transmitter that would be required for a third government television rebroadcasting service. I gather from what Members suggested that it's actually not a good idea so as soon as we have the funds to purchase another retransmission set, I suppose you would call it, which I understand is about \$25-30,000 to do that, you have to have a receiving system of course at the radio station that transmits to the top of the mountain. From there it's received and then retransmitted and somewhere along the line in the budget we hope that we can find the funds to put up that third television transmitter. Likewise with radio, with Triple J. We are looking at some options with that to either rebroadcast on a new frequency if its possible or making a mix of Triple J and some of the other current services we already have, but certainly we are looking at whatever we can for extra services

**MR NOBBS** Supplementary on that. I understand that it's a second hand twenty year old dish. Is that correct and what is the actual price paid to purchase the new old dish and also the installation costs of the new old dish and did it go through the tender process

**MR SMITH** Thank you Mr Deputy Speaker. Well I'll answer the last one first, yes we did a tender process on the satellite proposals. The actual cost of the dish I can't remember off the top of my head. Mr Nobbs might bear with me until the next meeting and I can give him the actual cost of that and by that stage too, we will have an actual cost of the installation. At this point I don't have a figure

**MR NOBBS** Supplementary again. Is it correct that PAYE TV has been offered to the Island to access through this service

**MR SMITH** Mr Deputy Speaker I have that information passed to me by Mr Nobbs. I haven't been able to check that out yet

**MR BROWN** Mr Deputy Speaker this question is addressed to the Chief Minister. Does the Chief Minister propose to seek the views of the Legislative Assembly before attempting to broadcast the radio station Triple J and does the Chief Minister accept that that radio station is one of somewhat poor taste

**MR SMITH** Thank you Mr Deputy Speaker. Of course I don't mind asking Members' views and if you don't want to - if it comes to that and it needs a decision and you knock it over that's too bad. I wouldn't like to make a statement like Mr Brown has just made because I haven't actually listened to Triple J for quite some time but certainly it is an ABC station. It does have some unusual music on it and some unusual announcers of course that come with that. This was actually raised with me recently by somebody and said did I think it appropriate. I've always been a fan - well we used to actually broadcast Double J which was the same station in the early days. We used to run it at night and it was very popular but they do have content on there that's probably as has been pointed out to me, is not much worse than ABC television. If one watches the ABC or SBS you will see foul language, foul programmes. Maybe the radio is a little different in that you can listen to it and don't have to actually sit there and watch it. If we want to consider those sorts of points. There is a demand for Triple J and has been for quite some time but

Mr Deputy Speaker, I'm quite prepared to even put it to a motion of the House if it comes to that to get the views of the members and approve or disapprove of such a thing

MR NOBBS Just a question to Mr Robertson on planning. I understand that there has been a recommendation put to you that with the proposed extension of sewerage on the southern side of Queen Elizabeth Avenue that this area could become rezone central like the northern side of Queen Elizabeth Avenue. Is this so and if so, what have you done in relation to this recommendation

MR ION ROBINSON Thank you Mr Deputy Speaker I was beginning to worry that Ron didn't care anymore. I've got a Statement to make Ron on the Review of the Norfolk Island Plan and that is a part of it if you would like to debate it then

MR NOBBS Also in the Queen Elizabeth Avenue area there have been complaints in relation a block on Queen Elizabeth Avenue subject of an application in the Gazette six months or so ago by Trimark to relocate from the area near Seaworld to the Queen Elizabeth Avenue block. Was the application refused by you as Minister and if so, why did the owner proceed regardless of this refusal and what have you done in relation to this

MR ION ROBINSON It has not come to me as the Minister yet Ron. When it does I'll be taking a good close look at it

MR NOBBS The recommendations or the complaints?

MR ION ROBINSON The complaints have come, yes certainly. But I would have to check exactly where that is. It's some time ago now but I'll check into it for you and find out exactly where it is

MR NOBBS Another one to Mr Robinson if I may in relation to the quarrying exercise outside the original quarry of 5a. Has there been any action in relation to this as far as the questions that I've asked in the past and also what records were made and were there any photos or similar recordings made of the exercise

MR ION ROBINSON Thank you Mr Deputy Speaker as I understand it no there weren't. In relation to that I did receive a letter from the Administrator who is very concerned that we do not have any legislation covering the protection of the environment of our foreshore and I must admit it is a concern but unfortunately, our legal people are so tied up at the moment dealing with Commonwealth interference in several other areas that we haven't had a chance to even look at it. It is an important one that we'll just have to get to do

MR NOBBS Thank you Mr Deputy Speaker. At what stage are we at with the Review of the Immigration Act

MR ION ROBINSON Thank you. That is still with our consultant in Sydney. There is a draft immigration law there for us all to look at. I understand the previous Minister was copied several bits of paper. We hope to have it done, well I shall get onto it and ensure that it is done quicker or sooner than later

MR NOBBS We recently passed a Firearms Legislation. Have all current registrations been reviewed in regard to this the new conditions in the legislation

MR ION ROBINSON Not as yet, no

MR NOBBS Supplementary. When do you anticipate that this will occur

MR ION ROBINSON We did receive a letter from the Federal Police outlining details of the Firearms overhaul if you would like to call it that. As yet I've not heard back from them as to exactly when it will be done. As you know it was before that legislation or the amendment Bill to our Act is before the Legal and Constitutional Committee that is taking submissions at the moment and will be receiving submissions up until the 28<sup>th</sup>. Until they have come down with their findings which will be August 12<sup>th</sup> to be honest I'm not sure which way to jump

DEPUTY SPEAKER Honourable Members we have concluded Questions Without Notice this morning

### **PRESENTATION OF PAPERS**

MR DEPUTY SPEAKER Are there any Papers to present this morning?

MR SMITH Thank you Mr Deputy Speaker. I would like to table the Financial Indicators for ten months to the 30<sup>th</sup> April 1999 and make some comments and move that they be noted

DEPUTY SPEAKER The question is that the Paper be noted

MR SMITH Thank you Mr Deputy Speaker. Talking about income in the first place. Members have the paper in front of them and will see that customs duty collected to the 30<sup>th</sup> April 1999 cash only is \$88,000 short of the revised budget from January. However this result is \$52,000 more than the same period for last year. Income from other taxes is also \$62,000 short of the revised budget. In this category vehicle registrations is about \$48,000 behind. Departure fees are down by \$32,000. Interest received is \$30,000 short of the revised budget. \$10,000 of this shortfall should be made up in the May/June from an adjustment to the due dates of several term deposits, however, it does appear that the income from this source will be about \$20,000 short of the total budget estimate at year end. FIL is \$4,000 short of the revised budget estimate. Income from other charges category is \$63,000 ahead of the revised budget at the end of April which is a turn around on the results recorded over the past several months. However, included in this category is \$85,000 which represents the now expired residual funds from a total of \$1,084,000 which was transferred to the Suspense Account at the close of business for the year ended 30<sup>th</sup> June 1998. Earnings from the GBE's is ahead of budget by \$90,000. This result is directly associated with the exceptionally good profits being generated by the Liquor Bond. Should the same trend for the period of July 1998 to April 1999 continue to the end of the financial year, that is to the end of June, then the profit from the Liquor Bond's operation will exceed \$1,000,000 which will be the first time that this has occurred. In expenditure, welfare expenditure is still ahead of budget as was the situation at the end of 1998 and 31 March 1999. As at the middle of May the medical expenses for approved persons vote 8/2/20 which is the HMA one is completely exhausted and secondly, capital works purchases are still slightly ahead of budget at 30<sup>th</sup> April however as previously

advised this result is due to the completion of stage 1 of the Burnt Pine Upgrade, the purchase of a block of land at Middlegate and the full draw down of the Vehicles and Mobile Plant. But overall Mr Deputy Speaker the total revenue budget and the total expenditure budget is on line and the result of which is a draw down on the Revenue Funds, accumulated funds of \$438,000. I table those now thank you

MR ION ROBINSON Thank you Mr Deputy Speaker. In accordance with Section 41 of the Interpretation Act 1979 I table the Trees Regulations 1999. As it says its the Trees Regulation and this covers exactly what are protected trees; measuring the height of the trees, the prescribed fees of which of course there always has to be one somewhere around and information required to declare a plantation of protected trees and imposition of royalties and basically that's it

MR ION ROBINSON Thank you Mr Deputy Speaker. Perhaps it would be best to do this at Statement time. It's the HREOC Report, do you think Mr Deputy Speaker

DEPUTY SPEAKER It is a Paper and could be handled now if you would care to do that Mr Robinson

MR ION ROBINSON Thank you I shall do then. As a result of complaints by three residents of Norfolk Island only one of whom still resides here, the Australian Commissioner for Human Rights investigated our Immigration Act 1980 and has had his report tabled in the Commonwealth Parliament. The Report by Commissioner Sidotti recommends 1) that the Commonwealth extends the operation of the Migration Act 1958 Commonwealth in full to the Territory of Norfolk Island, that Schedule 3 of the Norfolk Island Act 1979 Commonwealth be amended to delete reference to immigration and to remove from the Norfolk Island Legislative Assembly and Administrator their powers with respect to Immigration 2) that the Norfolk Island Assembly regulate the permanent resident population and tourist numbers by the lawful operation of planning and zoning regulations 3) that conduct which is either prohibited or required of people on Norfolk Island to be regulated by legislation, regulations or by-laws unconnected with entry or resident status and that penalties for prohibited conduct exclude deportation from Norfolk Island. Mr Deputy Speaker Commissioner Sidotti declined a further extension of time for comments to his draft report so a late response was sent to him, well before his Report was forwarded to the Attorney General. A further paper was sent to the Attorney General on the 29<sup>th</sup> April. The Attorney General has forwarded Commissioner Sidotti's Report and our responses to the Minister for Transport and Regional Services as well as the Australian Minister for Migration and that's where it stands at the moment and I will endeavour to have a copy of that report entitled "Territorial Limits", put into the library

DEPUTY SPEAKER Thank you Mr Robinson. Could you just formally place it on the table and say so

MR ION ROBINSON I do so

MR GARDNER Thank you Mr Deputy Speaker in accordance with Section 41 of the Interpretation Act 1979 I table the Court of Petty Sessions Regulations 1999. Mr Deputy Speaker they are fairly self explanatory and straight forward. They include a licence suspension notice, the prescribed form for such which basically allows the Court of Petty Sessions to impose for the non payment of fines, the penalty of a licence suspension notice on fine defaulters and also goes on to include seizure of property for sale in the event of unpaid fines and prescribing an



amount that would not mean the earning capabilities or the livelihood of somebody is affected by the seizure of goods for sale. In other words, I'll give you an idea of what that includes, is somebody who depends on for example, their books or computer or tools of trade to enable them to secure their livelihood and hence be able to repay the fine. It is not the intention of these Regulations to impose undue hardship on them by taking from them all of those tools of trade. I table those Regulations Mr Deputy Speaker

DEPUTY SPEAKER Further Papers this morning. Mr Robertson

MR ROBERTSON Thank you Mr Deputy Speaker. I table the Inbound Passenger Statistics for April 1999 and move that the Paper be noted

DEPUTY SPEAKER The question is that this Paper be noted

MR ROBERTSON Thank you Mr Deputy Speaker. Members will see a slight downfall from the previous year of 36 but so far to date we are still holding 1600 odd people over and above last year. There has been, and I made mention of this at the last meeting, a downturn over the last two to three months. I've had meetings with the Tourist Board and we had fairly heavy discussions as to methods of further increasing or working with the different wholesalers and the retail chains and the airlines, in fact, all those concerned in the industry, to maintain these figures because we all pretty well know that if you sit back and just let this slow decline happen, within a very short time it drops fast and it takes an awful lot of resources to try and get it back and you need to advertise the best when you are fullest. That is happening. Members will remember a meeting we had not so long ago I tabled a number of press releases that had accumulated from March. Similar if not greater amounts have come in for the advertising that has taken place over April and the results of that has been some steady increases in a number of enquiries, not necessarily confirmed bookings but the number of enquiries back for those wishing to travel to Norfolk. With regard to the wholesaling position, in an effort to maintain and make sure that we keep on line with the advertising we need to obviously work within the wholesalers and within the different groups that are involved in the travel industry both in Australia and New Zealand. One of the things I've had the Tourist Board and Tourism Norfolk Island do is give me a paper which lists the current wholesalers and which categories they are at to give you an idea of just where some of these dollars of ours are going. In the category one group we have the Atlas Group which consists of PITC and PAKEL and Destination International. Now PITC is based in Sydney and PAKEL is based in Brisbane and destination international is based in Melbourne. We also have Fastbook who is based in Sydney. Now Fastbook currently has about 27% of the market and is moving hopefully, or he hopes to be up to about 30% of the market in the not too distant future. The Atlas Group currently, there was a statement done in the Travel Trade with an interview from the owner of PITC and he was saying that they actually have about 52%. I understand that it's really about 48% but that gives you some idea of the main groups and what they have. Category 2 then falls into National Network and they are based in Melbourne, Australia and Beyond is in Adelaide; Oxley Travel is in Port Macquarie. We move to Category 3 and the categories of each of these is how we use our dollars and where they basically go to. Category 3 falls into the King William Travel and you may recall that they regularly send groups up here. The Australian Pacific Tours, the Australian Scenic Evergreen Tours and Saunders Travel in Adelaide. Now this financial year TNI has also provided funds to Saunders Travel Adelaide for the first time for promotion in the Adelaide Holiday Expo Supplement which is a very successful new player selling Norfolk Island so we are trying to expand that area. There's a new wholesaler just come on line and everybody saw the advertisement which appeared in the Paper last week which is Norfolk Jet Holidays and

really they've just received the launch of that. There's a couple of proposed wholesalers, TNI have been approached and the Bureau is currently assessing two other new ones. One of them is based in Sydney. It's still not confirmed at this point, and the other one is based in Melbourne. The Sydney one plans to tackle marketing in three ways, direct to the consumer, circulars to Retail Agents and Sports and other groups. They actually have seven members of their staff who concentrate on Sport which is a rather interesting outline. They visited the Island just last week and they are coming back in a week or two's time to particularly get up and running. So all in all there's been an extension or it might have been a retraction I guess, with three wholesalers all working into one those three wholesalers are based in different States and we do have new ones coming on line and there's been an increase in the minor Category 3 markets where we have more involvement in the travel group. I understand that Pinetree Tours are also thinking of linking up an office but that too will be operating out of Brisbane, so that's where we stand as far as recruiting new personnel to come to the Island. At the moment the figures are staggering a little bit. The forecasts over the next three or four months are good. We still get into that winter period next year in the next financial year which is down a wee bit and I understand that there will be a concentration of advertising moving into that time frame to see if they can increase the numbers coming to the Island during that period. Coming toward the end of the year, things normally pick up around about September October and everything's still in place and of course later this year we've got the Millenium even which takes place on January 1<sup>st</sup> and I also understand that the Island is basically full at this time

MR NOBBS Thank you Mr Deputy Speaker can I note the Statement. Thank you Gary for that. It's pleasing to see. I was a bit concerned with George's statement in relation to finance and the only thing we seem to be achieving is to drive people to drink but yours seems a bit more positive and I hope this trend continues. I would like in time if we may, some sort of a breakdown in relation to how funding is allocated or what percentage of the budget is allocated. I don't think we've seen at this stage a budget for the next financial year from the Tourist Bureau and I was wondering if that's included in those papers. Okay. I'll read it then

MR ROBERTSON Thank you Mr Deputy Speaker. Not only are those figures in there but there's a breakdown as well Ron

DEPUTY SPEAKER Further participation. No further participation. The question is that the Paper on the inbound passenger statistics be noted

QUESTION PUT

AGREED

That Paper is noted. There are no further papers we move to statements.

## STATEMENTS

MR SMITH Thank you Mr Deputy Speaker. I would like to make a short statement about the Referendum for the record for Hansard. Norfolk Island held a Referendum On the 12<sup>th</sup> May in relation to a Bill that is being proposed by the Commonwealth government. The Bill is called the Norfolk Island Amendment Bill 1999 and in that Bill it is proposed to do one or two things that may affect Norfolk's electoral system. A referendum was promoted last year by the Assembly in which the electorate came back with a resounding NO to the change as proposed in the Norfolk Island Amendment Bill. Following that Referendum the Commonwealth did indicate that they thought the question was a little bit loaded in Norfolk's favour so we said, well if that's the case we'll go back and put the same issue back to the electorate in a form that may give a better

indication, which we did. The referendum was held on the 12<sup>th</sup> May and the total votes cast including informal votes in that Referendum was 964 Mr Deputy Speaker. Votes cast against the question was 691 and votes cast in favour of the question were 247. Mr Deputy Speaker that was a good result for us and that result has been passed on to the Minister for Territories, Senator Ian Macdonald in fact, you yourself were there and presented those figures to the Minister and at the same time we had a telephone call from his office to our office here with Members of the Assembly being present and once we passed over the result we wanted to know what the Commonwealth's view would be on the referendum. In fact whether they would take any notice of it or not. Senator Macdonald said he would treat it the same as he did the last one. Thank you Mr Deputy Speaker

DEPUTY SPEAKER

Further Statements this morning

MR ION ROBINSON

Thank you Mr Deputy Speaker. As Members may be aware I have commenced a review of the Norfolk Island Plan which is one of Norfolk's main development regulating mechanisms. Such a Review is required by the Planning Act to occur on a five yearly basis but I believe there are gains to be made by seeking proposals for amendments at an earlier time frame and to be continually seeking to improve any aspects of our land management system where best practice indicates improvements can be made. The Review process has commenced with an invitation lodged in the Press for interested persons to submit comment on how they feel the Norfolk Island Plan effectively promotes the objects of the Planning Act. All of the submissions to date are now being collated by the Secretary to the Planning Board. Once this is completed the submissions will be provided to the Planning Board for comment after the Planning Board has summarised their comment on the proposed changes to the Norfolk Island Plan and the intention is that both the Planning Board's summary and copies of the original submissions will be submitted to me as the Minister responsible for Planning. From that point I will be seeking endorsement from the Members on a core group of review matters based on the submissions. These agreed core matters will be compiled into a document identified as The Draft Variation to the Norfolk Island Plan. The terms of Section 9 of the Planning Act 1996 at this point requires the Executive Member to notify the community by Gazette of the draft variation to the Plan. The Gazettal Notice will also state whether draft variations can be viewed and will seek comment on the draft variation. This briefly outlines for Members the process which needs to occur to implement amendments to the Norfolk Island Plan and where the commenced Review is presently positioned. Members will note that there are two periods for public comment. The first being at an initial invitation to interested persons to comment on the effectiveness of the current plan and a later public comment period which will seek comment on the proposed changes as identified in the Draft Variation Plan. I would be grateful to members for any comment or submission that Members may have that would add to the quality of the Norfolk Island Plan. I now table a copy of the instrument that commenced the Review of the Norfolk Island Plan in accordance with Section 14 2(a) of the Planning Act 1996, thank you Mr Deputy Speaker.

MR GARDNER

Thank you Mr Deputy Speaker my Statement this morning is in regard to a question that Mr Nobbs asked earlier this morning, when I gave an undertaking to give a Statement on the matter regarding some issues that were raised in the Norfolk Islander regarding the recruitment of Doctors. Mr Deputy Speaker the last editions of the Norfolk Islander, those of the 8<sup>th</sup> and 15<sup>th</sup> May 1999 have featured two letters to the Editor, both of which the contents have raised the level of concern within this community in relation firstly to the process of recruitment of doctors to the Norfolk Island Hospital Enterprise and secondly in relation to past processes of recruitment and problems that had arisen as a result. Mr Deputy Speaker the purpose

of this statement is to put to rest a large number of inaccuracies identified in the letter of 8<sup>th</sup> May 1999 and to place the documented facts before this House in relation to unfounded rumours milling about in this community and raised in the contents of both letters. The purpose Mr Deputy Speaker is also to assure the people of Norfolk Island that the process of recruitment is being thoroughly reviewed and a new process will be formally adopted by the Hospital Board at its next meeting later this month. Mr Deputy Speaker the purpose is not to inflame an already emotive and volatile issue such as health but to provide the facts properly documents facts, in this matter. The proposal for an improvement in the process of selection of future doctors was tabled at a meeting of the Hospital Board on March 23<sup>rd</sup> this year. A number of issues in relation to that proposal were identified by myself as requiring further investigation and consideration. Firstly a need to identify any legal or legislative impediment that would prevent the establishment of a Clinical Privilege Committee. Again, I personally sought advise from Mr Gordon Gray the Crown Counsel on this matter. That advise suggested that the Hospital Act allows the Board to seek assistance from a body, an individual or a group as is thought necessary but that the final decision is clearly a matter for the Norfolk Island Hospital board. Secondly for establishment of such a committee on a formal basis, there needed to be written invitations to prospective members of the Clinical Privileging Committee and their acceptance received. In other words to establish such a system I believed it absolutely necessary for their to be a proper and professional approach to the Clinical Privileging committee” formulation. Mr Deputy speaker it needs to be made clear that although the process had not been formally adopted at the Board Meeting of March 23<sup>rd</sup> this year, the Board members had adopted the process as guidelines for the possible recruitment of a Doctor to replace Dr Ayton. Following his letter of the 22<sup>nd</sup> March informing the Norfolk Island Hospital Board that he would not be seeking to extend his contract. Mr Speaker, I table a copy of Dr Ayten’s letter of March 22<sup>nd</sup>. The Chairman of the Board wrote to Dr Lloyd Fletcher on the 1<sup>st</sup> April 1999 to offer the post of GMO/Anesthetist to him upon Dr Ayten’s departure. Dr Fletcher had indicated on his return from the posting in Antarctica to Norfolk Island to visit his family, that if a position did indeed become available he would appreciate the opportunity to apply. Mr Deputy Speaker as I will show, no longer is there a recruitment process of a single phone call and providing a simple curriculum vitae, in fact, even armed with the knowledge of his past service on the Island his remote experience in Antarctica, his current locum position in outback Queensland, even after all of that Mr Deputy Speaker the letter to Dr Fletcher requested additional information which included and I quote from that letter “...qualifications, experience past and recent, skills in general practice, emergency medicine and specific skills listed, contact details of current colleagues in general practice and their special skills being applied for. Evidence of medical registration in Australia or New Zealand, a certificate of good standing with a Medical Board, a declaration of past and outstanding medico legal claims and evidence of current medical indemnity.” As well as that Mr Deputy speaker, the Board sought Dr Fletcher’s cooperation in completing the forms required for the proposed Clinical Privileging Committee process. He completed those forms as requested without hesitation. Mr Speaker I table the letter of the 1<sup>st</sup> April 1999 sent to Dr Lloyd Fletcher. In regard to that, as of today Mr Deputy Speaker no contract of employment has been entered into for either the replacement doctor for Doctor Ayton or the replacement for Doctor McKinnon. Mr Deputy Speaker this initiative of the Board is to be commended in light of the fact that this process was still to be formally adopted. It is evidence enough that the Hospital Board are committed to ensuring the future doctors employed at our Hospital have been recruited under guidelines and processes never before required of past or present doctors. Mr Deputy Speaker I believe a genuine attempt to avoid the pitfalls experienced in the past. In further evidence of my commitment to this process Mr Deputy Speaker I table an extract from the minutes of the Government Executive meeting of the 7<sup>th</sup> of April, two weeks after the proposal was tabled at the Hospital Board meeting. Mr Deputy Speaker I make the following quote from that extract. It is Part G of the extract from

those minutes, it refers to the Hospital selection of doctors “the doctors currently employed at the hospital have suggested the establishment of a clinical privileging selection committee, for the selection of doctors. The Minister for Health stated that the Hospital Board has already offered the position, G.M.O. Anaesthetist to Doctor Lloyd Fletcher. The Executive endorsed the selection of Doctor Lloyd Fletcher subject to his fulfilling the criteria listed in the Chairman’s invitation to Doctor Fletcher of the 1<sup>st</sup> of April 1999” and this is important Mr Deputy Speaker “and to investigate further the establishment of a clinical privileging committee for the purpose of selection of future doctors”. Mr Deputy Speaker quite clearly the Executive favoured the proposal and understood the need to investigate further the establishment of a clinical privileging committee. On the 9<sup>th</sup> of April the Chairman of the Board wrote in a memo to me and I quote “We are fully in agreement with Doctor Ayton’s suggested clinical privileging committee procedures and that a system be installed for future use. However as it is now well time that initial approaches be made to the applicants we have for the medical officers surgeons position to replace Doctor McKinnon, the Board resolved that all initial contact with the prospectives be made by the Hospital Director using any guidelines that may be in hand from Doctor Ayton and Doctor McKinnon.” In other words Mr Deputy Speaker the same guidelines and requirement for information that were requested from Doctor Lloyd Fletcher for the position of G.M.O. Anaesthetist. It was at about that time that I met with Doctors McKinnon and Ayton to discuss issues and concerns that they held with the process. There was a degree of uncertainty as to the Board’s commitment to establishing these processes. Following that meeting Mr Deputy Speaker claims and counter claims were made by both the Doctors and members of the Board as to what had actually been agreed. Their concerns I took on board, and I gave an undertaking to them to sort things out. I sort out the documents I tabled today and in an attempt to clarify as quickly as possible, the Board’s position I held discussions with the Chairman of the Board. That discussion made it abundantly clear that the Board was committed to the Doctors proposal. On the 5<sup>th</sup> of May I requested the Chairman to detail in writing to both Doctors McKinnon and Ayton the Board’s clear intention. I also requested that the letter be signed by the full Board. Mr Deputy Speaker I table that letter of the 6<sup>th</sup> of May received by both doctors and will read for information the contents of that letter. “Dear Doctors Ayton and McKinnon,” and this is dated the 6<sup>th</sup> of May, “I understand you have made further representation to the Executive Member for Health about your concerns over the Board’s understanding of and the intentions for the clinical privileging process for the future recruitment of doctors. To that end I would like to make the following points clear and definite. 1. The Board recognises the value of the clinical privileging process as discussed at Doctor Duke’s presentation to the Board meeting on the 22<sup>nd</sup> of March. The process would be implemented with due and considered approval from the Executive Member after all legal and practical matters had been addressed.. 2. The position of G.M.O. has been given to Doctor Lloyd Fletcher. Our decision was reinforced who is of course one of the privileging panel, advising Doctor Duke that he thought Doctor Fletcher was an excellent choice. As you know Doctor Fletcher has provided completed clinical privileging documents as a matter of good intention and a certificate of good standing and registration has been received from the medical board of Queensland. 3. You met with the Director and Chairman on the 9/4/99 to voice your concerns about the Board’s perceived lack of commitment to the process, as per Mr John Christian’s notes and were told of the Board’s intentions, copies of which have been supplied along with my memo to the Director relating to the whole matter. Formal implementation of the privileging process will be made at the 24<sup>th</sup> May 1999 Board meeting and in the mean time all procedures required for that process have been used in the recruitment for the Medical Officer Surgeon position and any locums that may be required. 4. Board Members declined to meet and discuss the matter after lunch on Friday as there was no doubt that Doctor Fletcher was appointed and the privileging process would be put in place for future use. It was unfortunate that you were called away to your duties before lunch finished so that

I could have informed you accordingly. I did wait around for a while but as your movements were unknown I did not stay. Your demand for a Board later that afternoon was deemed unnecessary in light of the Boards earlier decision not to meet and the information in my memo to Mr Christian. You declined my offer to talk to you by phone and your request for a face to face conversation was refused as it was not only pointless but inconvenient.

5. You have made several representations re your dissatisfaction with the above to the Honourable Geoff Gardner MLA and I understand he has verified and agrees with the Boards actions and intention. There can be no more dialogue and I once again and finally advise that Doctor Lloyd Fletcher will take over as G.M.O. on Doctor Aytons departure and that your well considered privileging process will be formally installed at the May Board meeting. I have invited Board members to cosign this document so that you may be convinced of their understanding and appreciation of the matters involved. Yours sincerely John Hughes , Chairman” and countersigned by the current members of the Norfolk Island Hospital Board. Mr Deputy Speaker I believe that that letter is very clear but for some reason Doctor McKinnon choose to ignore that document and proceeded in writing to the newspaper. I believe that documented evidence I’ve tabled today is sufficient proof of not only my personal commitment to improving the provision of health services on this Island but also proof of my Boards commitment. Mr Deputy Speaker dwelling on past practices is not constructive. I look at the now and the future but for the record I would like to comment briefly on past practice. There have been blunders Mr Deputy Speaker not in recent times however, and the doctors that we have here at the moment are both very professional and component practitioners, I can assure you of that. My predecessor Mr Brown took the initiative last year in conjunction with Board of Management to substantially increase the doctors remuneration package in an attempt to attract a larger pool of suitable applicants for local appointments. I believe all my colleagues are aware of the difficulty faced Australia wide of trying to attract suitably qualified doctors to rural and remote areas. The remuneration offered previously did not make the job here particularly attractive. I believe we were fortunate in luring many fine doctors to our shores, in many cases doctors that lived and worked for the love of their profession alone and not the monetary rewards that that profession may bring, but the pool of doctors was in sharp decline as I’ve said in an attempt to rectify the situation action was taken. We are fortunate now that we are forced to take the drastic measure that the New South Wales Government in recent days. That is to stock remote and rural areas of New South Wales with foreign without any consideration as to their rural experience. A system of recruitment that we now have left far behind. In conclusion Mr Deputy Speaker I will not jeopardise my health nor that of my young family or the health of members of this community. I am committed to improving health services on this Island, evidence of that is in what I’ve said today and in the documents that I have tabled. Further evidence I hope to outline later today in discussion over the Budget and particularly in the area of the hospital and healthcare budget. Thank you Mr Deputy Speaker.

DEPUTY SPEAKER Are there further statements to be made this morning Honourable Members. We’ve concluded statements.

#### **MESSAGE FROM THE OFFICE OF THE ADMINISTRATOR**

DEPUTY SPEAKER Honourable Members the Speaker has received the following message from the Office of the Administrator. It is **Message No. 143**. It reads on the 28<sup>th</sup> of April 1999 pursuant to Section 21 of the Norfolk Island Act 1979 I declared my assent to the *Gaming Supervision Amendment Act 1999*, which is Act No. 6 of 1999 and the *Trees Amendment*

*Act 1999* which was Act No. 7 of 1999. The message is dated the 28<sup>th</sup> April 1999 and signed A.J.Messner, Administrator.

## NOTICES

### NOTICE NO. 1 APPROPRIATION BILL 1999

DEPUTY SPEAKER                      The first notice is Notice No. 1 Appropriation Bill 1999, and it is preceded by the Administrators Message which is **Message No. 144**, headed Appropriation Bill 1999. In accordance with the requirements of Section 25 of the Norfolk Island Act of 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 2000”, dated the 19<sup>th</sup> day of May 1999 and signed A.J.Messner, Administrator.

MR SMITH                                  Thank you Mr Deputy Speaker. I present the Appropriation Bill 1999 and move that the Bill be agreed to in principal.

DEPUTY SPEAKER                      The question is that the Bill be agreed to in principal. Chief Minister.

MR SMITH                                  Thank you Mr Deputy Speaker. Normally we deal with the Budget, or the supply bill, or the appropriation bill, it's all of those things, in June. We usually have a meeting early June. The Bill sits on the table for 2 weeks and we meet again and do the appropriate things with that Bill. In recent times Brian Bates has requested me to do the budget a little different this year so we are getting in a little bit earlier, in May in fact so that we don't have to have two sittings in June which I thought was a reasonable request so that's what we had planned to do. Following the budget review in December/January we got the public service to start collating their budget bids for the end of this century and the beginning of the next century, 1999-2000. Most of that documentation was put together, collated at the end of last month, three or four weeks ago and in those documents it looked like the total budget bids would be in the vicinity of \$13,000,000 which is not abnormal, it's the same with every budget. One always has \$2-3,000,000 above, although in our first year I think it was \$5,000,000 above what the expected revenue was to be. The first draft of that was looked at by the Finance Committee which has three Ministers on it and Mr Nobbs as a non executive, one of the Programme Managers and the Finance Manager. We had an initial look at that first document and there was some inaccuracies in that and after having a quick look through that and discussion on it at the time that was taken back by the Finance Manager to fix up and put into a second draft. The second draft was put together on the 3<sup>rd</sup> May and given back to us. I then took that document back to the Finance Committee who went through the paper. We tried to identify how we could get our expenditure down from \$13,000,000 to what the expected revenue would be, which we expected would be around \$10,000,000. At the end of the day and it was the end of the day, the usual long day, of trying to do that we got down to being able to save about \$600,000. That's just by going through and taking out things that we don't think we need to have in the budget. At the end of the day the Members of the Committee had the feeling that it was a bit of a fruitless exercise trying to do that and it was proposed that we do something with it and that was to identify certain amounts of money, some of the salaries and wages, some for recurrent expenditure and some for capital and we would offer that as a beginning for the budget for this next financial year. That had to come back to the Assembly Mr Deputy Speaker. That was accepted by the Committee at the time and then on the following Monday when

we had our normal Members informal meeting we put that proposal to Members and that was last Monday a week ago. That proposal from the Finance Committee was not acceptable to Members which is fine. At that time all Members had the second draft paper of the budget bids still with the \$12,000,000 expenditure on it. There was some discussion following that and Members weren't particularly happy with that Committee going through the budget and trying to do things with it because it was felt that that was the Assembly's role and of course it is. The budget is the Assembly's. So we kind of abandoned that idea and then we had a meeting for Members to go through the papers as has been done in the distant past where Members used to go through the bids and take out the amounts that they thought needed to be taken out to bring expenditure down to a level that was equal to revenue. One or two days ago we were to talk about this paper again and it was proposed by Brian I think it was that he was not going to support the budget at all based on what figures we had. That's okay. Members can have their views and after much discussion about how we would handle all of this Brian softened up a bit on that I guess you would say and proposed that we have a supply for two months of the next financial year until the Minister for Finance and his Committee do certain things and that is to not accept what I felt was the right thing, that our revenue was expected to be around \$10,000,000 this year and that we should only spend accordingly. Brian's proposal which is fair enough, proposes that we should pass a short term interim budget until we can come up with some other revenue generating taxes, charges or whatever it needs to be and Brian will no doubt talk more on that. So we have in front of us today a Bill for expenditure to the end of June in the year 2000 and it has an attached Schedule that only expends \$2,595,000 in the twelve months, which effectively is three months supply Mr Deputy Speaker. That's fine. Members seem to support that idea. I'm not going to argue with that. That's how it stands. We have \$1,200,000 in salaries and wages, we have \$1,000,000 in current expenditure and \$300,000 put aside for capital expenditure in those first few months. The sad part about the proposal is that we've been negotiating with the Public Service for a wage adjustment and that has now taken the ability for us to negotiate any further for a wage adjustment any further until we come up with a serious budget. That does make me a bit unhappy but however Mr Deputy Speaker that's all I'll say at this point in time because I know that Members will want to have a large say so I think I'll leave it to them. Thank you

MR BATES

Thank you Mr Deputy Speaker. It seems that my name has been mentioned fairly consistently throughout the introduction of this Bill that I need to perhaps be one of the first to respond. For some time now I have been trying to put pressure on the backbenchers, on Ministers to properly address our revenue stream. I had some suggestions of some form of taxation reform which was not widely accepted but the bottom line is that I remain extremely about our ability to finance internal self government on our present taxation stream. Something needs to be done but consecutive members have refused to address that and of course that is understandable because the raising of taxes or revenue is not a political thing that people like to do but the responsibility demands that you don't put your head in the sand and neglect it and I believe that we are getting to this stage of neglect in many areas in our public finances. It seems as though I refused, it was said by the Chief Minister I refused, I said I wouldn't support the supply bill. I said I could not support the proposal before us which was leading towards a further deficit of our funds and knowing in hindsight what happened last year when we agreed to a similar sort of proposal, half way through the year we were forced into voting another half a million dollars to get out of trouble which was known, the facts were known and we chose not to take them into account and we had to vote additional funds half way through the year and I can see similar situation developing. I can also see the next Assembly coming in with a depleted revenue fund, an inadequate revenue stream and having to make panic decisions. Panic decisions like it was banded around this table that we should put up customs duty. I don't believe putting up customs duty is



going to improve anything. I think it would destroy a certain part of our economy. I think it would be self defeating and it wouldn't be in the best interest of the community but having to make panic decisions under short notice then they are the only types of decisions that can be made. Another ten cents on a can of beer or another five cents on a litre of fuel and a few more percentages on customs duty and maybe hit the accommodation levy and those sort of things are just firing out in any direction where you can grab some money and there is no doubt in my mind that we have to face the facts of some sort of taxation reform. Just what course that might take I don't quite know but I do know we can't go on the way we are. I refuse then, or that background or that concern to approve the supply bill which is put before us. I remember very clearly in this chamber, one of the previous assemblies I told another member who didn't support a supply bill that that was very irresponsible because the consequences of not supporting a supply bill are catastrophic, disastrous anyway, because that would actually mean that the whole public service would ultimately close down and I think that that's just something that any serious member of this assembly could not contemplate, so from the backbenchers where it is difficult to do anything around finance, you can't introduce a bill to raise taxes or monies. You can't, even when I suggested something I had to get and I thank Mr Gary Robertson for that, to actually bring my motion before the House so at least I could have a hearing. I couldn't do it on my own bat because I'm on the backbenchers and it had to do with finance. So it is extremely difficult on the backbenchers to get anything done. So then I decided because it is irresponsible not to agree to supply that the best I could come up with agreeing to one twelfth of the estimated revenue on a month to month basis until the Government or whoever is concerned with the Assembly properly addressed the issue and came up with a proper financial plan for the remainder of the term of this Assembly and the discussions that led to that have led to this 3 months supply bill. I regret this very much, I regret that that was the way to go but we have to face the facts, we have to face the facts that we can't continue to ignore our revenue stream and provide the level of services that the public expect and also continue with the internal self government scenario. A 3 month supply is to allow the Government time to provide an acceptable financial plan as I've already said for the remainder of this term of this Assembly. If that plan doesn't come forward then I guess we're back to the same scenario of another quarter of the estimated revenue for the following 3 months, and so on until at least we don't leave the next, we leave something in the revenue fund for the next Assembly. But this Mr Deputy Speaker is just pure neglect, pure neglect of our responsibility of things that are happening around us. So that's a little bit of the background as to why I took that stand. I think that there are other things that I decided. I puzzled for a long time as to what I could do from the backbenches to try and get a little bit of sense into this exercise and there were a couple of other little things. I have a motion further on about travel expenses and that is purely driven by the need that we need to get value for our dollar especially at this point of time and it's ironic that although at this time tourist numbers are dropping off I think the overall perception of the economy is pretty good. I think even with tourist numbers going down we've had some pretty big projects going on. We've had the Airport terminal building which has generated a big input into the economy. We have the Cascade Cliff project going and that is putting a big input into the economy and that does reflect in Government finances in one way and another. So here we are in the buoyant economy time going broke and if anybody can't see that I just don't know. I just don't understand how they can't see that. I did want to speak at some time during this debate on the situation at 'At Random' and Telecom because I don't think all the facts have come out for the public and I think it needs a little bit more debate on that and I'd like to resume on that a little bit later, but for the time I'm interested to hear what other people have to say. Thank you Mr Deputy Speaker.

MR NOBBS

Yeah I would like to speak on this briefly, but the first thing I would like to point out is this. In 1995/96 the total budget I understand was something like 8.8

million of which 3.9 million was spent on wages. This proposed budget that we are looking at now even though we are looking at part of it is a total of 9.8 million that is an increase over 95/96 of 1 million dollars. The salary increase has gone from 3.9 to 4.8 which is 900,000 of that 1 million dollars has gone into increase wages. Now you can't blame the public service for this. This has all come from the direction of this House and it covers the last two Assemblies so I mean we can't completely take the blame although we have been classified I believe as the big spenders in relation to some of the projects that have been going on, a lot of which I personally weren't in favour of but they've gone ahead. The budget now in, well we're looking at part but we must look at the overall situation and from what we have in front of us doesn't really reflect the budget that was put before us the other day. I mean there is, the budget the other day was something like 4.7, we've got a quarter of the salaries and wages, under a quarter of recurrent and about half of capital expenditure, so the first 3 months doesn't reflect the total figures that were put before us. I'd just like to go through that. In the breakdown in the last three years, the three budgets that we've had salaries and wages in 97/98, well for 97/98 salaries were 49.3%; 98/99 48.2%; 99/2000 48.4%. Recurrent was 41.4 in the first; 44 in the second, this is a percentage of total and 44.3 in the third. Capital is maintained 9.6 in the first; 7.7 in our second and 7.2 under this present budget that we have here. I quite agree that we have got some fairly serious problems before us. I don't think they are insurmountable and I do suggest that we look at our expenditure. There has been a lot of talk about increasing the revenue but I believe that we must also look at our expenditure side of things. Now there was a proposal in relation to getting into a private enterprise with the crusher. This was knocked back that it should be better handled by private enterprise. We've now seen Telecom now proceeding to expand. I believe they'll have to expand their activities in relation to what could be a private enterprise activity and this has been all fine. I find this quite difficult to understand, how we can show two different standards in that particular area. I believe personally that the Admin has to look more at these sort of activities, if they can get into them, if they can do them efficiently then they should look at them. That's about all I've got to say at this stage Mr Deputy Speaker and I'll listen with interest to any others.

MR MCCOY

Thank you Mr Deputy Speaker. I believe we have a supply bill in front of us for a quarter of the estimated budget. Is that correct? 9,793,000 revenue which if we are looking at a quarter of the estimated revenue will not add up to what we've got in the appropriation bill. If you multiply the figure in the appropriation bill out you end up with 10.380. So in other words 10,380,000. We're about 600,000 above already. Is it proposed to wain it off towards the end or increase it towards the end, what are we doing?

MR BATES

I think that certainly if, this schedule for the supply bill was put on our desks I think after the meeting commenced this morning or certainly about the time of the commencement of this meeting and therefore we haven't had any explanation of just what the figures add up to. We have a month before this is passed and it is certainly my intention to find out how these figures are arrived at because although we have virtually agreed to supply a quarter of the revenue for the first quarter of the financial year the anticipated revenue stream, there are some categories of expenditure that don't fit nicely into quarters. Some of them are annual accounts and I think we asked the Finance Manager when he looked at these things to look at those items which perhaps would fall within the first quarter that were just annual payments or half yearly payments or something, and to take them into account. We haven't had the explanation from the Finance Manager. I am sure we will get it before the June sitting and we can decide whether these figures are entirely appropriate or entirely as we envisaged they would be but I hope this helps your comment Mr McCoy, at this point in time. That is all I wish to say.

MR MCCOY  
that outline there.

Thank you Mr Deputy Speaker and Thank you Mr Bates for

MR BROWN

Mr Deputy Speaker we have reached a somewhat deplorable situation. Frankly the Chief Minister and Minister for Finance has lost my confidence. To come before us after all the talk of strategic planning that went on at the time of the election of this Assembly with a proposal that we spend several million dollars more than we are going to receive is pathetic but it is even more pathetic that the way to overcome that is to give the public service ten million dollars and let them work out how to spend it. And that was the proposal that was put to us only a few days ago. Quite rightly that proposal was unacceptable and the Chief Minister has had to cause it to be rearranged, and it has been rearranged on the basis that we've said O.K. we'll provide supply for a period of 3 months as Brian has said, and although Brian is right in saying we didn't get to see the final document until the meeting started this morning I expect that his explanation is correct as to why it's slightly more than one quarter of the revenue we expect for the year. I expect that will be because members quite correctly identified that some expenses will be incurred in the first part of the year, but will be full year expenses. I don't have a difficulty in supporting the proposed 3 month budget because there is no other option, but I do have great difficulty in accepting the situation in which we find ourselves. Along time ago the Chief Minister went away. The Chief Minister Mr Deputy President and some members of the public service have become known as Sir Jetabout and Sir Travelalot, as a result of the extent to which they are away from Norfolk Island, at the cost of the public in terms of fares, accommodation and the balance of travel allowance. But just before departing on one of these trips he asked the Minister for Tourism and Commerce if he could please do something about the promises that had been made about strategic planning and the Minister for Tourism and Commerce together with the other Executives at the time commissioned the Howard Report. I was supportive of obtaining that report but I do recall that some Members said, "this is going to be another waste of money, your going to spend all of this money and the report will just sit around gathering dust", and I'm extremely disappointed to see that they were right. The Chief Minister talked alot about strategic planning but the Howard Report was provided to us over a year ago, from recollection in April of last year. The summary of it was distributed to the community at the beginning of May last year. A committee was formed which went through various parts of it but there were some changes in that committee late last year and from November last year the Chief Minister has had responsibility for that committee and to the best of my knowledge it has not met on one occasion. There were some fairly significant promises made in terms of that strategic planning and there were some very significant issues that might or might not have reached the stage of promises but needed decisions. Members will recall and I hope that the Minister for Health has in his hand at this very moment and he clearly recalls it the Grants Commission Report. The Minister for Health has paid far more attention to that report than the Chief Minister has and that report basically told us that we were capable of doing very well but we were in deep trouble because we were not prepared to face the issues that mattered. We were not prepared to face the issue of raising sufficient monies to fund the governing of Norfolk Island and we were not prepared to tackle the difficulty presented by an inefficient public service. The Public Servants didn't want to be inefficient Mr Deputy Speaker, they've been crying out for a long while for the Government to do something about reforming the situation, providing proper training and providing proper career paths, but none of that has happened. We talked of fiscal management, we told the community that some projects had already begun. We told them this back in May last year. The development and implementation of a whole of Government financial management framework. The setting up of a system and procedures for expenditure management and control. We told people that those things had already started. We talked about accrual accounting and we talked about that being introduced from the 1<sup>st</sup> of July this year. It seems to be a

dead issue at this stage Mr Deputy Speaker it seems to have been forgotten like the bulk of what was in the little booklet we sent out to the community in May last year. We've lost our way Mr Deputy Speaker. I have no desire to fill the shoes of the Minister for, of the Chief Minister and Minister for Finance and my suggestion is that we very quickly find someone who is prepared to do that so that we can get ourselves out of the wilderness. Let's look at some of the ridiculous things that have occurred in recent times. The Public Service as is their right has made a claim for a wage increase. The question of determining a wage increase is one which by law is the role of the Public Sector Remuneration Tribunal and yet the Chief Minister has taken it upon himself to suggest to the Public Service that the Government will agree to an increase of X. The Government doesn't have the power to agree to that but now it is plainly obvious it doesn't have the money either. The Public Service is within the area of responsibility of the Chief Minister and yet it appears that travel and overtime are both somewhat out of control. Even more out of control is the Chief Ministers exercise with the 'At Random' building. There have been suggestions over the years that there could be considerable savings by centralising the Stores function of the Administration and the G.B.E.'s . The Government went a small way towards that by combining Telecom and the Electricity undertakings storage requirements in a new shed at the Airport. Part of the justification for the building of that shed was that Telecom would use it and it would create efficiency. Now we've got a move to get away from that modest amount of efficiency and have again a separate place for Telecom and a separate place for Electricity, but instead of coming to the Legislative Assembly and saying look this proposal is before us what do you all think about this. It is going to cost us half an million dollars over the next ten years and quite a bit of money to fit out the building and quite a bit of money to provide some furniture. That quite a bit of money is something that is hidden from us at this stage. We have seen in the draft budget an amount which it is proposed to take from the revenue fund but although the draft budget in item after item says refer G.B.E. Budget, we've not been provided with the G.B.E. Budgets and we're expected to look at this document where there are significant amounts of money, 1.19 million of projected income from Telcom and we're meant to just accept that at face value because although we've been told to refer G.B.E. Budget and Programme Manager Economic Services, we haven't had that opportunity because we haven't been provided with the G.B.E. Budget. If we had the G.B.E. Budget we might see how much it is proposed to spend out of Telecom's monies on fitting out this building and on furnishing. We can see from the document that a large amount of the revenue funds money is also intended to be spent on that. I don't accept that Telecom needs additional space, but if it does need additional space there must surely be more efficient ways of achieving that than spending half a million on rent over the next ten years plus the cost of fitting out and furnishing the building. We have a fuel levy which was introduced some years ago in order to provide additional funding for the construction and upkeep of roads. We are now at the stage where the amount of money brought in from the fuel levy and the registration of motor vehicles may well exceed the amount that we are spending on roads. The fuel levy was not bought in, in order to replace the spending on roads that existed in earlier times it was bought in, in order to increase that spending. We introduced Years 11 and 12 some years ago. Those who were members at the time might recall that I wasn't in favour of it and those who were members at the time might recall that the parents said "look it's O.K. we'll pay 80% of the cost". I said at the time what are you going to do if those parents turn around and decide they don't want to pay. The Assembly didn't listen to those words of caution at the time. Years 11 and 12 were introduced, whoever had responsibility initially, didn't bother to send out the bills to the parents and when the bills were eventually sent out, many of the parents decided they didn't want to pay. Interesting it was parents who could not afford to pay who went and borrowed money and did pay. In many cases it was those who had no difficulty in paying who refused to. So the very basis of the introduction of Years 11 and 12 was fraud but to my knowledge there has been no review since Years 11 and 12 were introduced, as to whether they are proving to be

worthwhile. My understanding is that a growing number of parents are choosing to send their children to Australia or New Zealand to give them a broader exposure and provide them with a broader education and really it is time that we were prepared to look at the question of whether Years 11 and 12 should continue to be provided here or whether we should improve our scholarship programme and assist families who educate their children on the mainland for Years 11 and 12 if those children are academic. Sure, where we are looking at a child who wants to look at a trade type qualification there may be an affordable way for that to be provided with the local school but it seems that the school works on the basis of simply adding each year to what it cost last year without ever being prepared to undertake a zero based review. For years there's been the question of localising teacher's salaries. For years successive Assembly's have stayed away from the problem because of the combination of the New South Wales Teacher's Federation and the P & C has been too much to bear, but the fact is that by refusing to look at the localising of teacher's salaries, we are creating a situation where it is understandable that Members of the Public Service take a view that they should receive full New South Wales award pay just like the teachers do and just like the various Commonwealth employees on the Island do. The situation as I said Mr Deputy Speaker is pathetic, but fortunately the majority of Members are of the view that we should pass just this three months of budget and insist that things be properly look at during the intervening time with a view to passing a final budget in three months time. I will support that course but I do record my sadness at the situation which we find ourselves in

MR SMITH

Thank you Mr Deputy Speaker. Just a few words on what John has said. I've got to say at the outset that I probably regret saying to John last week I think we should have an early election, probably around August September however some of the things that John has said I just need to clarify and correct. John made a statement and he's got it written down so he might correct me if I'm wrong, I though John said that what the Minister for Finance had done was brought back a budget that was millions of dollars in excess of the revenue that we expected and he expected us to agree to that. The document that John is talking about is exactly what I mentioned in my introductory remarks, that what we had was the usual document that the Assembly gets which is called the Draft Revenue Fund Budget proposals for the year. Once the Finance Committee had looked at it, we came back with this document that as I said to you earlier, was \$2-3,000,000 more than what the expected revenue was, if John thought that I was intending to put that figure into the Supply Bill and try and get away with passing it with a \$2,000,000 deficit well I'm sorry John, that is not what I intended to do and if you got that message that that's what I was saying well that's not what we were talking about. I think it's important to say that I say every time, with whoever is running the budget, that the revenue that Norfolk Island receives is the revenue that Norfolk Island receives. Now over the years I can sit here and listen to some of the older Members who rant and rave occasionally over the years about the budgets but you look back at some of the ways that revenue has been raised. There's been some innovative things. FIL, that was an innovative one at the time but when it comes down to it, you have the main revenue earners which is customs duty, that's our biggest revenue earner. Then you have the two GBE's that give good dividends on a yearly basis. Those are things you can raise revenue on that everybody shares in, in paying. When you talk about raising extra revenue, you can do it in alot of ways. You can be innovative and you can be old fashioned. Be old fashioned and do like every other Assembly's had to do in the past. Put customs duty up. Put FIL up. Whatever you want to do. But I note today and I find it interesting, that two of the Members have said we are in dire straits. We're in real trouble here. What a load of rubbish. If what Member's are saying is that they want to spend more money, you do those same old things that Members have done before and let's not get away from that. That's how it's always been dealt with. We all say shock, horror, no! We've got to put customs duty up. It's happened in the past. Members sat around the table there and say, Oh,

customs duty has to go up by 1%. No No we can't do that. They do it anyway because that's the easiest way to raise an extra \$3-400,000, so when you say we're in trouble. If you think about this Members and people in the community who are also maybe saying, well perhaps these other fellows are right. From what I recall the Healthcare levy which was increased by us earlier this year, also increased by Mr Brown last year, is the only levy I can think of off the top of my head, as the only major tax that has been raised in five years. Mike King I don't believe increased anything in his last two years, I certainly haven't made any major changes in the last two budgets so if that is correct, if I'm right about that, except for the Healthcare Levy, people in the community haven't had an increase in major revenue raising taxes for quite some time. Now if you think about that in the last five years, we were going through a period that wasn't real good and Brian will remember that because remember him talking about that at the time when I raised similar issues, so Assembly's were reluctant to put an extra burden on the community but five years down the track, we've had two or three good years, or the community has, and in that time we haven't increased anything of significance except for the healthcare thing, but I'll get to that a little bit down the track. Now I for one, on the other side of the fence out of the Government, if the Government said to me George, you haven't had an increase in whatever, for five years, we are going to do something that should have been done five years ago and put everything on an RPI adjusted basis. Take electricity for example. Now Mr Brown probably won't like this idea. Electricity was last put up in 1989/90 by Lippy. John was on the Assembly. You remember? We put it up by four cents, from twenty-four cents to twenty-eight cents. We agreed to it even though we said shock horror, that's a lot of money. It hasn't gone up since. Electricity now is really behind the eight ball because no Assembly since then has tackled the problem, but your costs increase. What should have happened at that time was, for example, the cost of fuel. The cost of fuel fluctuates. Probably what should have happened after that four cent increase or the large increase to twenty-eight cents at the time, should have been put on an RPI basis with the fuel so when the cost of fuel goes up so does the cost of power. But what we've done effectively is absorbed things like that and that goes right across the Board. Now Brian's raised this in the last year or so with fees and charges and he's asked me to do something about that and we certainly have. We are following that up so you put things that have been sitting around. Some fees are a dollar. A dollar for a year or something like that. Now Brian was quite right. They hadn't been adjusted some of them since 1971 or 1981 or something but the idea was to get them to a point where you could put them on an RPI base basis so if costs go up, so do the fees and charges. But that hasn't happened and I'm really surprised that two members so far have said we're in dire straits, we are in a real bad situation. Where we'll get into a real bad situation is if what John said yesterday is true. John quoted some figures yesterday, not exact figures but about his view of how our tourism industry is going this year and John has some real bad news for us that we are going to see a large decline in our tourist numbers this year. That is where you worry. If John is right and he's in the business, he will know. He will have the indicators of how things are going. I don't have that access for that information. If John is right we do have a serious problem because it doesn't matter what you do. You can't put taxes up to cover the costs of things then. That's not going to help because if John is right that Norfolk is in for a real bad year tourism wise, we have to rethink even what we are doing here. That's that side of it, but if our tourist numbers do hold up which on the other hand Gary is saying they will, that takes one of the major worries away, but that then gets to what we are talking about here today and this is this budget. I have done my budgets. I do it on the basis which has happened before, that you get x amount of revenue and out of that revenue you share it around where it is needed to do whatever you need to do within the Public Service. In our first year, and we had an interim budget but we were able to after three months looking at the revenues at that time, we were able to put nearly \$1.4m into capital works, which we didn't actually spend, if Members will recall we used part of the money for other projects and things that were around at the

time but we had that much money to spare and there was excess money in the recurrent area to do a lot of things that hadn't been done before. Last year that was reduced down of course because of the increase in costs of running the service, down to capital expenditure I think John said this morning was \$750,000 which covered part of the Burnt Pine upgrade, the roading stuff that Mr Brown has been referring to, recurrent expenditure went up and salaries and wages moved a little as Mr Nobbs pointed out somewhere along the line this morning and this year, this year with what we have in front of us here we have a document that was given to us yesterday called the Third Draft Revenue Fund Budget Proposal which still has all salaries and wages, plenty of recurrent funding and it still has three quarters of a million, I think it is, in capital expenditure. Shock horror. What's the problem. Well I'll tell you what the problem is. It's that the Public Service has the ability to go to the Remuneration Tribunal. They feel that they need to have their wages adjusted in line with the RPI or whatever indicators it is that they use, that's not included in this. I had felt that we could fit in a wage adjustment in this year's budget, the way things were going and Mr Brown has said that we'd made promises to the PSA, that we're going to give them a pay rise. Mr Brown is absolutely right. We don't give the Public Service a pay rise. We give them money for a pay rise but the Remuneration Tribunal is the one that decides that. That was taken out of the Government's hands quite some years ago so if the public service wants to have an adjustment in their wages they put in a claim to the Tribunal and so does the Government and that's how it works. But this year because of what I thought the Government, certainly the Government I don't know about the Assembly, the Government's wish was to work through our term in a consultative way and even though Mr Brown may not agree with me I think it's worked to a large degree not only round the table with the membership of the Assembly by giving members the opportunity to talk about things but also things that I deal with, the other Ministers deal with, we try and work it in a consultative way and it works. There is no doubt about it. The Island is only a small Island there is not many of us here and if we can do that and get on with our jobs well there is something wrong. And that applies with to the PSA wages claim. I knew that it was around. I talked to the President of the PSA and he asked if we can talk about it, I said of course you can. They came and approached us and we discussed it. We said we haven't got any money but let's talk about it and see what we can come up with. When it goes to the Tribunal we've got something that the Tribunal can say well that sounds fair enough for both sides. We went through that process. Gary's been very instrumental in doing that and has done a lot of good work in putting things together, but I just needed to correct what Mr Brown said. We didn't offer the Public Service a wage increase. We've offered a proposal of money if they get that particular amount because the Tribunal in the end is what decides what they get. Mr Brown keeps raising an old issue which started with the 'John Howard' situation and John's going to remember that one for years because he's got it wrong and when you , it just won't go out of his mind and when he says every now and then is that the day that I was leaving for Tamworth I said to Gary Robertson, Gary I don't want to make this decision on these consultancies, you sort it out. Gary will probably have a better recollection of what was said at the time because you weren't there, Gary was. At that very time we were looking at three maybe four consultancies to look at strategic planning and the restructuring things that was expected to be done at that time. We had three proposals in front of us, we got the last one on the day before I left. You John favoured a particular one which is incidentally the one we ended up with anyway, but I felt we should look into it make sure we were getting the right people for the job. I'm not criticising what happened after that. Members have their own views about how good or not the consultancy was in the end, but what I did say to Gary was, I can not do it now because we're leaving and Gary might remember the exact words that I said but little did I know Mr Brown was the very next day when we were in Tamworth we found out that John Howard had been appointed. Now that's never really come out publicly I suppose, next day, day after, I hadn't even been asked until somebody rang me from here, in Tamworth, I was on stage and somebody passed

a phone to me and said did you know that John Howard and Associates have been appointed. Now come on lets be fair about this. I wasn't even consulted about that one. It wasn't you that rang me John, so if we're going to bring back this old stuff, lets be honest about it and that's how that consultancy got appointed.

**MR BROWN** If the Chief Minister was inferring that I was something less than honest I ask that that be withdrawn.

**DEPUTY SPEAKER** I didn't interpret that but if that were the case I would ask that you withdraw that

**MR SMITH** Mr Deputy Speaker if I've mentioned a word that has offended Mr Brown I certainly wouldn't want to question John's honesty. I withdraw that. Then we get to the Grants Commission's Report. Mr Brown made a statement that it said, Norfolk's in alot of trouble. Well I don't know how many times I've read that. Probably more times than Mr Brown, but I don't see where it says we're in alot of trouble. What the Grants Commission did was come over here and do an assessment on the invitation of the previous Government in consultation with the Commonwealth Government to assess Norfolk's capacity to look after further transfer of powers and the ability to run Norfolk Island well into the future. The Grant's Commission came over here. A very good Committee, very nice people, very helpful. Sat around the table and listened to all our stories and what they did say was that they said you have the capacity to raise alot more revenue. I can't remember the exact percentages. Geoff's probably got it there in front of him. I think they said we only raise about 40% of what we really could if we really wanted to. Of course they are referring to things like income tax. If we really wanted to apply income tax and things like that which is something that the Assembly has always avoided, but I don't recall, and I stand corrected once again, them saying Norfolk Island you're in real trouble, so I just need to clarify that one too. Now accrual accounting. I don't think Mr Brown's been listening. Accrual Accounting was one of the things that was suggested in the Grants Commission Report that Norfolk Island should go to. It was also mentioned in the Howard Report. It was also mentioned in a Press Release from the Federal Minister Alex Somlyay saying that we should do it, so we've put that in place. Now Mr Brown may have missed a meeting or two where we said the process would commence at the beginning of the financial year July 1999 to 2000 and Mr Brown has probably had alot to do with accounting, particularly around Norfolk Island and other places too, and he would know that if you are going to set up an accounting process that you can't just say right, we'll start it tomorrow. You have to start during a period and that's what was recommended to us by our external auditor and that is the process we are going through so the Accrual Accounting will actually start in July but that's the setting up of the Accrual Accounting and it will take place in the year 2000 which is what we had agreed to. Travel and overtime. One of the great things, if you want to give everybody something to gripe about is travel if you're in the government. I remember going through this with Mr Brown and I think it was Bill Sanders here at the time in the Fifth Assembly, because if you pick on travel everybody looks at travel as a real - aah they're getting junkets, and it was made a real issue and it was okay because I got chucked out in the end probably because of it, but I think anybody who is in the Assembly or in the Government should understand that travel is an important part of what you do. Now if you want to stir the community up you say things like that. Aah, the Ministers are travelling far too much or the people in the Service are travelling too far, but it's a political thing. There's nothing like having a face to face meeting and those of you who have been Ministers will know. There are times when you have to speak face to face with the Commonwealth Government, or associated things with that. With some of our major entities like we deal with Telstra, I think that's one of the things that John was



mentioning before, where we've had to negotiate with Telstra on certain things and often it's worth spending that \$1500 to help map out the future. I won't say much more about that because Brian's got a motion coming up about that too but it's a political thing. John knows it. I know it. If you criticize travel it gets everybody off side but that's okay. Members are allowed to have their view. GBE Budgets. That's another thing that John said. This paper we have in front of us refers to GBE budgets. It does. I have a draft set of GBE budget. If Members will recall and those of you who have been around in Assembly's before, you never actually got to see the GBE budgets at all. They were tabled but in my time I've encouraged people to have a look at the GBE budgets and give us your comments. In fact, last year I think there was a motion when I did table them that they had to go back to the Members to have a look at, which was fine except we spent more money in the end. But we haven't got those yet. We haven't got the final copies of them to you but that's normal. That's normal that you don't get those. We've tried to get the revenue fund proposals in early which has probably caused a bit of this problem actually is bringing it forward a month and I suppose I regret that in a way but with the GBE's we are still working with the GBE's. It's an ongoing process with Accrual Accounting systems that the GBE's use. John is right about the fuel levy. There are a certain amount of funds that have to go towards roads and I think most Assembly's are very careful to make sure that roads do get the amount of money that the fuel levy brings in and it's no different this year. Even when things are tight, if we make it a tight budget roads still gets the amount of allocation and that's criticised too sometimes. There's a view around that we shouldn't be doing anything with the reconstruction of roads for two or three years and do them all properly which could have happened years ago so that just needs to be said. We are bound to do that with the fuel levy, you have to put x amount of dollars towards roads. Mr Brown's made a bit of noise about the Years 11 and 12. The story he told from what I recall was quite correct. If we are looking at budgeting with what Brian has said and what John has said there's a bit of competition there or opposition to what each is talking about. One is talking about cutting funds and the other one is talking about increasing our revenue. What John is talking about is one of John's favorite's from a while back, that we do away with Years 11 and 12 if we can't afford it and maybe there is something in that, but I think on the other hand what Brian is saying is that if we are going to have Years 11 and 12 we should find more money in the budget to fund things such as that. If we look at Education in general, John's made much of the strategic planning process and the Howard Report I guess as it relates to strategic planning. Mr Brown is right Mr Deputy Speaker, I made a big thing about planning in the last Assembly and at the election of this one. I'm still very very strong on planning initiatives. What has happened in our early stages is that my planning wasn't acceptable because what I was talking about in the first instance was a five year plan. A corporate plan so that the Island knows what we are doing and where we are going and that relates to how you do your budget, however, we've ended up with a strategic plan that was done by John Howard and Associates a year ago. I think we actually adopted it about October or November, but I have a copy of it here too Mr Brown and I'll quote you. The top twelve projects in Strategic Planning. Do you know what No 1 is. The achievement of Self Government. That's what we've been working on as our top priority, the Members around here who are involved and interested in it. We were already working on that accordingly to the Strategic Plan and then if you look down the second, third, fourth, priorities it's looking at the Public Service. I object to being criticised, in not having any planning in relation to that because God knows we've had the Public Service working with us to do one thing that relates to all of those and it's resulted in a draft Bill that's going to be before us today, on the Public Service. We are already well into the planning stages Mr Brown. The next one down is implementation of the tourism strategy and I'm sure Gary's got that under control. The next one after that is Land Management; Development of Agriculture; Develop and Integrate a Ten Year Plan for Infrastructure. Okay. One of Howard's recommendations before the development of the Strategic Plan was that we have seven managers.

One of those was going to be an Infrastructure Manager. That's part of this thing that I'm doing today. How can anybody say that we are not doing any strategic planning when it's all inter related because that's what that part of that Bill is about. In setting up a Management Structure we can do these things like develop ten year plans for infrastructures. Instruction of Port Facilities. I don't know how realistic that one's going to be unless Gary's going to do something with some of the rock that going to come out of the Cascade Cliff. Review of Education and Vocational Training. Quite a way down the list but we're already working on that. It's already in the budget. There's some of us who do recognise the real needs of education on Norfolk Island. For too many years the school was something that you poured money into and it acts as a baby-sitting service and as soon as they reach 15 you send them off to somebody else, but we've recognised that that's not what it's about. That's not what education's about. If you want to have proper education for your people you put some interest in to start with. Once you do that you lead them into wanting to be future citizens in your own community. When we stopped at year 10 you didn't give them that complete ability. Some could go away and continue their education. A lot couldn't and we all know that that happened. I was around when years 11 and 12 was put in. I fully supported the idea because it gives those people who are coming up through the education system, that ability to have the choice of being educated further or not and there's a lot of kids who have come through the school, through years 11 and 12 who have done that. Not everybody would say that every child has come out of that really well, but there's certainly a heck of a lot that have. But the next part of that refers once again to the Grants Commission's Report and that's vocational training. A real important part of education on Norfolk Island and not only for education but for the community itself. If you abandon the investment that you have in your kids through the school, at the end of year 10 or year 11 you've wasted our money. For what we see, those of us who are in favour of this type of thing, if you take it further you don't only give them the opportunity to go to university, you give them the opportunity to have a job, a career and the skills to have it by the time they come out of school. To me, that is really important. It was important to the Grants Commission and it should be important to every Member of the Assembly so any talk of doing away with years 11 and 12 to save \$80-90,000 would be quite irresponsible. Localising teachers salaries. One of John's favorites. I think he first started about 1983 I remember a statement being in the paper. There was an election shortly after that and I think whoever it was who proposed it, got kicked out. I'm not going to take that risk. I don't know if John would give me the opportunity to quote some of the things from a letter that Mr Brown had written to me the other day. He has written it as an Assembly Member so I suppose he won't mind. It refers to some of the things that John's talking about. I won't read all of the letter out but there's some initiatives that John has suggested. Mr Brown if I can look to you to nod or shake your head. Would you mind if I use this. Okay. Because I think it's important that some of these things are pointed out. John has suggested some things. One is the Public Service Wage Claims. To cease overtime in the Public Service is absolutely essential. To cease overseas travel by the Public Service for Members of the Legislative Assembly except where essential. Reconsider the At Random proposal. Seriously consider leasing out the Liquor Bond Store. Seriously consider increasing the fuel levy subject to the increase being spent on road works. Get serious about the Strategic Review and the Strategic Planning process. Confront the real issues in relation to Public Sector Reform which maximise efficiency, minimise costs and provide accountability. To consider whether the Administration should continue to be involved in all of its areas of business for example, should the Administration continue to be involved in the work which is carried out by the Curator of Deceased Persons Estate. Seriously consider the contracting of a number of the Administration Services, for example Roads, Tanalith Plant and aspects of Forestry. To seriously consider localising teachers salaries, to analyse Years 11 and 12, what we've just talked about, and to seriously consider withdrawing them. To review the GST proposal at a sufficient level to immediately remove the FIL and gain a further \$2,000,000

per year. To review the burden of taxation across various components of the tourist industry and to level the playing field by ensuring that all participants work to the same standards and that all participants pay appropriate taxes and to ensure that when future projects such as the Cascade Cliff project are planned, the percentage of local content is maximised. There's some interesting things in there John and I appreciate your writing to me about those but it seems to me in contradiction of the things that Brian's talking about. On one hand I think what you're really saying is that we should be looking at saving money where Brian on the other hand is saying we've got to provide things so we should be increasing our taxes. Now that gives me a bit of a dilemma because you support a three month budget because you want to save and Brian's saying three months because we've got to raise some more money. Now if you take a point in between both of those you'll have what I've got here. Maybe I'm a bit mean with the money at times but I think that's really really important because it's not our money. It belongs to the public and when it comes to spending that money I take the view that provided there's a realistic amount of money in the budget so the Public Service first of all can function, that's by paying the people there and I have no regrets in doing that. The second thing is the recurrent stuff and there's all sorts of things that fall into that but it's basically the running costs of the Administration. Every budget we ever see has things in there that request extra funding for different things and it's up to the Government or the Assembly to decide whether they pay for them or not and every year there's more things requested than what is expected and this year's no exception to that so what my view about this budget was, let's give the Public Service the money it needs to run. It runs everything. It runs the school, and pays for the hospital subsidies, the healthcare subsidies. Everything else. And based on this years finances it's running pretty close to that. I'm not too sure how a large business runs because I've never been involved in a large business but I expect that when they do their budgets, if their budget was similar to this that when they come up to their budget time, they don't say, well we can do with an extra \$2,000,000 this year so we'll just make it \$2,000,000 more. Or do they expect their revenue - they hope it's certainly going to be the same as it is in their current year but they would be looking at other avenues to get more revenue to encourage it, develop it. Whatever it needs to be. On the other hand they would be looking at their expenses I would expect that any big company would be doing that and saying no no, we are not going to spend that money this year, until we get some more we're going to live within our means, and that's what I'm talking about here today Mr Deputy Speaker. Living within our means without being too frugal and without putting too much of a burden on the community in extra taxes where we don't need to. But where we can, and I refer to it again and Mr Gardner might have some words to say about it to, it the Gaming. Two years ago we met up with some people who were interested in setting up Internet Gaming here and I've found out from John since that they've been around a bit longer than that as well. Two years later, that's coming close to fruition in one way or another from what the Minister tells us, not that far off. Maybe it'll work. Maybe it'll bring the answer to our prayers for extra funds. Maybe it won't. Maybe we'll put it in and it'll cost us money. I've said before and I'll say it again. I've been working on the assumption, on the recommendation really of the Government that we should be looking at these sorts of fundraising things such as the Gaming and the Offshore Finance Centre stuff which as Gary said this morning is not quite as close as we thought, so that one's out the window for the moment. So if some Gaming proposals get up and we start making some money it will probably be a bonus. But if they don't what are the other options. Brian had a proposal for a GST. He's always wanted to do a GST. I can't say for always but Brian's been in the Assembly for a long long time and he knows all the tricks of what to do with revenue. How you can get extra revenue. The best one that Brian has come up with is the GST proposal. I didn't get involved in that because it was a motion to the House that Brian was dealing with. I thought it was a reasonably good idea. That's the way other Islands and other countries go so - but next thing it's gone. It was given to me. That's okay. I don't mind. I talked about it last week with the

Executives and I think it's the way that we need to go but I don't think what Brian was talking about is going to be enough. I agree with what John Brown says in his letter here. I think it should be something like 10%. If you made it 10% we would know we'd be able to remove certain of our taxes, so that's one that may get a tick but we've got to find out more about that and maybe in the end you don't introduce it, so what do you do then. Gaming got the flick so we didn't do that. GST got the flick. We're getting back down to the price of a can of beer. The fuel levy goes up. That sort of thing. But there's other good things around and I'm not going to talk about any of them now because there's plenty of time to do that. This thing's sitting on the table for a month. I'm not going to say that I was disappointed that we're talking about a three month budget. If that's what Members want to do but I think it's important for us to really be honest about what we are doing. I watch the budget all the time ...

MR BATES Point of Order Mr Deputy Speaker. If the Chief Minister is insinuating that other Members around this table are not being honest about this budget and what they have to say about it then I think he should withdraw those comments

DEPUTY SPEAKER I didn't interpret that Mr Bates

MR BATES Well he said you've got to be honest about it...

MR SMITH Mr Deputy Speaker if I could continue. I wasn't referring to Members being dishonest about that but what I'm talking about is what we've got to be honest about is dealing with the budget from here on in. That's what I was getting to. If what we're doing here means that we go away and we find other revenue streams or come back and say well it's going to cost you 12% customs duty that's easy. We can do that. If it's something like GST it's going to take a little longer and it won't be done in three months, I can tell you that. It's taken you four years Brian, but at the same time, I expect Members will do like Geoff said yesterday, get behind closed doors for a week with these things and go through it. With all the Papers because the last time I got criticised for not copying Members. There's a document that comes out called Budget Submissions from the Public Service. I remember a couple of Members in the House saying no, we never got the budget submissions. But I had made that opportunity available last year. I had written to every Member and said, budget submissions are there if you want them and all the information you want. Not one person picked them up Mr Deputy Speaker and that's okay because I didn't expect anybody to. The same with this paper here. We used to go through this forty page document line by line and come up with a result that wasn't really helpful in the end anyway so the trend in later years has been that alot of the groundwork is done within the service, which is where most of it counts, and that's given to us in a form similar to what we've got here as Third Draft Discussion Paper. Then you have a revised budget which is the current financial year listed, you have the proposed budget for the next year listed and then you have what is called second priority, so if the Government says, well we don't think we should spend that much money on the Assembly this year, we put that into second priority and at budget review time we look at those and if we've got funds, we can bring them back in. It would be really good to see if Members want to, go through all the submissions this year, go through all the budget proposals, go through those revenue streams because that's what we used to do. It's no different. But no matter what is said around here today, whatever happens, I'm quite happy to run with this two and a half million dollar three month thing but it's just that we've got an Island to run. I've wasted time here today as probably others will after I'm finished. We've got work to do. We shouldn't be worrying about some of the petty things that we do do, as Assembly's, and we have all done that. Let's just

get on with the job. We'll wait for this money and pass it in the next month and then go through a process from there. I'm quite happy with that, thank you Mr Deputy Speaker

**DEPUTY SPEAKER** The matter before us Honourable Members is the Appropriation Bill 1999 and the question is that the bill be agreed to in principle. Is there further debate on that matter

**MR GARDNER** Thank you Mr Deputy Speaker. I've taken on board a lot of what's been said this morning. There are a number of issues that Brian's raised that I'm in agreement with and John's raised some issues and I agree with those. Ron's raised some issues. I'm not saying I agree with all of their ideas as I'm sure they won't agree with everything that I'm about to say. Some of it they heard yesterday as George has referred to. Really when we look at the budget, and it's a problem that I've had before. I'm fortunate in that in this Assembly I've seen it from both sides. A bit like John Brown now has. We've both been or are on the backbench or have been or are Ministers in this Assembly and just to see how the system works, but one thing I've always been critical of sitting in the Assembly especially in my days on the backbench was always this desire of the executives to sit down and toss into the pool their ideas and their bids for what they required from the budget and without a great deal of involvement from the backbenchers and that frankly is quite annoying because it's very difficult to come into this House and sit down around this table and discuss budget issues when you are not fully aware of all the why's and wherefore's and no-how and input that's gone into preparing the budget document. In 1997 when we were first elected, I went along to George, when we were in the same situation, we had agreed that we would vote supply for three months for slightly different reasons we were looking at strategic reviews and bits and pieces but I went along to George in those early days and I said it makes no sense to me that this whole preparation of this budget document is kept behind closed doors so to speak from all the membership until suddenly we are dumped with a document in front of us when it comes to the June sitting and we start to debate the budget and that I firmly believe that nine elected representatives of this community that all nine people should have an equal input into the formulation of the budget and if that required us going behind locked doors for seven days well so be it and nobody allowed to leave until we had come up with a properly formulated budget and in that process bring in your Programme Managers and bring in all the other people within the service. Those people from the Hospital, the Tourist Bureau, from everywhere else that has any sort of impact whether it's from a revenue side or an expenditure side on the budget, bring them in, listen to them, listen to what they've got to say and basically that would give us a fair indication at the end of the day of what we can expect from revenue and what is necessary as far as the expenditure side of things is concerned. Now I know if I were in the same position as a Programme Manager or a Manager within the Service I too would like a new vehicle, I too would like to upgrade my computers, I too would like to have all these wonderful things and I'd probably make a bid for them because it is nice to have everything looking spic and span in the office or in your place of work. The job then for the Members of the Assembly is to sit down and have a look at those bids and to see whether they are absolutely necessary and the benefits that they may have on either revenue or expenditure as to whether we really do need it or whether it's sitting on the periphery of what we are trying to achieve. Do we really need it. And at the end of those seven days we would come out with a document and say, a bit like today, yes we've got \$10m coming in in revenue yes we've got an expected expenditure of maybe \$12m and if that's the case, and I tend to think that the way the budget is being balanced that we are in some ways cutting off our nose to spite our face and that we are not making adequate provision for the future. The things that need to be done now so that we get a dividend back in a couple of years time, three years time, five years time. So what we do is we go away and we've got this document telling us that we've got \$10m

but in actual fact we need \$12m or \$12.5m or \$13m. Well you have a number of options. You can treat it like you would your household budget. You know what your income is going to be for the next twelve months and you have some plans. You may need to replace the car because you know it's not going to get registered. You may need to send your kids away to University so you try your best to make provision for those and you sit down and you look very long and hard at it and you say I have a number of options. I can go to the bank and I can loan some money to enable me to do that to replace my car and provide education for my kids and go on that long awaited world trip that you promised yourselves for the last ten, twenty or thirty years. You can do that. You can go and have a look at loans. The other thing that you can look at to fund it is to increase the revenue that's coming into your household. Okay we could very nicely ask our wives if they would mind working a couple of extra hours or we could think long and hard about it and say no, I would very much like my wife to be at home when the kids get home from school so maybe I need to look at going out and finding an extra source of revenue. Maybe I need to upgrade my job. Maybe I need to go out and look for a second part time job. Those are realistic alternatives and those are the options that we have. At the end of the day if those don't bear fruit well we're in real strife. The kids don't go away to school overseas, I don't go on my long awaited overseas holiday, I don't get to upgrade my car, I revert to my bicycle. Overall that is something that we can address in our household. It's something that we can address in government. Much has been made this morning of this Grant's Commission Report. John first mentioned it, I spent a bit of time reading it. I do. It's got no dust on it. I would like to point that out to Members, there's no dust sitting on my copy because I firmly believe that there is a helluva lot of information in that Grant's Commission Report that we cannot afford to ignore and when we talk about John Howard's Strategic Review and I admit, in my first year in the Assembly it was difficult to understand the workings of Government. How things went. It was a magic idea getting this consultant in to solve all the problems of the world but on reflection and after having been here for the best part of two years now, just over two years and having spent alot of time burrowing through the Grant's Commission Report I can see that within the wording of this and reading between the lines, that Strategic Plan is sitting right there in that document, if you would care to read it and to pick the eyes out of this document is not going to achieve what I believe to be the Strategic Planning process that we are after. This I believe is a fairly complete and thorough review and look at the Norfolk Island capacity to be able to continue the way we have in the past and how to improve to provide the infrastructure to make allowances for increased responsibilities through the process of internal self government. But the current budget process that we've got at the moment I don't believe that that is going to be a reality. I do not believe that we can afford it and I think Brian's mentioned this in the past. However, this document, this Grant's Commission document does give us some options. For example, much has been made about the Grant's Commission Report saying, yes we can raise many many millions of dollars more from out of this community from our economy by applying things like personal income tax, land rates, thing like that. I guess putting in place the whole gambit of taxes that are levied in Australia and elsewhere in the world. I'm not proposing to do that but it's very interesting to see that from the Grant's Commission Report our total revenue collections per capita for taxes raised on Norfolk Island is approximately \$6m and this is in 1995/96 figures. If we were to impose all of the mainland tax structure on Norfolk Island and adopt them here that figure would increase from \$6m to somewhere in the region and I use the minimum value of \$16m. It was also at that time suggested that possibly \$19.3m sitting out there that is untaxed. Now I'm not advocating that yes we do just adopt holas bolas all of those taxes. There is no need for that. We don't need an extra \$19m as of today. What I'm trying to say is that you can only cut your budget so far and I would think that for the last three or five years at least, if Assembly after Assembly had taken a knife to the budget and they've cut out things, they've cut off their nose to spite their face rather than making true allowance for it and biting the bullet and at the

end of the day saying we have to raise more revenue. But nine times out of ten that hasn't happened. Mr Deputy Speaker the options before us is to take some note of the Grant's Commission Report. Have a long hard look at it. Okay we don't need \$19m extra. We might only need \$2m so let's have a look at the options and the views expressed in that report. The options are there. We can go back and have a look at GST. Brian's proposal. In actual fact, the last motion of this House dealing with the GST requested the Minister for Finance to refer the GST question to the Finance Review Committee. I sit on that Finance Review Committee. As yet we haven't received that referral from the Chief Minister for a number of reasons and I don't believe intentional reasons not to submit it but there have been a number of reasons why we haven't seen it yet and the main part of that is that the Finance Review Committee have been asked to have a look through the budget and check the budget out, almost as though the Finance Review Committee has been given the authority to formulate the budget. Now I don't agree that that's the right process for the Finance Review Committee to be undertaking. The Finance Review Committee can take the GST and make recommendations back to the Assembly or back to the Minister for Finance as to how we can advance the GST side of things. Not formulating the budget. The other role of the Finance Review Committee is for example, a piece of legislation that comes into the House needs to be referred firstly to the Finance Review Committee or a motion that's been referred the House needs to be referred to the finance Review Committee to have a look at it to see what the cost implications of that are and what the benefits are at the end of the day and to make a recommendation accordingly, not to formulate a budget. At the moment Mr Deputy Speaker we have a balanced budget before us and we've been asked to approve three months supply. In my mind when you have a look at the balanced budget we're probably under funding the needs of this Island this year by \$2-3m. I firmly believe that and it is about time that we look at the revenue raising side of things and I'm in full agreement with Brian on that one. Whether we take the Grant's Commission Report, whether we take GST, a part of those options has already been addressed and that's with the Review of the Fees and Charges. Whether we adopt some of the bright ideas raised in Agnes Hain's sterling effort in trying to get people to contribute more ideas on how we can overcome some of these problems. Well again, that can possibly be addressed and a couple of issues have already been taken on prior to Agnes Hain's initiative and that is in the area of gaming, and I do not believe we can hang our hats on that and fall into the same hole that States and Territories of Australia have where they are heavily reliant on Gaming taxes and revenues to supply their recurrent expenditure. And that's the same with the Offshore Finance thing. That was also another idea and something else that's been dealt with by this Government but we can't hang our hats on those things. They are not certainties. Grant's Commission Report offers some options. They are certainties. GST needs a bit more work on it but I think that that can probably be modeled specifically for Norfolk Island and do away with some of these taxes that we have that don't encourage people to reinvest in the community. There is also the option of the users pays system and partly with the GST that's addressed. You buy something you pay a tax. The bigger and better you buy the more you contribute. It's a fairly fair way of doing things and I've suggested simply because I haven't seen too many other suggestions for user pays system. Now when it comes to Broadcasting let's look at broadcasting. We all get broadcast TV at no cost. There is an option to look at a licencing regime for radio and TV broadcasting to assist our broadcasting. To upgrade, update, provide them with that extra financing capabilities that they need to improve that service, so what we're talking about with the budget is trying to maintain what we've got but improve it and move ahead into the future. Maybe we can look at a fire service levy. For example, I think most people who are listening today would have an insurance policy for their home. Home and contents. They will notice that on their premium renewal notice that they receive that at the bottom of the page, I know certainly that that's the case with mine, that there is a fire service levy that is normally charged. It's dropped off for Norfolk Island. I think on the

mainland it's around about \$50 per household. That's dropped off from ours. We don't pay it. But there is an option that maybe in conjunction with the insurers on the Island that that could be reinstated, collected by the insurers and passed onto the Island to help fund the fire service on the Island. I've also put up a proposal that maybe there should be a Fire Service Levy applied to all incoming aircraft. So that we can justify retaining the services of the Fire Service and the cost I think around about quarter of a million dollars per year so that we can justify it rather than just picking up the \$10,000 that's paid by Air New Zealand for the privilege of that fire service. Improving the confidence of the tourists as they come here to the Island in such a remote place that they are clear in their own minds that waiting for them at the end of the day if something were to go amiss or go wrong that we do have a fire service there that will look after their best interest. And yes, I agree that some of these suggestions are not palatable but they are things that I've thrown up regularly over the last few weeks to try and get people thinking, to try and get them to put their minds to the revenue raising side of things because I firmly believe that we can't continue with our limited revenue coming in and our costs and expenses increasing out of sight with every year. I think I've probably spent enough time on that Mr Deputy speaker. I probably need to turn now to a couple of areas that are close to my heart and I did mention earlier this morning and that's in relation to the Hospital and Healthcare Budget and Social Services. It's proposed Mr Deputy Speaker in the annual budget document that we have all been copied with, of providing a subsidy to the Hospital this year roughly equivalent to what it was last year. Mr Deputy Speaker, there is provision within that Hospital budget this year for a geriatric nurse recognising the need to improve aged care services on the Island and I think that would be welcomed by the community. As far as the capital expenditure at the Hospital goes this year Mr Deputy Speaker I have had discussions with both Drs McKinnon and Ayton and the Director of the Norfolk Island Hospital and Members of the Board and the need to prioritise their new capital items under that expenditure bid that they had. I've been up and I've inspected it myself. There is provision this year in that new prioritised list for new ultrasound equipment which should see a reduction in the number of offshore referrals required for ultrasounds during pregnancy and also the benefit of an increased level of operative procedures especially in the orthopaedic field. For example in the areas of knee and shoulder injuries that are often referred offshore. There is also provision in that Mr Deputy Speaker for an ultrasonic cleaner, imperative in this day and age to assist in infection control in all hospitals. Within that bid which has been prioritised now, is also a new dental chair unit and I guess when you think about a dental chair unit and think, well what's wrong with the old chair up there? And that's exactly the question I asked when I saw the bid so I went along and thanked Dr Colin White very much for his time and patience with me explaining the difficulties that arise with the current dental chair that we have. It's aging. It's probably the best of 25 to 30 years old. Standards have changed in that time and when you're sitting in a chair like that, and it's not until Dr Colin White explains that sort of thing to you that you really do have an understanding of the problems that he sees and the type of infection control problems that arise by him working in your mouth with his gloved hand and having to alter the shape or height or whatever of the seat that he actually has to reach down and touch the exposed buttons that's got nasty little crevasses in them where nasty little bugs can hide, especially in this day of HIV and Hepatitis B and C. Those things are real problems and for him to be touching those exposed buttons and then going back to work in your mouth causes a little bit of concern and I understand his concern and sympathise with his concern. Newer chairs that don't have problems with their hydraulic systems as this one does. Don't have those exposed buttons that the dentist has to keep reaching for. It has foot controls and everything is foot operated so no longer does he have to remove his surgically gloved hands from your mouth and apply it to buttons that may be harbouring and infection. It's all done from floor control and I think it's a very very important part of improving the health services at our hospital as addressing one of the major problems and that is infection control. Just stepping aside a little bit from the



Hospital budget at the moment Mr Deputy Speaker, I've had in recent weeks discussions with Brian well actually in the last few months, with Brian in regard to trying to identify core operating costs of the Hospital and since Mr John Christian has been appointed Director of the Hospital both Brian and John have met with myself to try and pursue identifying those core costs for the hospital in an effort to identify the true costs of services and the setting of future government subsidy. That process is in train and I'll probably explain at a later time exactly the benefits that will be associated from a study like that. Turning to Healthcare Mr Deputy Speaker it's expected that the \$100,000 sought is a subsidy to the Healthcare Scheme this year coupled with the recent increase in the levy, will cover the operation of the scheme. Unfortunately though, unexpected costs to the scheme do arise from time to time that make it impossible to accurately budget for the necessary level of subsidy. In line with that I've undertaken to review this scheme and its operation and as part of that review to assess possible options which include the Medicare option tying benefits paid under the Scheme to the Medicare schedule, exploring the inclusion of evacuation insurance with a tightening of benefits, in other words returning to a truly catastrophic event scheme. A move away from the comprehensive type scheme we have now. These are only options and a number of other proposals will be points of discussion with Mr Russell McGuire when he visits the Island in July of this year. Coupled with some of those initiatives maybe a reduction in claims, maybe a reduction in personal expenses and loss associated with initiatives in the capital expenditure and Hospital budget, in other words the ultrasound equipment and I've asked for a paper to be developed in that area to see what sort of impact it may have on the number of referrals offshore, the number of procedures that may be able to be carried out here at the hospital and therefore reducing the burden on people when they are forced to have to go off shore. Their loss of income from not being in attendance at their job, the extra cost of airfares, the accommodation at the other end. A whole host of things in an attempt to try and make our Healthcare Scheme more palatable for everybody who lives on this Island. More affordable for everybody who lives on this Island and less inconvenient for the people who live on this Island. I think that's probably me for the moment Mr Deputy Speaker other than saying that to hang our hat on this possible \$10m or so of revenue which seems to have been sitting at the same level for the last three or four years and not take into account that in the area of medicine medical costs are increasing and increasing rapidly and will have an impact on the budget this year and next year and the following year. We can't get away from that. Social Services provision under the budget will need to increase this year, next year and the following year due to our aging population. Those costs are increasing, our revenue is not so we are going to get to that point very very shortly and it may be this year, that we are just not going to be able to afford to make provision for all of those, what I class at, essential services on the Island. We will have no choice but to address the revenue side of things. Thank you Mr Deputy Speaker

MR BATES

Thank you Mr Deputy Speaker I think it's difficult to know where to start and how to cover a lot of the points that have been raised especially by a Minister for Finance but I think maybe it's not appropriate to endeavour to cover them. I think to summarise it a little bit, our Minister for Finance is saying that everything's fine, what's the worry. I think he's saying Brian wants to put more taxes into the bin and that he and John want to cut expenditure therefore they don't know. They're at odds. Well it's pretty refreshing to at least hear one of our Ministers say that he also perceives a problem and I think that's exactly what a number of us are saying, we perceive a problem, whereas our Minister for Finance says everything's fine, you just spend what you get and where's the problem I think he said. A lot of the things that I've been saying I haven't wanted to say but I've been trying to get our Minister for Finance's head out of the sand but I think I could talk for the rest of the day on the finances and I think that head would still be down there in the sand saying what's the problem, we don't have a problem we just spend what

we get. Unfortunately, what may have worked twenty years ago, is fairly obviously not working today and why isn't it working today? We're locked into a number of expenses of which we have very little control. We have rising welfare costs, we've taken on additional education costs and those costs are driven by mainland standards and rules for wages. For internal self government we take on additional costs. We're in the process of waiting to put on three or four more high flying managers in the Public Service. We want to put on a Cultural Officer, we've just put on an Agricultural Officer and they're coupled with a number of things. The rising cost of health, welfare, education. Mostly they're out of our hands and then we have the additional costs of things that we perceive unless we're there. And we're still trying to do all these things out of the same basket of money or a similar basket of money. The basket of money that hasn't changed it's format in any great way other than a few little bits and pieces but it hasn't really changed it's format in something like thirty odd years at least. Or at least in the last twenty years since 1979. They've been some subtle changes but that's all. I think, not just Mr Brown and myself, I think Mr Gardner is also saying that we just want to see something happen. We want to see something of this. I think the Chief Minister said there are other ways to get money if we need it but I don't think he's got any intentions of really looking at them and so I've certainly got no problem with cutting expenses. No problem at all, and I've got no great desire to raise taxes but I do have a great desire to face up to reality and not neglect my responsibilities and that's what I am concerned about. I'm concerned at what I consider is neglect. If I'm wrong and if the Chief Minister is right and therefore everything is fine and we don't need to worry any more we just spend what we get, and that's beaut. We've done our job well and we'll probably get re-elected because we haven't raised any taxes. If he's right I'd be very interested to hear because I've put alot of emphasis on the role of the Government. You have your executive member's in there and I believe there's certainly a role to play with the backbenchers to, what do they say, keep them honest. We've got a role to play to keep the pressure on them but if all those minister's say we're happy with the amount of money that's allocated in our portfolio's, we can do a real good job as a Minister for the next twelve months. We've got enough money to carry on in our portfolios, then I'll say, all right Batesy, you're wrong. What the hell are you worried about, the Minister's are happy, they've got all the funds they need. The Chief Minister has said to the community that our finances are in great shape. Everything's fine. I'll back away from it but I am genuinely concerned and this is why I've had to say some of the things that I haven't particularly wanted to say. However, I don't think alot of talking is going to change things much. We had to take some action and that's why I went along with the three months supply to see if some action will happen, but I did want to, and I alluded earlier that I wanted to canvass the Telecom At Random issue a little bit more, if only because there's very little specific information available to either Members around this table or the public on this issue. Some questions were raised at question time about where the money is coming from and who was funding it and we didn't really get much information there either and I'm sure even from the debate here today that there's a public perception that this move across the road is driven fairly wholly and solely by Telecom and I think we are even told by the Minister for Finance that the Minister's can make these decisions. They don't really have to refer to us and they have made a decision. But let's really look closely at the decision they've made. They've asked for I think \$30,000 for the rent. The total rent is \$49,000. I was told that Telecom was paying \$9,000 of the rent. We're asked for \$50,000 to outfit the place. I don't know how much Telecom is putting in, and I confirm this a little bit with a conversation I had with the Manager. He was also concerned that there was a perception out there that this whole thing was driven by Telecom and I was assured by him that they need very little of the space up there and I would take issue with Mr Brown when he said they don't need more space. I think if he went up there and had a look he would probably agree that they do need some more space. I certainly think that anybody who thinks they don't need the space should go and have a look because I think we must address that. I

think we must address the total issue but I put it to Members here that the move to this place At Random, is probably less than 20% driven by Telecom. I've been assured they only need a small area if they are going to retail and display their retail matters. They need a little bit more room for storage and they need a little bit more room for working space and I think that's fair comment and I think they themselves would say we don't need all of this vast building At Random and the funding proposals, I've said this a couple of times now, that they indicate 20% of the funding is Telecom's. So where does that leave us. It leave us with 80% of the funding driven by some other motive. It's driven by a motive to have such things as Immigration available up there and I think the Chief Minister mentioned five things and I can't remember all those. I think there's a desire to have the public pay Administration accounts up there. The public can pay the majority of their accounts up there. They can't register their motor vehicle up there at Telecom and they can't get their drivers licence but they can certainly pay most of their other accounts up there just as surely as they can pay them in Kingston. I don't knock the idea that some of these facilities should be taken up Town but I do question with the state of our finances and our revenue fund, this is a luxury that we simply cannot afford and it might be a couple more years yet before we can afford to have all the accounts paid up there. It mightn't happen until we get the new computers, to have the Immigration Officer stationed up there so that people don't have to come to Kingston for their Immigration matters. I'm not knocking these ideas but I'm really saying that I think they're a little bit further down the track. Maybe if we get our heads out of the sand and make provision to fund these things that we would like to have then.... There's nothing wrong with them. They're probably good but I am saying that at the moment, they're a luxury we cannot afford. Clearly the Minister's of the Government were clearly out of order in signing that contract if At Random is only 20% driven by Telecom and 80% driven by other things, and asking us to later down the track supply \$50,000 for improvements and a further \$30-40,000 for the rent. So it's not much good saying that the decisions made by the Executive Members because they control the GBE's are decisions which they don't really have to talk to the rest of us about it. I'm pretty sure that if you did talk to the Telecom Manager he would dispute the fact that he needs 100% of those premises for his own purposes. If my 20/80% figures are correct then I certainly think we need alot of explanation as to why the Revenue Fund has been asked to make a substantial contribution to the renting of those premises and I clearly say that executive members were out of order in signing the contract and I think there's a bit of a suggestion around this table that maybe the funds won't be forthcoming in the budget to put in the contribution for 80% which I see ...

MR SMITH Point of Order Mr Deputy Speaker. I think Mr Bates is misleading people by making the statements he's making. I said certain things before to explain what was happening with that area and I think...

MR BROWN Mr Deputy Speaker the call was a Point of Order and I don't hear a Point of Order being explained, otherwise Mr Bates surely has the floor

DEPUTY SPEAKER Thank you Mr Brown. Chief Minister I'm listening to you at this moment in respect of a Point of Order. You are saying to me that you think a matter is being misleading. I don't accept that as a Point of Order and I will give Mr Bates the call to continue. However, I will give you the call following that if you have a contribution to make

MR BATES Thank you Mr Deputy Speaker I think I've made my point, I think I'll quickly summarise but given that decisions relating to GBE's can be made by executives then certain things are right but given that executives need funding by the rank and file for a

Supply Bill and given I believe that this is driven by more than just Telecom then perhaps an explanation as to how all this happened would be in order

**MR SMITH** Brian's been referring to some small amounts of money for this property and I think where he has been misleading is he's talking about one particular section of this property we are renting, and I think he mentioned a figure of \$9,000 rent for the year. That's totally misleading because the Telecom proposal doesn't only include that little retail area that Mr Bates is referring to, it refers to other parts of this property that certainly is one of the prime reasons why we are taking on this property. That needs to be spelt out. Also the fact about whether the Minister can approve funds or not, whether it be in the revenue funds or in the GBE's. Certainly there's a lot of areas where funds get approved where they don't come back to the Members, where we have transferred funds around different votes and Mr Bates knows that, but I also need to say that Mr Bates was at a meeting with the Manager of Telecom probably some four weeks ago about this particular proposition, and he being the Internal Auditor should know what he's talking about and I suggest that we break for lunch

### **SUSPENSION FOR LUNCH**

**DEPUTY SPEAKER** Mr Robertson, you sought the call earlier. Is that a serious suggestion Chief Minister

**MR SMITH** Yes

**MR BROWN** Mr Deputy Speaker there is likely to be much more speaking so a break for lunch might be the sensible thing to do

**DEPUTY SPEAKER** Let me just test the waters. Are there many Members who want to speak on this subject. I'm about to give the call to Mr Robertson, Mr Brown. My experience is that both of you can speak at some reasonable length. I suggest therefore Honourable Members that we do as the Chief Minister has suggested and that we might break for lunch. The suggested hour to return. Shall we return at a quarter to three? Half past two. That's all right around the table. Honourable Members we will suspend at this moment and we will return at 2.30

### **RESUMPTION AFTER LUNCH**

**DEPUTY SPEAKER** Honourable Members we resume after an adjournment for lunch. We are continuing on Notice No. 1 which is the Appropriation Bill 1999. The question before us is that the Bill be agreed to in principal and Mr Robertson I was about to give you the call before we suspended.

**MR ROBERTSON** Thank you Mr Deputy Speaker. For the last hour and a half or so I've sat round this table listening to accolades and brick bats being thrown regarding the Budget or 1999 Appropriation Bill and I've heard all sorts of reasons why it is a bad bill, why we have got our heads, why the Chief Ministers got his head buried in the sand. I've had all sorts of other reasons given as to what we should be doing and what we haven't been able to do, but I think the thing that really comes to my mind is that for the last twelve months, nine of us, for some period of time eight of us, have been sitting around the table seeing exactly where we've been going from the financial indicators and I haven't seen too many putting up their hand and saying "hey, these ideas we've just been tossing around the corner today, why they haven't been

progressed and I think that in actual fact it is very easy for us to sit round here and poke holes in whatever has come before us but one thing we can not escape from is that the Budget is roughly ten million dollars that we're going to need and I haven't seen signs to say how we can drastically cut that other than doing the real big thing, do away with education. There, there's a million and a half or we could do away with the Hospital, there's another couple of million. Those are easy things to say but in actual fact if you look at where we're going and planning, we're going to need more than ten million dollars. I've got a perfect example of that at lunch-time when I was asked why aren't we using the boulders from the cliff and put it in and put in a full class harbour. I said to them well give us 43 million dollars and we will. The reasons behind the Finance Review Committee which had been discussed some time ago are fairly straight forward. This Finance Review Committee was set up in March, it should have been set up March last year or in actual fact probably May the year before, however the objectives of that committee is to provide advice to the Norfolk Island Government of the adequacy, effectiveness and equity of existing revenue and to examine expenditure within the Administration to prevent waste and insure compliance with Government policy. It is also to examine and make recommendations on any new proposed expenditure within the Administration. Fairly simple things to say. There's not many proposals been put forward over the past two years. Brians certainly put his GST and that in itself while it may have merit to some end degree, certainly requires a lot more work on it before you can adequately sit here and I heard somebody sit here and say it could be ten percent. How do we know it could be ten percent. Is it three percent as Brians original, or is it five percent of ten, we don't know until we've got those figures and facts before us. So to do that is going to require more money, to get that adequately sorted out and put in front of us. I mean look at things that Geoff had said regarding the hospital, sure, I give him full marks on the fact that yes we need to upgrade some of this gear and maybe by upgrading we can then stop referrals or reduce the number of referrals, or reduce the number of other areas of cost within the hospital. Good, but it all costs money to get that first lot into place, but at least it's a cost that's been reviewed prior to being spent to see what we can get out of it. I think that if you look at the other areas that have been discussed today, they're all on that same thing. George mentioned education, once again there's that same problem. If you really want this education to be as good as it is going to be then you sit down there and you start to put in these things maybe for the kids to be able to, but whether you pay for it is a different story. One of the things that have been happening over the last few months is a contribution formula which is been looking at all of the internals that happen within the Island and I've actually had the first document prepared, it needs a review, it needs to be sorted out a bit more but it will be going and that will be going into the Administration, the Finance Review Committee to look at to see just where we're going on those sorts of things and that's a user pay principal. Now that's already underway. We've had finances being looked at from the off shore finance, that's been around for a number of years. 1982/83 it first started. There's been many reasons as to why it's progressed and then stopped and progressed and stopped, but we're getting to the stage now where that's getting to the point where if we really want to progress we're going to have to find some more bikkies and really put it in. At the moment we're living on a shoe-string by working within a marketing technique which is not quite getting us there without us biting the bullet and putting something into it. You've got Geoff whose been working on his gambling situation which was started long before he took it on but it's now reached the stage where it is almost getting to the first of those, registration of the first person. Now all that, and Geoff was the first to admit, there is some pretty big bikkies that have to go into that as well. Now fortunately that is a user pay situation where those making applications for licenses are being charged to cover those that have to check if those licenses are O.K.'ed. But for all of that, all we've managed to do over the past few years is to talk about these things. Ron Nobbs put up a proposition regarding old age people and a care situation, that fell on it's, didn't fall on it's feet. It got knocked out, but and it got knocked out for probably a number of reasons, but one of the

things, things like that would come before this Finance Review Committee to look at and then pass it on to within the Assembly to say yeah, we recommend this be looked at and all of the Assembly Members could then do something. To basically sit here now and to chew the fat round the table with what we've got put before us, I for one don't believe in this 3 month business. You know what the cost are going to be basically to keep the thing ticking over, that I can't see any reason that you can't go ahead and do it, but if the wish of them that do the 3 monthly bit then do it and try and put pressure on to ensure that these other things take place. Surely to goodness we're mature enough sitting around this table now to know that we need to do that without having some sort of thing saying 'three months' you've got to do it. What happens if we don't in 3 months, do we have another 3 months or another 1 month, and we all sit round saying whoops we never quite got round to it. Each and every one of us has been charged by the person or people who voted for us and to make sure that the Island sort of stays in an economic feasibility, and with all of those sorts of things I would suggest that every single one of us would be working towards doing that. Now the Finance Review Committee is not set up to do this. What the Finance Review Committee has been set up to do is to look at proposals that have been put forward and I don't think that all nine of us could come up with proposals but certainly there's proposals that could come forward from out in the community. Geoff made mention of the great ideas and we've looked at some of that and we've looked at a number of those great ideas have actually already been started within the Administration or within the Government anyway and are well on their way, but for all of that is one other thing which I should probably mention and we're talking about planning here, and that's the 'At Random'. It's been mentioned, tossed back and forth across this table. I made the suggestion to go into 'At Random', and I made that suggestion to say that because Telecom were having difficulty in getting monies forwarded for their shed or whatever and there was a situation there, and if you take it and look at the property that was up there, it was across the road, we had two things happening. We had the possibility of gambling coming on line and we had the possibility of off shore further down the tree, and if you look at where would they go and if it did come on, who would be in control of an area should it happen. My thoughts at that stage were, O.K lets take it on. We'll get this going, admittedly at that point there was only going to be a third of it used, but in the long term, we looked at it on a long term lease basis with a right of purchase and that was the original concept and I still don't think that that concept is too far away, and if you look at previous things that have happened within Government and we look at a number of things. I think the perfect example of that is the quarry at Cascade and down there. Many years ago there was an opportunity of the Government actually acquiring the block and there was some argument, and not really of actually taking over that quarry, but it never quite eventuated. I think it was about 36,000 dollars. It was around those figures at that time. That may have not been that figure that was finally resolved as the purchase price but it was there. That wasn't done, no, too hard, and had it been done we would certainly not be in the situation we are in today and you can obviously look around this Island in many instances when there's been opportunities. I think if you go back right back to the first airport when they did the upgrade, there was an opportunity of getting some of that gear but no, that all went off shore again, and there was some pretty cheap prices for that to purchased from. All of these things have been happening around us and as far as the 'At Random' is concerned, that was a perfect opportunity for this place as far as a business enterprise, or as far as business on Norfolk Island, or as far as the Government is concerned to look at and pick up and utilise in the future need. Now you also may recall that when we first came into office Mr Buffett had just prepared a paper on acquisition of use of the building which is now being used as the University, as the possible site for shifting some of the Administration uptown and that was also in the mind when I looked at this. Now having done that proposition or suggested that that's perhaps where they should go, it was then passed over to Telecom and to George and to some of the others to further that on. Now that sort of started and it died and it started, and I came back into the

picture two-thirds along the way, to say well, come on we need to get this operating. What's the rentals and so forth. Ric in the mean time went out and got, and I'm talking about Ric Irvine here, went out and he managed to pass it over and get prices on the land in total and each of the individual buildings and pricing and rental for each of those buildings, depending on which part was required. The Administration was also contacted to say O.K. give us a plan as to where your going, who would you put in there, what would be required, what finishing would be required and that stage that's where I left the issue. I understood that that was being prepared and we would eventually get some document saying this is where we're going, whose going in there and what it would be, but bearing in mind at all times there was to be release with eventual right of purchase of that property. So that's what happened with 'At Random', there'll be a lot more said about it no doubt as you get involved into it more. but in the mean time I understand George has signed the lease and the first stage of it anyway as far as Telecom is concerned, is up and running. Telecom will be using more and if we get into more of the communications part I don't want to be the one that say's well we could have had this property, but we let it slip, now we are going to have to think of something else. I think it was also mentioned too that the Minister for Finance mentioned it early on about business and what happens in big business and how do they get over these sorts of situation where you've short falls or whatever in budget, and they just obviously retrench down. They don't. If a big business retrenches down they don't become a big business anymore, they become a small business in the very too distant future they're no business whatsoever, and the only ones that exist are those ones that keep looking at where it should be. Now in private practice in a situation we're in at the moment we'd be really looking at the thing and borrowing to get some of these things happening. You'd borrow against what you would need to make sure that your revenues increased. Now we're not doing that, there is something that goes round that say's your not allowed to borrow, or you can't borrow, or your not supposed to but in private practice that is exactly what you would do. We haven't even discussed that here and if you really wanted to look at the possibility of power you could say well we could borrow 3 million dollars and put in enough plant to operate to sell more power, to allow the accommodation units to put in air conditioning, all of that type of thing with the realization that you are going to X amount of dollars back to fund the borrowing, but that doesn't take place so we don't have that opportunity. As I said I am disappointed that knowing full well, the members sitting around here that we are going to need approximately ten million dollars to fluff along in the way that we've going, if you want to put it that way, that we are only putting in a 3 month budget. I still feel that you should put in the 12 month and actually act, and then get stuck in and do what your supposed to be doing and that is making sure that everything you talked about actually takes place. I don't have anything more to say at this particular point.

MR BROWN

Mr Deputy Speaker the Chief Minister earlier told us that accrual accounting was progressing quite satisfactorily and that it would be introduced during the course of the next financial year. The reason for my comment was that in the 88/89 financial year that is the year just finishing there was seventeen thousand dollars in the budget towards the accrual accounting project. There's nothing being sort in the current year and I would be most surprised if the introduction of accrual accounting can be completed within the current year without any expenditure. That was the reason for my comment. I am pleased that the Chief Minister has given his commitment to ensuring that it is introduced in respect of the whole of the 1999/2000 year. The Chief Minister was disappointed and the Minister for Tourism and Commerce has been disappointed that some of us are choosing to support a 3 month supply bill. The reason for that is that even the third version, I'm sorry I'll go back to the second version. The reason for that is the second version of the budget which had already been pruned by the Public Service told us that we needed a total expenditure for the year of 12.109 million dollars and it told us that we

were going to receive revenue of 9.6 million dollars. The Chief Minister's concept had been to pass a supply bill for 10 million dollars, limiting 4.8 million of that to salaries instead of the 5.026 million that's in the second draft of the budget. Limiting recurrent expenditure to 4.9 million instead of the 5.85 million in the budget and limiting capital spending to 300,000 dollars instead of the 1.498 million dollars in the budget. Now I accept that it may be that at the end of the day that the Legislative Assembly will decide to cut out sufficient expenditure to bring the budgeted expenditure back to ten million dollars, but that hasn't happened yet and for us to simply to say well here's ten million bucks, go and do your best just with those three restrictions would be grossly irresponsible because we would be saying to the Public Service, we have abandoned our role and we want you to sort out how you'd like to spend the money, and there are concepts of global budgeting Mr Deputy Speaker in which a lump sum is provided and accrual budgeting is another very similar concept but to do those things you tell people what it is that they are expected to achieve with the money. You don't simply say here's ten million bucks do your best, because you could not possibly then complain if at the end of February you were told that everyone had run out of money. You couldn't possibly complain if at the end of the year you found that the most important of your projects happened to be one without squeaky doors and they'd received no attention during the year. It's not an appropriate way to do things. Mr Deputy Speaker I am becoming more and more puzzled by the proposed new Telecom building. What I think we're now told is that Telecom might need about one third of it and that the lease document was to contain an option to purchase. The Chief Minister if I recall correctly has already told us that there is no option to purchase in the document and he has told us that because he has the responsibility for Telecom was able to sign the document. Now I would be very interested to know whether Telecom is paying the whole of the rent and the other expenses in which event I accept that although it might have been unwise on his part the Chief Minister had the legal power to sign the document, or is part of the money being paid by the revenue fund which is the indicated intention in the budget documents. If part of the money is being paid by the revenue fund how is it being paid. Perhaps it is being paid virement. By transferring from some other area, but if that was the case surely we would have seen tabled today a virement document to tell us about it, so it will be very interesting to see how all of that unfolds but it shows in my view a lack of understanding and a lack of judgment on the part of the Chief Minister and that is part of the reason why he no longer has my confidence and why I would prefer to see another executive take over the finance portfolio and leave the Chief Minister with things that he is capable of handling.

MR ROBINSON

Thank you Mr Deputy Speaker There are some things in this budget that we can not take out. For instance there is the 55 thousand removal and rental for police. There is no way around it, we are going to be stuck with paying that and yet it is in second priority. Quarantine House, that's a rather important one that this House agreed to find the funds for, that's once again in second priority. Army worm control, if we take that out Ron will have nothing to talk about at question time so as a result of all these things that we can't afford to take out. Public health codes, 20,000, if we don't get the public health codes up and running are they going to hand over our lands and how are we going to rehabilitate the reserves. If we don't have those in order can we expect the Federal Government to hand over to us the powers to deal with these things. So as a result of those and a few more there I'm afraid I'm going to be supporting Mr Bates in his 3 months. Thank you.

MR SMITH

Thank you Mr Deputy Speaker. I am not going to pursue this much further, but I just got a once again say with John has made a statement that the second draft discussion paper he said that that had already been to the service for cutting and had come back,



and it still had \$12M on it. I'll explain it again what happened. We got the first draft and it had some glaring mistakes in it so the Finance Manager took back to take those mistakes out then gave us what is called the second draft. That draft had not been to the Finance Committee, hadn't been to anybody anywhere else, so please John don't keep quoting that as the document that the service has proposed in that form there. It was just a re writing of the first draft because there was an amount of \$200,000 in the wrong place and things like that, but it wasn't the draft that we are talking about which is the third draft, which is the one that has been produced as a result of yesterday's meeting, where we had the people from finance here and what they went away to do was put things as they've been with the extra spending put into second priority, which would then lead to what all this is about in the first place anyway and I think Members have forgotten that Mr Deputy Speaker, what I'd said in the very first place with this budget. That we go with the supply while we looking at exactly the things Brian's talking about, and that's important. I know that we can't keep going on and having less and less revenue and just bury your head in the sand as Brian calls it. I have been saying that, that is exactly what I said when I talked to Members about the budget. I know that we have got to have more money, I realise that and I accept what Members are saying about, as Ric just said, you can't take out this and can't take out that. This is a document which was given to us by Finance, this morning or yesterday was it, based on the lines of what we were talking about yesterday. That gives us the basis that we can work from and out of that now that we've come down to a three month supply, if that's what Members want to do well it's no skin off my nose but it does have the effect of certain things, like the pay claim while we won't be able to fund that on an interim budget basis. I don't know how we get around that. I don't have a lot of difficulty with that but that's what I have been saying. I don't know where this idea is coming from that I am ignoring the fact that we need more money. What I was saying when I was talking before is that there we have a responsibility or I certainly do anyway. I don't know if other Members have the same view that it's public money we're dealing with. At the moment all the revenue we get is 'X', and it's 9.7 million dollars for this financial year, and that's the basis we have to work from. If we need extra things in the budget, then we need extra revenue. Members may even recall back to the early days of this Assembly when that is exactly what I was talking about. These things, take the screen house that Ric's raised. This is part of your five year plan. If we say, it's obviously not going to happen with this Assembly, but I said what you want to do is you lay it on, I don't mean it in the way it comes out. If you want to have a quarantine thing you look at the whole thing and you price it out. You know what money you are going to need and if that is extra on top of what we have then you look at the revenues that you need to fund it and I've been saying that all along and but we've worked the other way. We went to the strategic plan which does it in a round about way but even the strategic plan it says the Assembly has to develop a five year working plan. Anyway that's where that is. I just wanted to correct that. The other thing with the accrual accounting. Mr Brown may not have been here at the time but we had the external auditor come over and give a presentation about where we were going with the accrual accounting. That was only last month I think and they explained how it was going to, what the process is and there shouldn't be anymore funding required at this point because it's a matter of getting all the information together as John would realise. You don't just say right we'll start accrual accounting tomorrow. There's certain things that have to be put into place and it's aimed to take full effect from the beginning of the financial year in the year 2000, which is 2001, which is the way that they have recommended that that happens. If there is nothing else, oh there is, well I'll say no more for the moment.

MR BATES

Thank you Mr Deputy Speaker. Just a couple of brief points that I want to make. I laboured the 'At Random' issue a little bit because of what I said earlier that there was certainly perceived to be a lack of information about what was going on. Certainly I lacked information, even if that was my own fault but I was getting a lot of people out in the public



MR SMITH Thank you Mr Deputy Speaker. May I move that the debate on this matter be adjourned and made an order of the day for the next sitting of the House.

DEPUTY SPEAKER The question is debate be adjourned, resumption of debate be made an order of the day for a subsequent day of sitting. Those of that opinion say Aye

QUESTION PUT

Would the Clerk please call the House

CLERK	MR SMITH	AYE
	MR BUFFETT	AYE
	MR BATES	AYE
	MR ROBERTSON	AYE
	MR GARDNER	AYE
	MR ION ROBINSON	AYE
	MR MCCOY	AYE
	MR NOBBS	AYE
	MR BROWN	NO

DEPUTY SPEAKER The result of voting Honourable Members, the ayes eight the noes one, no abstentions the ayes have it. That matter is adjourned for a subsequent day of sitting.

## **NOTICE NO. 2**

### **CUSTOMS ACT 1913 - EXEMPTION FROM PAYMENT OF CUSTOMS DUTY**

MR SMITH Thank you Mr Deputy Speaker I move that under Subsection 2b(4) of the Customs Act 1913, this House recommends to the Administrator that the goods specified in the first column of the Schedule imported by the person specified opposite in the second column of the Schedule be exempted from duty. The goods are gymnastic equipment, that's mats and blocks valued for duty at \$2,179 dollars, the importer is the Norfolk Island Gymnastics Club.

DEPUTY SPEAKER Thank you debate. The question is that the motion be agreed to. Those of that opinion say Aye.

QUESTION PUT

QUESTION AGREED

The Ayes have it. Thank you.

## **NOTICE NO. 3**

### **POLICY FOR OFFICIAL TRAVEL**

MR BATES Thank you Mr Deputy Speaker. I move that this House, 1. Adopts that public money shall not be expended on travel for official purposes by , 1. Members of the Assembly, 2. Parliamentary officers or 3. Members of the Norfolk Island Public Service, unless approval each time official travel is proposed, has first been given by a majority of Members of the Legislative Assembly and 2. Directs the Executive Member with responsibility for finance to take the appropriate steps to implement this policy forthwith. Mr Deputy Speaker, although it may seem that this is an attempt to get at travel or something, the real intention behind

it is monetary. I went home very concerned about our budget and where we're heading and what was happening and I racked my brains as to what I could do from the backbenches perhaps something about the situation and it was then that I decided that I couldn't approve the supply bill in the form that it was and that it would be irresponsible to not approve it and that there was a way out and that was a suggestion that was accepted by other members around this House, and it was in the same context that I came up with this motion. The motion is not to prohibit official travel, it's not to stop official travel, it is really all about value for money and all it asks is that anybody wishing to travel either in the Public Service or Executive Members or whatever come forward to the House and virtually set down the purpose of their visit, the cost of the visit and what they hope to achieve. Upon returning properly document what they have achieved and what has happened with the thing, so that there is a record of what happened there. That's basically all it's about. I don't want to say anymore, it just means it will be a little bit more difficult for members to travel and I'm not saying that they have to come formally before the House. If it's an urgent matter, a couple of days before the end of the week and somebody has to go from the weekend, I'm sure somebody can ring around and inform the members they need the trip and get a yes or no answer from the members, so it's not intended to come formally before this House every time somebody wants to move but it is intended to ensure the people out there that we are getting value for our money. I'm not saying that we didn't get value for the vast majority of these trips, but even if there were some of them when we didn't get any value at this stage any reduction in costs and expenditure would be welcome. I'll leave it at that, I don't really have much more to say on the matter.

MR ROBERTSON

Thank you Mr Deputy Speaker. I have a little bit of difficulty with this. On one hand we are saying that the managers and the CAO are put there and we are paying them sufficient money, are put there to manage and to look after and to do the things that are supposed to be done and then suddenly we are taking that away from them, we're saying you no longer managers, you no longer can make a decision as to whether somebody should go as far as from the Public Service. You're going to have to give it to us and I find that undermining. I know damn well that in my younger days before I came here and I was manager of an area. I had a hundred and fifteen odd people that I had to manage and one thing that really came out was that I used to know exactly what was going on within that department, and if I didn't I had a problem, and I feel that anything that happens now with these areas that require queries or anything then surely what we have in place now is enough to query and it may or may not happen again. Brian doesn't have any intention of putting the screws into those members that go, whether it be Legislative Assembly, Parliamentary or the Public Service part of it, but when they do go I do have a difficulty on having being referred to to say, it's almost like going back to school with the kids sitting down the back, putting his hand up to see if he can go to the toilet. We're getting, it's pretty petty and I don't really think it's a massive amount of changes within the budget, but I do find that it undermines what we're trying to set up as far as the managerial situation is concerned. If you are going to have a manager then let him manager and if he does wrong then he's the guy whose got a problem.

MR NOBBS

Thank you Mr Deputy Speaker This is an interesting motion and in fact incorporates a number of concerns apart from that obvious and only apparent concerns by the mover of the travel excesses. Concerns for me if I was to support this motion, actual travel undertaken in each quarter is now available to members of this Assembly and are also available to members of the community following my request and insistence that this occur. It is interesting that the actual costs of travel in each quarter has not varied greatly in the term of this Assembly. I'll give you a couple of examples, in the second 6 months of the quarter we averaged, I'll do it on a

quarterly basis, it's something like 29,000 a quarter. For the quarter from the first to the seventh in the next year, 98, to the 30<sup>th</sup> of the ninth 1998 it was 37,000, in the last quarter we've received it's down about 34,000, so there's not to me a hell of a lot of difference there when your talking about a ten million budget. It is really interesting that travel by some sections and specifically some officers has been fairly significant. There have been claims of excess and lack of supervision. Some of this criticism came from within the Public Service. The other concerns as mentioned earlier I find, in supporting this motion are in point form. The first ones really a question, does this motion in fact breach the principal of separation of powers? If accepted does the motion not require the Assembly to be involved in the day to day management of the Public Service, surely this is contrary to the separation of powers. The second point is, is the problem not really with senior members to the Public Service for it is assumed that there is some control as to travel thus it must be accepted that if I accept this motion which would then be specifically aimed at the senior managers and apparently and inadequacy in say the CAO. My third point relates also to responsibilities and whilst there is a required separation of power there must be responsibilities to the Assembly through the responsible Minister. Thus the motion could be seen as a lack of confidence in not only the CAO but in the responsible Minister. My fourth point, the motion is brought forward by a member of the Public Service and I'm not getting personal in this. In his day job Brian is the internal auditor a position I've referred to previously as the Public Service copper. The concern in this point is at the apparent lack of avenues within the Public Service available to all officers let alone the copper, internal auditor, to influence management on such issues is obviously evident. My fifth point is this, this point also involves the Public Servants but this time as members of this Assembly. Whilst I do not believe for one minute that Brian will be utilising this forum and this motion for reasons other than he has stated, I would suggest that critics of public servants being allowed to act as MLA's whilst retaining their day job within the service, certainly would find comfort in this motion. Mr Deputy Speaker as I assume the motion will lay on the table for the next month I have no further comment at this stage. Thank you.

MR SMITH

Thank you Mr Deputy Speaker I reiterate some of the comments that have been made. I think Gary's right. What we are being told by this motion is that we've got to deal with matters at a level in the public service where we don't necessarily want to be involved. When I say want, need to be involved. Just to correct, Ron said a budget of ten million, when your talking about travel and what's Brians talking about here, your talking about the total budget which is including G.B.E.'s, about 18 million dollars a year. I just need to make that point. I think as far as members of the Assembly go, or the parliamentary officers, we should all be telling each other what we're doing anyway, and I don't have any problem with that but when you get into the Public Service I don't see a lot of sense in us having to, somebody having to ring around and find everybody and one says no they shouldn't go and they don't know the reasons why and you get a meeting to have a vote on it in the end because half don't agree with John going away or something. I think it would just cause a lot of concerns, but I agree that the Public Service has its head and it has there's people there to keep an eye on the travel. If it was only just the first parts of the members, or members of the Legislative Assembly I wouldn't have any problem with that, otherwise I won't support it Mr Deputy Speaker.

MR BROWN

Mr Deputy Speaker I concede that there might be the odd complication but I also acknowledge the reason that Brian has bought his motion to the meeting today and that is he's concerned and people are expressing their concerns to him and to other people. There is a perception that members of the Assembly and members of the Public Service are on constant travel. There is a concern within some parts of the community that such constant travel can be quite a good money earner because if you get your travelling allowance and



**HEALTHCARE ACT 1989 - APPOINTMENT OF MEMBER TO HEALTHCARE CLAIMS COMMITTEE**

MR GARDNER Thank you Mr Deputy Speaker. Mr Deputy Speaker I move that for the purposes of Section 22 2 (c) of the Healthcare Act 1989, following the resignation of Robert Eric Adams as a member of the Legislative Assembly this House resolves to choose Alan John McCoy to be a member of the claims committee. Thank you Mr Deputy Speaker. It is fairly self explanatory, under Section 22 2 (c) of the Healthcare Act there is a provision there that the Healthcare Claims Committee will consist of the Executive Member which in this case is myself, a member of the Legislative Assembly and also the Healthcare Manager, Mrs Kim Edward, and as I said self explanatory following the resignation of Rob Adams from the Assembly it left that position for an MLA vacant and having approached John in regards to him filling the position and having spoken to members on a previous occasion about it, I commend the motion to the House.

DEPUTY SPEAKER

Debate. No debate. I put the question Honourable Members  
QUESTION PUT  
AGREED

The ayes have it

**NORFOLK ISLAND HOSPITAL ACT 1985 - APPOINTMENT OF MEMBERS OF THE BOARD OF MANAGEMENT**

MR GARDNER Thank you Mr Deputy Speaker. I move that for the purposes of Subsection 12 1 of the Norfolk Island Hospital Act 1985, this House resolves that Jack Bernard Huckstep be appointed by the Executive Member as a member of the Board of Management. Thank you Mr Deputy Speaker, recently an unfortunately we had a resignation from the Hospital Board, that being Mrs Alison Ryves. She resigned due to the fact that the time that was required no longer was available to her to be able to attend board meetings and have the input that she would have liked to have been able to make to the Board and also due to other commitments that she had and I'd like to take this opportunity to thank her for her involvement and participation in the workings of the Norfolk Island Hospital Board. As far as Mr Huckstep's nomination is concerned that arose out of my invitation to the executive of the R.S.L. on Norfolk Island following on from the release of the report that was commissioned for them, a report into aged care on Norfolk Island. Following the visit of Bruce Scott, the Minister, the Federal Minister for Veterans Affairs to the Island, and discussions not only with him but also with members from the R.S.L., mainly the executive, Mr Boyd Buffett, it seemed to me that there was an avenue if there was a vacancy on the Hospital Board to maybe invite the R.S.L. to nominate somebody to sit on the Board, with the idea of assisting with communication between the R.S.L. in their proposed pilot programmes for veterans and communication between the R.S.L. and the Hospital Board, and in line with the proposed employment of a qualified geriatric nurse at the Hospital this year, it seemed to make sense to try and open up those lines of communication so that there was cooperation across not only the Hospital Board and their interest in the improvement of aged care but also the initiatives that the R.S.L. were pursuing, and I once again commend the motion to the House.

DEPUTY SPEAKER  
Members

Debate. No further debate. I put the question Honourable  
QUESTION PUT  
AGREED

The ayes have it

## **PUBLIC SECTOR MANAGEMENT BILL 1999**

MR SMITH Thank you Mr Deputy Speaker. I move that the , I present the Public Sector Management 1999 and move that the Bill be agreed to in principle.

DEPUTY SPEAKER The question is that the Bill be agreed to in principle.

MR SMITH Thank you Mr Deputy Speaker. This Bill comes about as a result of many things, probably going back to as far as the last Assembly and as I mentioned earlier this morning the fact that the Commonwealth Grants Commission had come to Norfolk Island to review the capacity of the Norfolk Island Government or the Assembly to be able to continue on the path of internal self government. Some of the recommendations that came out of that report suggested that we should look at the capacity of the Administration to do certain things. That followed with the engaging of a consultant, John Howard and Associates, to look at the Public Service and the structure of the Public Service and they were charged with bringing back some recommendations which they did. Some time about this time last year. Out of those recommendations it was recommended that we look at the Public Service Act, to revise the Public Service itself. To make it more efficient and to make it basically work better although most of his recommendations were aimed at the management of the Public Service. Since that time through various debates around the table here and actually getting on and doing the thing over the last few months we have come up with a Bill which is the Public Sector Management Bill 1999 and I have that Bill here today. In summary, the Bill defines who is to be held responsible for managing the Public Service, provides for what the Public Service is meant to do, how it is to be managed and what the public is entitled to expect from the Public Service. It creates a flexible public service in which all employees have the right to bargain for positive change and gives individuals the right to seek remedies from unfair dismissal. To challenge public service appointments on the basis of merit and ensure that breaches of Public Service laws and policies are investigated and publicly reported on. Mr Deputy Speaker, all Members of the Assembly should have the latest version of this Bill. I would like to table the Bill and leave the debate open

MR NOBBS Thank you Mr Deputy Speaker. We only received this Bill in its final form this morning and I see that on the Notice Paper debate is adjourned, may I just ask the Minister will he be wanting to put this through today or ...

MR SMITH Mr Deputy Speaker it's not my intention to make this an urgent Bill. Maybe I need to say a bit more. It's my intention to adjourn the debate and let it sit on the table, certainly for a month and it may even be two months depending what comes out of it in the amendments etc and I'll go on to say that as Mr Nobbs has said, we've only just got this final copy of it, although there's been various versions of the Bill around in recent times, there has been some changes made in this last document as we were all told on Monday I think it was, we had the Legal Draftsman over and went through the changes to be made in this particular version but maybe I should mention some of the important or headline things that have come out in this Bill. Mr Deputy Speaker it proposes certain changes. It proposes that as far as the Public Service Board is concerned, that role would change. The Public Service Board is now the employer or the creator of positions or dismissals and other such things. This proposes to make the Public Service Board a Review Board as opposed to the role it had before. It also proposes that the change in the Board would reflect in the Chief Administrative Officer's position that he or she would then become the



employer and the creator of positions, directly. It also gives the ability to set up a Management Committee as suggested by John Howard and Associates in their report although not the same. John Howard proposed that there would be seven, what I'll call from now on, Executive Managers, to create lines of business within the Public Service or within the Administration. As Members will recall we had a motion last year in relation to those managers and it was proposed that it be five. Since that time Mr Nobbs has proposed that there be three and the fourth one would be the CAO. What's proposed in here is that there would be four of that level of Executive Manager and that would not include the CAO. Currently we have three, what I still call Executive Managers as Programme Managers, some acting, some in permanent positions doing that same job so what we are talking about is the creation of an additional position so we would have four executive managers. This also allows for the Assembly to appoint those executive managers. Under the current circumstances Executive Managers are appointed by the Public Service Board. It has in this Bill a new thing to Norfolk Island and it's called Enterprise Bargaining and no doubt there would be some debate about the appropriateness or whatever of Enterprise Bargaining. I should say at this point in time too that over this period when the Bill has been drafted there has been much discussion, some of it around the table here but a fair amount out in the Service and also in the community of course. In fact to last week where myself as Minister responsible for the public Service, the CAO, Legal Draftsman, the President of the PSA, the Officer's Board Member and the Personnel Officer made arrangements to go around to the people in the Service and talk to each area because that was one of the things I wanted to make sure we do before I introduced this Bill at all and we had some very good meetings with the people and I thank them for taking interest in what this is all about and we not only talked about the Bill but other things as well which was quite convenient. At the moment I would assume that many people in the service are thinking about what we've talked about and what effect this Bill will have and I have said to them that once I've tabled this Bill like I have today or introduced it, if they want me to, to repeat that exercise I will certainly do that again. I don't have any problem at all in doing that. There's many other things in the Bill that we'll no doubt get to when we get to the detail stage, so I will leave my debate for the moment

MR BROWN

Mr Deputy Speaker one of the things which we do not have before us is the proposed Human Resources Policy. I am aware that the Draftsman has been asked to convert the existing policies into a Human Resources Policy. In a way that's a shame because it's sort of a waste of time, because as I understand the Chief Minister's current intention, although that will be the Human Resources Policy for the first few days there will then need to be discussion about how that is to change in order to complete the process of reform which is required and in many respects it may have been more productive to start on the proposed new Human Resources rather than invest days and days of the Legislative Counsel's time in rewriting the old ones. Nevertheless that will be an interesting document when it comes to us, and it will be a document which we will need to consider carefully in terms of required change. This Bill is something that has been under discussion for many years. There have been a number of different drafts the earliest going back ten years or more but this is at least the third time the exercise has been started to my recollection it may well be four. The major area that is not dealt with in this Bill is the question of whether a member of the Public Service should need to resign in order to become a Member of the Assembly. That question got put into the too hard basket Mr Deputy Speaker and the Bill was prepared on the assumption that the present situation would remain unchanged but the reason that a member of the Public Service in other places cannot stand for election or be elected to a seat of Parliament traces back to 18<sup>th</sup> century England and the fears that were held by the Parliament that the Crown would use its powers of patronage to suborn members of the House of Commons and thereby undermine the independence of the House of Commons. And whether it be

in the Commonwealth context by virtue of Section 44(4) of the Constitution or in terms of simply the convention that a person should not hold two offices of profit under the Crown the principle itself remains universally valid today. What it is intended to do is to prevent the executive from gaining control of the Parliament. If a large number of members of the Parliament were office holders appointed by the executive the executive would have disproportionate influence over the Parliament. Now that is a quote from a House of Representatives Standing Committee on Legal and Constitutional Affairs which was investigating aspects of Section 44 of the Constitution. It went on to say that the provision is concerned with the ability of the Parliament to hold the executive to account and therefore it is necessary to ensure that enough Members of Parliament are free from the influence of the Crown to achieve this and the second principle that is fundamental is that some officers are incompatible with the membership of the Parliament whether by way of conflict of interest or otherwise. In the Norfolk Island context Mr Deputy Speaker, I would say that there is also the question of ensuring that the Public gets value for money both from its Members of the Assembly and the Members of the Service. It isn't possible to service two masters. There clearly are conflicts when a person tries to hold down both roles and in the Norfolk Island environment both roles have been seen to suffer on many occasions. It doesn't need to be dealt with today but it is an issue that needs to be dealt with and resolved one way or the other. Thank you

MR BATES

Thank you Mr Deputy Speaker. I think when this Bill was first bandied around I said that for my part I would like to see the complete package and that complete package I believe certainly depended on issues in the Employment Amendment Bill or the Employment Act affecting the Public Sector. The Bill itself and also the other document which is the Human Resources Policy and I have actually got copy, not a confirmed or final copy, but a copy of the Human Resources Policy as its developing simply because I've made it quite a strong point that we need that document before we can consider the Bill itself. I was given this one day and other Members might like to have a look at it. Already I see little problems in that Human Resources Policy and I think those are things that we must address and I certainly don't want to push any wheelbarrows there but when you come to recruitment and you are forced to advertise offshore for any position at a salary greater than \$33,000 I think that is an issue that needs to be canvassed. It's very expensive advertising on the mainland. My recollection is that you put it in a few mainland papers, a small advertisement and you don't get much change out of \$7-8,000. Of course when you do bring people in from offshore there's recruitment and travel costs and quite often subsidies for their rent, sometimes vehicles and all sorts of things so really what I'm saying is I think that area of it should be a little more specific and perhaps spell out some of the key positions that we would be wanting to advertise offshore but I think the principle is to encourage local employment as much as possible and I think \$33,000 salary is far too low for reasons I've stated but other Members might think it's a great figure and be prepared to spend the extra money every time one of those positions becomes vacant by advertising on the mainland and the additional recruitment and travel costs and rent subsidies that go along with it. It has always been my preference and it still is that certain basic rights of the Public Service that were in the old Act should be retained in the new one and by that I talk about the basic leave provisions, four weeks leave and if there's any long service leave and those types of things but in the Act they're out in the open and they're still able to be changed if Members wish to change them, but they come before the House and are fully debated. There is a mechanism to change the Human Resources Policy and you need to come to grips with whether that mechanism is adequate or not. My idea of having the things in the Act was so that if there was any suggestion of change it was out in the open it wasn't done behind some office door somewhere, but I'm not sure if that's fair comment because I think there is a mechanism to change the Human Resources Policy and we need to look at the policy and

we need to study it a little bit but that's about all I want to say. I would have preferred to have some things in the Act and I think we really must study the Human Resources Policy before we pass the Act and agree on that, thank you

MR NOBBS Thank you Mr Deputy Speaker. I think that the Act under Schedule 3 covers the transitional provisions until this Human Resources Policy can be put in place. I think that's the proposal but I just take the Chief Minister to task on one particular aspect. The Act specifies there'll be one Chief Executive Officer but it doesn't say that there'll be four executive directors as far as I can find. I thought the arrangement was that the positions in the Public Service below the Chief Executive Officer would be by a determination brought before this House. I think it's still there so it's determined that there will be Executive Officer's with specified titles and duties so it may be that some people think there should be four and the Chief Executive Officer sitting up in the clouds somewhere, but as I've said before, I don't agree with that. I think it's ridiculous and I think that'll be subject to some discussion when the determination gets before us

MR McCOY Thank you Mr Deputy Speaker. I would just like to mention at this point, because I know there are some people out in the Public Service who are concerned, speaking on behalf of the younger people, and I think maybe some people maybe didn't quite realise that this was just a Management document and there's the third one to follow on and that's the Human Resources Policy. I would just like to mention that at this point for the benefit of some who may be listening who haven't fully realised that yes, there's really three sections. The Public Service, the Public Sector and the Human Resources Policy

MR SMITH Mr Deputy Speaker this might help to clarify that the Human Resources Policy is being developed as Mr Brown said, the Legal Draftsman has been putting together the information for that document. That's based on current things, like the APG's as they call them, which are the Administration Policy and Guidelines. All those things are being drawn together to put into that document which the Bill refers to. When we say it's a Management Bill, it is saying that we are fixing up the Management of the Public Service but I don't want to kid anybody that it doesn't have effect on other people throughout the Service because once the Management system is set up as John Howard had recommended, those managers do the assessments underneath them in other areas of the Administration so even though it is a Management Bill as such it does affect the whole of the Service in that sense. If that's any help to anyone

DEPUTY SPEAKER Further debate

MR SMITH Mr Deputy Speaker if there's no further debate for today, to give Members time to absorb the Bill properly, I would move that debate be adjourned and made an Order of the Day for the next Sitting

DEPUTY SPEAKER Thank you. I put that question to the House Honourable Members that debate be ajourned and that resumption of debate be made an order of the day for a subsequent day of sitting

QUESTION PUT  
AGREED

That matter is so adjourned

**STATUTES AMENDMENT PUBLIC SECTOR MANAGEMENT BILL 1999**

MR SMITH Thank you Mr Deputy Speaker I present the Statutes Amendment Public Sector Management Bill 1999 and move that the Bill be agreed to in principle

DEPUTY SPEAKER The question is that the Bill be agreed to in principle

MR SMITH Mr Deputy Speaker the enactment of the Public Sector Management Bill 1999 will require consequential amendments to the Court of Petty Sessions Act 1960, the Provident Account Act 1958 and the Public Sector Remuneration Tribunal Act 1992 and this Bill is designed to make those consequential amendments. Mr Deputy Speaker I know that Members have only just got this this morning too even though there was the original Statutes Amendment papers that were circulated. In the original one there were going to be changes to the Provident Account in certain ways that were not really acceptable so this one effectively leaves the Provident Account rules as they are but it has to make certain changes which Members will see from the Bill when they read through it

DEPUTY SPEAKER Further debate

MR SMITH Mr Deputy Speaker if there's no further debate I would move that debate be adjourned and made an Order of the Day for a subsequent Sitting

DEPUTY SPEAKER Thank you. I put that question to the House Honourable Members that debate be ajourned and that resumption of debate be made an order of the day for a subsequent day of sitting

QUESTION PUT  
AGREED

That matter is so adjourned

**TOURIST ACCOMMODATION AMENDMENT BILL 1999**

MR ROBERTSON Thank you Mr Deputy Speaker, I present the Tourist Accommodation Act 1984 and move that the Bill be agreed to in principle

DEPUTY SPEAKER The question is that the Bill be agreed to in principle

MR ROBERTSON Thank you Mr Deputy Speaker it is my intention to have the debate adjourned as Members would only have received the Bill this morning it seems to be a good morning for receiving Bills. Basically the outline of it is, it introduces homestay accommodation as a regulated class of tourist accommodation, and to distinguish the development approvals from registrations under the Act, to replace the Accommodation Levy with a system of registration fees and to extend the term of registration under the Act from one to three years to make other miscellaneous amendments to the Act. Mr Deputy Speaker this Bill tidies up a few of the anomalies that have been in existence for some time and have caused a few queries from within Members of the Assembly and a bit of flack from the ATA from time to time. Part of that comes around with the trigger market share, the ability of the Section 74A within the existing Act to be used to calculate conditional permits to build and other bits and pieces which by their own being within the Act that causes confusion. Now I guess also the fact that whilst conditional permits have been issued for the construction of some of these accommodation places, they haven't

proceeded. Things that will be taking place in speaking about this Act, means that the Homestay was one that had been mentioned in previous Assembly that something should come on and whilst there were a few people a few years ago, had made indications that they'd wish to start up Homestay, it never eventuated and nor was there any position for them to actually do such a thing. If we make an amendment to the Act we put that in because I might believe there might be one or two operating at the moment, but however, it means that this sort of tidies up and sort of regularises the whole of the situation. Registration, the 740 is going to be removed and that then takes over the distorted calculations on trigger share market that has been done previously. Homestay comes into it, as I said. The period of registration is, we've taken it out for three years. At the moment it is yearly. There's no extra moneys involved in this other than cost to the tourism officer who has to, at the end of each year, go through a whole pile of registrations and they just get ticked off, but there's no actual charge for that, the idea being that this will be effective as from the 1<sup>st</sup> July of each, of 1999, or no I think it's 2000, and will actually go forward to every three years, that will be something that's done, and minimise another pinetree being chopped down. The cancellation and suspension of registration means that tourist accommodation houses may be suspended or cancelled. If someone currently does a "no no" the Minister does have the right to, or the Executive had the right to sort of blast this out of the water. What we're putting in there is that if there is a problem, it can be at least spoken about and spoken to and get fixed up before there is any cancellation if it's not fixed, so we're leaving that little bit open there. Construction, of course, the one thing that will take place is that approvals will operate for no longer than 12 months, so at the moment they seem to be going on and on forever. These will, at the end of 12 months, if things haven't happened, they will be cancelled. It doesn't mean that you don't have the right to reapply at some later stage, that you'll be quite open to do, but it immediately clears them off the book so it doesn't become a confusing issue as to exactly how many accommodation places are in train and whether or not they keep on being taken into "Yes, it's going to happen" and it's not going to be. Grading system is fairly straight forward. At the moment the current grading system will continue. They're also saying it is unlawful, for having been graded, that you don't go off and have some other alternative grading system used. That has been done in the past and different times, different wholesalers have produced a booklet and put their own grading system in. We're standardising all that so that the people coming to Norfolk Island can at least do it into one level. So that's basically what it is. I don't have anymore to say. The actual fee, by the way, is changing. The structure of fees where it's currently a hot bed tax is being changed to a cold bed tax, or the number of beds that an accommodation unit is licenced for, and that equates to 50 cents per bed, and in actual fact it comes out revenue neutral, there's no difference in the actual costs overall. George's eyeballs lit up when I mentioned that we were doing that, but it doesn't come to any greater or lesser amount, but it does mean that there's one incredible amount of policing, I guess, that's currently being done that will no longer have to happen. The levy period will also happen quarterly so that those that have larger accommodation places, there's not the sort of a six month or twelve monthly, it's a quarterly basis which means that there's payments made, and a lot easier to keep check of, And that's about it. If anybody likes to say anything at this point, but as I said, it is my intention to have the debate adjourned to a later days sitting. There is one further thing Mr Deputy Speaker and that's the Tourist Accommodation Amendment Regulations which will then come into force and also are table lays, they don't go through the House the same way a Bill does but there are some changes to be done in there, there are a few of them, it's been pointed out that there are a few changes. This was done in a hurry against the original Bill which was a little bit out of putty and that still hasn't been amended, but it will be, but I'm tabling the document anyway, at this point and no doubt it will be changed within the next few days.

MR ROBERTSON Mr Deputy Speaker I move that debate be ajourned and that resumption of debate be made an order of the day for a subsequent day of sitting

DEPUTY SPEAKER Thank you. I put that question to the House Honourable Members

QUESTION PUT  
AGREED

That matter is so adjourned

## **ORDERS OF THE DAY**

### **SUPPLEMENTARY APPROPRIATION (NO. 2) BILL 1999**

We now move to Orders of the Day. Orders of the Day No 1. Supplementary Appropriation (No.2) Bill 1999 and we are resuming debate on the question that that Bill be agreed to in principle and Mr Smith you have the call to resume

MR SMITH Thank you Mr Deputy Speaker. Members will recall that this is the Supplementary Appropriation Bill for an amount of \$55,200.00 that was proposed to cover certain things, we talked about that leading up to the last sitting of the House and this has been sitting on the table for public comment for a month and I've had none, and not wishing to start another debate on Budgets I would leave the debate for a moment and if nobody's going to debate I'll move it to it's finality.

DEPUTY SPEAKER Thank you. Debate Honourable Members.

MR BATES Thank you Mr Deputy Speaker I seem to recall when this Bill was tabled that I suggested that a little bit more information on the breakdown of how some of the moneys were going to be spent might be important in the areas of keeping the public informed on what these matters were for. From \$55,200.00 we know that \$40,000.00 was to do with the electoral issue. I don't think the public clearly knows how that \$40,000.00 was going to be spent. We did have a breakdown of that. I know the lobbyists were involved and I know that travel of members was involved but I think these things should be actually aired at this point in time, only for the benefit of the listening public who are quite interested in what we're doing with their money. I know there was a summons for a top up of the Executive Members discretionary vote. Some more was for travel, another \$5,000.00 was for travel, \$2,000.00 for power and \$3,200.00 for Norfolk Island Dictionary but just a little bit more information at these times, I am sure it would be appreciated by the listening public.

DEPUTY SPEAKER Thank you. Further debate No further debate - Chief Minister.

MR SMITH Maybe I could pick up some of those Mr. Deputy Speaker. I think we've all been careful not to say too much about the electoral thing because that's really a bit of our war chest to fight these issues that we have around, but certainly there's some of the moneys, one was to top up the power down in this building, power or telephone, something like that. Part of that, the Dictionary which was Miss Alice Buffett who'd been over in the University in Canberra, putting together her Norfolk Dictionary which is something we all support, and I understand that that's almost completed, if not completed at this point in time. And then the

\$40,000.00 that Brian just mentioned is for consultants that we've had in relation to the electoral issue and all Members are aware of that and also lobbyists, and associated things to do with the electoral matter, and I think we all believe that that's an investment in keeping control of Norfolk's destiny. I haven't got all the extra details here of that but I think Brian's probably got it there if he wants to table it. I don't have any problem with that.

DEPUTY SPEAKER Thank you. Further debate - Chief Minister.

MR SMITH I move that the Bill be agreed to.

DEPUTY SPEAKER Thank you. Honourable Members, the question before us is that the Bill be agreed to in principal.

QUESTION PUT  
AGREED

The Ayes have it. Thank you. Do you wish to dispense with the details stage - AYE - Thank you, we'll so move and I will seek a motion in a final sense, Chief Minister, that the Bill be agreed to.

MR SMITH I also agree, so moved.

DEPUTY SPEAKER Thank you. Any final debate? The final question before us Honourable Members is that the Bill be agreed to. Those of that opinion say Aye.

QUESTION PUT  
AGREED

The Ayes have it. The Bill is agreed to. Order of the day No. 2.

### **LEGISLATIVE ASSEMBLY ACT 1979 AMENDMENTS PROPOSED IN ORDER TO PROGRESS SELF-GOVERNMENT**

DEPUTY SPEAKER Resumption of debate on the question that that motion be agreed to and Mr Nobbs, you have the hall to resume.

MR NOBBS Thank you Mr Deputy Speaker. The motion, as we said, was tabled at the last meeting and as I said at the time this motion is designed to progress self-government at no additional cost, Brian. To me it's fairly simple stuff and what it involves really is the placing in one Act what currently exists in two. The major proposal is to remove from the Commonwealth Norfolk Island Act relevant provisions and placing these in our own Legislative Assembly Act. As stated there will be a need for this if this is proposed and it will have to be made into a Bill which will come back to the House and then go on from there, but I am seeking support for the proposal at the moment including the clarification issues in regard to qualifications for enrollment and also residential qualifications for candidates. I believe that the motion is firmly in line with the electorates' view in a recent referendum which supported the premise that Norfolk Island, not Australia, should decide and administer such issues as electoral issues, and I look forward to the support of members.

DEPUTY SPEAKER Thank you Mr. Nobbs. Debate

MR BROWN Mr Deputy Speaker I have difficulty with paragraph three, I think I've mentioned it on a previous occasion. The paragraph as it presently stands, in my view, could be misinterpreted as being discriminatory. I'm sure that it can be amended to make

provision along the lines of saying, subject to the person having lived in Norfolk Island - having been ordinarily resident in Norfolk Island for at least 10 years earlier in his or her life or some such thing. I think it's important that we not appear to be discriminatory and I don't think it's discrimination that's actually intended. I think what's intended is to recognise that people in this category will have already lived in Norfolk Island for many many years earlier in their lives.

DEPUTY SPEAKER Thank you. Mr. McCoy.

MR McCOY Thank you Mr Deputy Speaker. I would have to agree with Mr. Brown because it can appear to be discriminatory and there is always the question of how many residents were not on the roll who been eligible to return and get on the roll within a 150 days, and quite often people who may have even attended school here. They go off the Island to seek a career path, a lot changes while they are away and when they return they sometimes get a little clouded with the overseas influence and it takes a little while before people start to get back into the swing of what is actually happening on Norfolk and I think the amount of people presently effected by not being able to re-enroll on the Electoral Roll is not a great number, so I do have difficulty with number 3 as well.

MR BROWN Mr Deputy Speaker I wonder if I could have leave to move an amendment to see whether members would be happy with it and that would be that after the word enrollment at the end of paragraph 3

DEPUTY SPEAKER Qualification for enrollment, that enrollment

MR BROWN Before application for enrollment on the fifth line of paragraph 3 at the very end. Subject to the person having been ordinarily resident in Norfolk Island for a total

DEPUTY SPEAKER Could you just read that a bit slower, because I am trying to write that in long hand

MR BROWN Subject to the person having been ordinarily resident in Norfolk Island for a total of at least ten years in previous times.

DEPUTY SPEAKER So that's in addition to what's already there, there are no deletions?

MR BROWN No, and in my view that would make it clear that we are not making it discriminatory but we are wanting to recognise a lengthy period of residency in Norfolk Island and even someone who has gone away to school is likely to have lived here for at least ten years in previous times.

MR NOBBS Well I'll accept that amendment, I mean it covers the people that I believe are disaffected at the time anyhow, so I accept it.

DEPUTY SPEAKER Let me just read those words to the House and we will formalise it. that there be a comma and these words added, "subject to the person, having been ordinarily resident in Norfolk Island for a total of at least ten years in previous times". Are



members happy with that motion be received without notice. Is leave granted? Leave is granted. Thank you very much Mr Brown. We have that amendment in front of us. Further debate.

MR BATES

Thank you Mr Deputy Speaker. I seem to recall that a month ago when this motion first stood before us that Mr Brown counseled the wisdom of the definitions of Administrator and some of the things appearing in two acts. I was interested in that because I don't think the intention of this motion is to make life difficult anywhere along the line and I certainly agree with the thrust of the motion but if there is go to be real complications and ambiguities in that area I'm just wondering if it would be wise to, I guess if the motion goes forward and a bill then has to come forward then I guess if those particular things in the bill do make it cumbersome, or difficult or unwise then they can reconsider them on that occasion but I wonder if Mr Brown would care to comment on that.

MR BROWN

Mr Deputy Speaker, Brian has hit the nail on the head. I had spoken about this earlier and the reason I've not spoken about it today is that I'd formed a view that we're really asking the draftsman to come up with a bill, we can talk about it at the time of the bill and I'm sure that the draftsman or I should say the Legislative Counsel will take account of those difficulties either in his explanatory memorandum to us or in his actual draft.

MR GARDNER

Thank you Mr Deputy Speaker. I've been following this quite closely since Ron first proposed this motion for the House, and he did take the right step of requesting some advice from the Legislative Counsel on this matter and the implications of proceeding with the motion and what possible effects it might have and how it may it possibly be received by the Commonwealth and it may probably be helpful for members if I were to read the content of that advice that was attached to the original motion, if Ron has no objection to that. It's really just an information session I believe just to outline some of the difficulties that may arise in relation to the proposed motion. It's from James Williamson the Legislative Counsel. I refer to your e mail of 7<sup>th</sup> April 1999 in which you ask whether it is possible to amend the Legislative Assembly Act 1979 to include the provisions of existing Part 5 of the Norfolk Island Act 1979. Part 5 of the Norfolk Island Act 1979 establishes the Legislative Assembly and goes on to deal with issues regarding elections, Sections 33 to 35, resignations and casual vacancies Sections 36 to 37, qualifications for election Sections 38/39, procedural issues Division 2 Sections 40 to 45. The Legislative Assembly Act 1979 deals in the area with voter qualification part 2 of the holding of elections part 3. The proposal to include the provisions of Part 5 of the Norfolk Island Act 1979 and the Legislative Assembly Act 1979 is problematic for the following reasons. Legislative authority, the Legislative Assembly Act 1979 was reserved for the assent of the Governor General in accordance with Section 21 2 (b) of the Norfolk Island Act 1979, because the matters with which it deals are not referred to in Schedules 2 or 3 of that Act. Any amendment to that Act or enactment of separate legislation dealing with similar subject matters would also be so reserved. It is unlikely therefore that the Federal Executive Council would instruct the Governor General to assent to legislation reenacting Part 5 of the Norfolk Island Act 1979. Under the heading inconsistency Norfolk Island legislation reenacting Part 5 of the Norfolk Island Act 1979 would be inconsistent with that Act and would therefore be inoperative while Part 5 of the Norfolk Island Act 1979 was in operation. The logical difficulties. Logically the Legislative Assembly could not establish itself by enactment thus it would be necessary to retain at least Section 31 of the Norfolk Island Act 1979 in Commonwealth legislation. It would probably also be useful to retain Section 43 of the Norfolk Island Act 1979, least there be a defect in the membership of the Legislative Assembly that inserted Part 5 provisions into the Legislative Assembly Act 1979 and the Legislative Counsel's conclusion, Mr Deputy Speaker, reenactment of Part 5 of the Norfolk Island

Act 1979 and Norfolk Island legislation is possible but would appear to be a fruitless exercise unless the cooperation of the Commonwealth could be secured in repealing that part. Thank you Mr Deputy Speaker

MR NOBBS Thank you for that comment and I put it to the Members that we proceed with it because of the fact that it can be done, those things that he suggests and whether it's considered to be fruitless on behalf of the legislative draftsman or not I believe it is within the requirements of our self government to progress such issues as these.

MR GARDNER I might just add there Mr Deputy Speaker that I do support the motion.

DEPUTY SPEAKER Further debate. No further debate. I just want to say something if I could. Mr Bates could you allow me to do that for just a minute.

MR BUFFETT Mr Acting Deputy Speaker. I've listened with interest to the advising that we've had from our legal people, as was read by Mr Gardner and he has pointed out some areas of intricacy, not areas of impossibility but areas of intricacy, and it is just as well for us to know that in examining this matter. The real purpose as I interpret it, this motion, is that we want to be seen to be taking initiatives about getting along the track with self government in Norfolk Island and we have talked about some of the issues that are here already, and we have them in other motions that we would want to progress, and we are saying let's take some concrete action to demonstrate our cause. Now the legal advising points out to us quite clearly that it would not supersede in fact it would be superseded by the Norfolk Island Act and that I understand and accept. But you see what we are on about is that we are on about negotiating these things through with the Commonwealth and we clearly want to do our piece in our piece of legislation at the very outset. Not just hanging around for somebody to give us the nod. Yes we understand that it needs to be coordinated and until we have the Commonwealth's coordination on their part, that this in fact in some part will not be a total reality, but we want to be seen to be out there getting it along. Putting our best foot forward, not being on the back foot about it, and for those sorts of reasons notwithstanding that it may have the difficulties that are pointed out, and I'm quite happy about Mr Brown's amendment I might say, I think that gives some clarity to that matter, but notwithstanding those difficulties that have been read I think we should get on and we should still do it and we should demonstrate that we are serious about getting along this track and this is one of the things that we are doing to pursue it. So in that context when the vote comes Mr Acting Deputy Speaker it will have my support with the amendment.

MR ACTING DEPUTY SPEAKER Any further debate. Then in that case I think we are in the position of putting the question, that the amendment be agreed to. Do you wish to speak Mr Gardner.

MR GARDNER Sorry, Mr Acting Deputy Speaker, I'm just wondering for my benefit, while I was trying to dive for that piece of paper so that I could bring it to Members attention, I miss the actual wording of the amendment and just wonder if it could be repeated for my benefit please.

MR BROWN It is an amendment to paragraph 3 of the motion by adding at the end after the very last word, after the word enrollment a comma and the words

'subject to the person having been ordinarily resident in Norfolk Island for a total of at least ten years in previous times'.

ACTING DEPUTY SPEAKER Happy with that Mr Gardner, then I'll proceed with putting the motion that that amendment be agreed to. Those of that opinion say Aye.

QUESTION PUT

QUESTION AGREED

The Ayes have it.

ACTING DEPUTY SPEAKER We refer back, then the amendment becomes the or the motion as amended becomes the question. Is there any further debate on the motion as amended? Then I put the question that the motion be agreed to. Those of that opinion say Aye.

QUESTION PUT

QUESTION AGREED

The Ayes have it.

ACTING DEPUTY SPEAKER Honourable Members we move to Order of the Day No. 3, the Employment Bill of 1999.

### **EMPLOYMENT AMENDMENT BILL 1999**

MR ROBERTSON Thank you Mr Acting Deputy Speaker. Members will recall that last month I tabled this Bill and this amended Bill 99 is the result of a lot of work done by the committee who met on eighteen different occasions to sort out some of the problems that had been associated with employment matters for quite a number of years, and genuine concerns that were raised from both employers and employees. The committee consisted of myself as chair, Geoff Gardner, John Brown, Kim Edward, Kate Smith, Bruce Walker, John Hughes, Ross Reynolds and the secretarial work and the putting of the papers together was done by Jodi Brown who is from Policy and Projects. Towards the last meetings of the committee we had James Williamson also sitting in with us, to get a feeling for what should be happening as far as the drafting of the bill was concerned and we also had at one stage the person by the name of Geoff Wilton, from the Employers and Manufacturers Association in New Zealand who actually specialises in legislation and employment and is the negotiator with unions and companies, corporates, small businesses or whatever to ensure that everybody gets a reasonable fair deal with the drafting of legislation. Toward the latter part and prior to, just in fact after it had been tabled in the House as a paper, concern was still raised from within this group suggesting that perhaps full discussions hadn't been done with employees, and whilst there had been discussions with employees from time to time naturally there was complete analysis from the Tribunal work and the conciliation work and people will recall that Kate Smith is from the Tribunal and John Hughes and Bruce Walker are both from conciliation. We made up a special paper entitled 'explanatory notes for employees', which set out the current situation and the proposed amendments and this was prepared and made available at the Post Office and the Public Library and with Jodi Brown at the Policy and Projects office. Advertisements were placed in the local newspaper and on VL2NI advising employees where that paper was available and should they have any queries or require further information to contact either members of the committee or Jodi Brown. Of that there were only three enquires received and only one request for a copy of the draft bill. This amendment is only on Part 2 of the existing Act and refers to the minimum wages and working conditions. The rest of the Employment Act 1988 remains untouched, although at a later stage Part 5 which deals with conciliation, adjudication and review will be looked at with a view to some amendments and

that's really to strengthen and tighten it up a little bit more. So what we are looking at today is Part 2, the minimum wages and working conditions and that's currently looked at in the Employment Bill, amended Bill. Mr Acting Deputy Speaker I don't intend to speak anymore with this but leave it open to members who may wish to have something to say.

MR SMITH Thank you Mr Acting Deputy Speaker. Gary I haven't got my Bill here. It doesn't seem to be in my files here. Just I wonder if it might be helpful if you could just outline the major changes, if you wouldn't mind doing that, or the effects of this Employment Bill.

MR ROBERTSON It's fairly lengthy. Mr Acting Deputy Speaker the purpose of the general outline of the Employment Bill, the major amendments in that part include the requirement that all new employment contracts are entered into in writing. Existing unwritten contracts must be converted to writing on request of an employee. That basically means that every person in the era coming on will require a contract, those that are currently in employment that do not have contracts, if they wish to have one it must be supplied. Provision of the full minimum rate of pay, oh sorry, provision that the full minimum rate of pay applies to employees 16 years old and older, previously there were four different categories within that area. There is removable of the 50% loading in respect of overtime. There is provision that while entitlement to holiday leave only accrues after 12 months and employee who is employed for any period less than 12 months is entitled to an additional pay in lieu of holidays. In other words effectively comes into a holiday pay period from the day he starts work. Clarifying entitlements to public holidays, there's been some problems with that, provision that sick pay entitlements apply only to employees regular work days. The removable of special loadings for casual employees and repealing the obligations in respect of uniforms and varying restrictions on the employment of children. Those are the main outlines, is that what you are after Mr Smith.

MR SMITH Thank you Mr Acting Deputy Speaker. Yes that's what I was looking for. Thank you for that. Since I asked you that, Ric has given me his copy of the Bill. There was a query I had there somewhere. Clarifying of entitlements to public holidays. Can you just, I suppose when you get to the detail stage we'll talk about that anyway.

MR ROBERTSON I can give you a quick overview at the moment. Public holidays in effect, clause 16 the payment of public holidays is dealt with in existing Section 17. Now this section provides that employees who work on a public holiday will be entitled to either a double time penalty rate or paid a days leave in lieu. In other words if their holiday falls, or if their working day falls on a gazetted public holiday they will receive a full days pay. If they work that day they will receive their full days pay plus the hours they have worked, so it in effect becomes double time. Where there was a difficulty was Christmas Day fell under the current Act and there was a person that worked during that period of time, but because Christmas Day would then have another day in lieu of, further down the line they were actually getting paid treble time or there was a number of anomalies. What we are saying now is, in the Act it states that a public holiday will fall on the day that is nominated to be that, so if it is Christmas Day, that's the day. If they work they get double time or if they work for only 3 hours then they will receive their full days pay plus the 3 hours that they have worked. So that they will get their full days pay or they get a day off in lieu of which is then rated as one of their holidays and they pick up another day later on. That's how that comes into it. Then we've put a, increased the penalty on that too. We've taken the penalty up to \$2,000 just to ensure that that's not shoved round too much.

MR SMITH Thank you Mr Acting Deputy Speaker. Thank you Gary for that. I can't recall, I can't see in here and I don't know if it still happens, the abuse of some employees by people employing them, certain employees on what is called a salary. Now a salary to you being in business Gary and myself would assume that you get a fairly good level of pay and all your things all in that, and you accept that you might have to work so many hours to do that but is there still the practice of people being employed at the rates, the minimal rates of pay but it is put into the package of a salary and they end up working sixty/seventy/eighty hours for that same salary rate, on a minimum amount of pay. Is that picked up in here so that people can't do that.

MR ROBERTSON Yes it is. Remember this is the minimum level and the actual Bill is split up into divisions, so we have division 1 which contains procedural provisions including the requirements relating to the conversion of employee contracts into writing and division 2 contains all the minimum statutory terms and conditions of employment that an employer and an employee cannot contract out of. It means that as far as the person receiving a, negotiating for work that there is the provision to say that under the ILO conventions, it is deemed that forty hours constitutes a working week, and we've taken that as being a standard week at all times. It also means that an employee has the right to refuse to work more than forty hours, that's in the Bill and in the new Act he has the right to refuse to do it. If in the sections or it's division 3 of the Act, if you want to take somebody on and you have discussions with them, there is every right that you can negotiate if you want to work 30 or 40 hours or 50 hours or 60 hours, I think there is probably a maximum of 60 hours there is no more than that, because the ILO comes into that. We are also looking at turns of days on and days off, then that is a negotiated rate. Also if you look at I think it's section, in the regulations, there's regulations 108 and I think it's 2(a), the hours are the numbers of hours in a day, that refers to that regulation which then comes into regulation 13 and the description of the working week has then has to be put in, in full, and from that description then you can then negotiate what you want to do, but anybody makes that decision then it's up to the employee and the employers to what they want to do. Now if you feel that you have been exploited then you obviously walk out of the job. We're looking at minimums.

MR SMITH Thank you Mr Acting Deputy Speaker. I understand what you are saying, so there is no possibility that say I was an employer and a bad employer and I fly somebody in to do a particular job and they say I'm going to do 40 hours a week and I say no your going to do 60 hours a week and we're going to pay you this salary so you can't complain. That person do they have any right to ..do they have an option to go straight to the Tribunal

MR ROBERTSON He has every right from

MR SMITH Or they go to the Tribunal, so if they didn't want to do that, there is nothing illegal about an employer doing that, say if that scenario happens and I say well this is all I am going to give you, we'll contract for that and you fly him over here to work for me, and I say well if you don't like it well you go, and I say oh well O.K. then and sign away that right. Is there any protection there or is it..

MR ROBERTSON Under the current, as far as T.E.P's are concerned, under the current agreement or contract there has been on occasions where part of the conditions have been overwritten and is deemed then to be the new contract. What we are saying in division 2 of the thing is that there are areas that cannot be contracted out, to stop that type of practice, where saying to somebody this is what your going to do, I'll just change this contract to suit. So what we're effectively doing is putting out part 1 of the contract which will have listed on it the



can wheel in another one to take their place and the same thing can happen again. If such a scenario exists what does this in actual fact do for Norfolk Island. Not a lot. The Island gets a bad name, cannot attract top staff and as a result service will suffer and tourism pays. Not a very good way to ensure as Mr Robertson wishes that Norfolk Island is a 24 hour per day, 365 days per year tourist destination. The scenario put may or may not occur, that is really irrelevant. What is relevant that it could occur. That is the danger and to insure that as far as possible that it does not occur and with the good of the tourist industry in mind I would ask the Minister that the Bill not proceed until it includes provisions related specifically to inspectorial powers related to the employment provisions. Thank you Mr Acting Deputy Speaker.

MR ROBERTSON Mr Acting Deputy Speaker, the first point he raised as far as uniforms and safety equipment and so forth. Under Section 49 which is part 4 of the Act, duties of employers, which is there and is not being removed, and if you look at 2 (a) and (b) you'll probably find that without limiting the generality of subsection 1, employer shall as far as practicable a. Provide and maintain plant and systems that are safe and without risk to health and make arrangements adequate to ensure the use, the handling, the storage and transport of plant and substance is safe without risk to health. So those two things are there, as far as the uniforms concerned is one thing but as far the year that makes whatever they have to use , safe for health is in the Act and has not been removed. It's there now, so

MR NOBBS Why was it in twice? Through you Mr Acting Deputy Speaker, why would it be specified specifically in section 24.

MR ROBERTSON Through you Mr Acting Deputy Speaker. There are some areas and some things in the old Act which, and that is one of the reasons they took them out, because it was no use repeating them twice. If under a contract I wish to employ somebody and I'm prepared to give them a Mercedes Benz 24 weeks holiday, the best gear in suits and so forth to attire, that is up to me and I shall do that if I want to keep that employee and give them \$50,000 a year. Do whatever I want. That's fine. The minimum is there and the minimums are the thing that we have had some difficulty with in the past. The business you were saying regarding inspectorial, I didn't realise we were in a police state. When you start to interfere with somebody's business by having people marching in and I guess we haven't got it in the budget to have an inspector on the payroll of the Administration, when you start to get to that sort of stuff then Mr Nobbs I suggest you go out into business and try it for yourself. One of the things that does come into this..

MR NOBBS Point of order, I think that your trying to mislead the House a little bit there Gary. You've already got inspectorial powers in the tourist industry now and that's in relation to accommodation and the like, we've already seen it today. O.K.

MR ROBERTSON Thank you Mr Acting Deputy Speaker, I take his point. I still think he should go into business. As far as the complaint section is concerned we've dealt with a number of the areas where there were fairly regular complaints and that is in the business of holiday pay. Under the current Act a person was able to employ somebody up to a period of approximately six months. Just before that if they so wished they could have an argument with them, push them out the door and say I'm sorry but there is no holiday pay. Under this Act we're saying that from day one of the employment there is a six percent, which equates to 3 weeks holiday pay, in fact it equates to a fraction more than that. It is actually about 5.86 percent or something but it is six percent payable on gross pay and it accumulates, then a person that comes up and he works for three weeks , there's a problem and he leaves the employment and in that 3

weeks he's earned himself three hundred bucks a week, \$900, that employer is obliged to pay him \$300 plus six percent. \$900 plus six percent as his holiday pay period, it also accounts for those that employ people for under 20 hours or even part timers. If I employ you for a day and Mr Buffett for a day and Mr Smith for a day. I am obliged to pay them six percent of that days wages, is accumulative. So they in effect are getting holiday pay from whoever they work at all times, which hasn't been and that's basically how it works. It even works, questions were raised with this as to a person who is having difficulty in a restaurant one night and suddenly there is nobody to wash the dishes and they grab somebody quick and say come on in and I'll do the dishes with you, and we're saying you must have a contract. It is a very easy form which is a simplified thing which just says your going to work and your wages will be, wages, the minimums are set as a minimum wage or you can pay whatever you like. They'll give you \$30, plus 6 percent, even for that 2 or 3 hours that they work. The only ones that are exempted from that sort of thing are the kids working as baby sitters and that type of thing, and family which is under normal circumstances isn't in this bill anyway, but we're sort of catering for those that previously were getting minimums or were getting small , 8, 10, 12 dollars or whatever it may be, but not having that ability to pick up a holiday pay under that first six months. That's now been wiped and it has to be paid. Now if it isn't paid and we're saying, also there needs to be the fact that you require a contract, it eliminates some of the difficulties that's been experienced within the conciliation area and in fact with some cases the Tribunal, in that there has been no document or they've been forced to sign something which is a bit of a no no, as far as that the wording on that document is concerned , and because of that some of them have not bothered to continue or the threat of well if you do it I'll hammer you or so forth and there's all sorts of threats. So we're looking at that area, or we have looked at that area and we've gone fairly extensively into that as to the repercussions and how we can overcome it and what would be intended. And keep on remembering that it is a minimum bill. One of the things that we are suggesting is that the minimum rate of pay be \$7.70. You currently get \$7.00 and before that it was \$5.00 or something, and the reason it went to \$7.00 was because it was at the whim of somebody to say , hey it should be \$7.00 now, we haven't done anything for a few years. What we've done and there is a provision in the bill which outlines it now into a formula, is say that it should be looked at in an R.P.I. every six months. We've looked at what that \$7.00 was and the difference in the R.P.I. came to \$6.65 or something and we said well O.K. we'll start off at exactly \$7.70, so we bought it up to that figure as a minimum rate. That doesn't mean to say everybody has to pay a minimum rate, what we are saying is that people, that's absolute minimum, if you can get somebody to work for you for that, well and good, if you can't well you pay a lot more and most people today and if you like to look around in the employment structure in town, you'll find that 99.9 are paying more than that. So those sorts of things have been looked at in an attempt to make sure, no only just we establish \$7.70 and four years later we try and think , oh what should it be now, we're actually looking at it current reviews.

MR NOBBS

I'll just assure Mr Robertson I don't intend to press for a police state or anything like that and Mr Robinson as well but the thing is I think that what you have to realise is that Norfolk Island is a difficult to employ people apart from the locals which is fine, but if you have to have a system where your recruitment is a thousand miles or more away and you have to pay their fare over, they have to go through a permit, entry permit arrangement, all these things that are needed and then when they go there's a problem of getting them and you can't just run a few miles down the road out of the next town. Those sort of things make it extremely difficult here for employers. I appreciate that and what I'm saying is that if somebody is doing the wrong thing and is putting the Island in a bad position and affecting all these other good employers because they can't get good staff, and we must have good staff if we want to be a competitive



tourist destination, well then that's where I'm coming from. I'm trying to look after the good guys Gary, if you know what I mean.

MR ROBERTSON Through you Mr Acting Deputy Speaker, you may recall that when I started talking about the bill I mentioned that at the moment it's on part 2 and that we would be looking at part 5, and part 5 of course is the conciliation adjudication and review, and that's in two divisions. There's the conciliation and there's the adjudication. And the reason for that and we intend to up the ante as far as the powers of the court and the reason for that is if a person is doing that sort of thing, is to hit them and hit them hard. As I said there is no difficulty for the employer that is the good guy. He wouldn't worry too much if the penalties were \$50,000 because he doesn't do it, he is not effected. It is for those that have the intention of not sorting. At the moment you can get some places, if they do offend they're given a smack on the back of the hand and they're back again a few weeks later so what we are suggesting is that by firstly putting in contracts which is compulsory so everyone's got them and that there is no difficulty when going to conciliation that there has been some change to contract or I don't have a contract. In actual fact there is no written contract, if you are employed, just the fact that your employed is a contract in court, but the object is to ensure that all the way down the line it's the support of the employee to have that. We're also saying that at no times should an employee be enforced into signing something that he doesn't want to do. He doesn't have to work 60 or 80 hours. He can work 40 hours and he can say so. He doesn't have to work on a public holiday, in the bill it says you can say no. I will not work that day, he will be paid for it but he doesn't have to work. We've specifically put those sorts of things in. Once a person does go on to a semi contract basis of working 50 hours a week or 55, or 60 hours a week then under the section 118 I think it is, regulation 13, there's then a description of the working week which then has to go into the contract. Exactly what they are doing and what they are getting. That person is still entitled at any stage all in those areas.

MR NOBBS Thank you Mr Acting Deputy Speaker. Regarding part 5, when do you plan to start reviewing that part

MR ROBERTSON As soon as we get this one in place. We've already had some documentation come in on that and there's about three papers that's come in so far and the Tribunal are definitely very much in favour of proceeding with that very quickly

MR NOBBS Thank you Mr Acting Deputy Speaker, I'm pleased about that and will support Gary with that Review coming in because I think it's most important

ACTING DEPUTY SPEAKER Further debate? There being no further debate I put the question before us Honourable Members that the Bill be agreed to in principle

QUESTION PUT

AGREED

Is it the wish of the House to dispense with the detail stage

AGREED

I seek a motion that the Bill be agreed to

MR ROBERTSON I so move thank you Mr Acting Deputy Speaker

DEPUTY SPEAKER The question Honourable Members is that the Bill be agreed to in principle. Further debate?

MR GARDNER Thank you Mr Acting Deputy Speaker. Just another one for information. I've been a member of that Employment Committee of Gary's and it's been interesting over the time and the arguments have been the why's and wherefore's and everything else, and I guess looking at that Committee I was the only true employee, private sector employee, so to speak that sat on that Committee. However, I think it's probably important to point out that it's a fairly lengthy document and there will need to be a degree of public education so to speak for the benefits of not only the employers but the employees and I understand that is an undertaking of our Committee to develop both those papers or booklets, one for the employer and one for the employee and I would imagine that especially for the employees who are new to the island and going through the process of Immigration that those types of booklets will be available from the Immigration Department so that employees coming to the Island are made fully aware of all of their rights and conditions under the Employment Act. Thank you

MR BUFFETT Thank you Mr Acting Deputy Speaker I wonder if I might through you ask Mr Gardner whether he in describing himself as a true employee would be comfortable to work under the conditions that are prescribed by the piece of legislation that we are asked to vote upon

ACTING DEPUTY SPEAKER Do you wish to respond Mr Gardner?

MR GARDNER Thank you Mr Deputy Speaker I have no problem with that at all. I guess in my time on the Island I've had, and sitting next to one of my ex employees, I've been fortunate enough to have very good employers. I've never had a complaint over direction though in my time here, and especially in my earlier days here on the Island I did happen to mix with people who had particularly difficult employers to work for and I saw some of the problems that they had. I am confident that this Employment Amendment Bill that Gary presented to the House addresses alot of those problems and I guess in twelve months time if I'm fortunate or unfortunate enough to be here, depending on which side of the fence you sit on, and I return to employ in the private sector, I am confident that not only myself but other employees Island wide will be in a far better situation then currently exists under the current Act

ACTING DEPUTY SPEAKER Any further debate? The question before us Honourable Members is that the Bill be agreed to

QUESTION PUT  
AGREED

That Bill is agreed to

**PUBLIC SERVICE ACT 1979 - NEED TO AMEND TO ACHIEVE CERTAIN OBJECTIVES OF THE HOUSE IN RESPECT TO SENIOR MANAGEMENT AND THE PUBLIC SERVICE BOARD**

Honourable Members we move to Order of the Day No 4, Public Service Act 1979. Need to amend to achieve certain objectives of the House in respect to Senior Management and the Public Service Board. Mr Nobbs, we are resuming debate on the question that that motion be agreed to and you have the call

MR NOBBS Thank you Mr Acting Deputy Speaker. I stood this over from the last meeting and the Chief Minister has now brought in the Public Service Bill. What I'm asking the House is that in case the Public Service Bill falls over that this may be an acceptable

way to go and I would ask the leave of the House to stand it over until the next meeting when we should have a further indication of how well the Public Service Bill is accepted

ACTING DEPUTY SPEAKER Thank you Mr Nobbs we will do that by motion that the debate be adjourned and that resumption of debate be made an order of the day for a subsequent day of sitting. Is there any further debate. Then do you wish to move Mr Nobbs

MR NOBBS Thank you Mr Acting Deputy Speaker I so move that debate be adjourned and that resumption of debate be made an order of the day for the sitting of the House

ACTING DEPUTY SPEAKER Thank you. I put that question to the House Honourable Members

QUESTION PUT  
AGREED

That matter is so adjourned

### **TOURIST ACCOMMODATION (OWNERSHIP) ACT 1989 - REGULATIONS FOR PRESCRIBING TRIGGER MARKET SHARE**

Order of the Day No 5. Tourist Accommodation (Ownership) Act 1989 - Regulations for prescribing Trigger Market share. We are resuming debate on the question that the motion be agreed to and Minister Robertson you have the call to resume

MR ROBERTSON Thank you Mr Acting Deputy Speaker. It is my intention to seek leave of the House to withdraw this motion. Its been on for a few weeks now but I feel that with the Tourist Accommodation Act that has just been tabled today we will cover some of those areas of concern. It would mean that the Trigger Market Share numbers that had to be increased by roughly 30% or to 30% to allow it to continue, and obviously I've been bashing my head against a brick wall. What will be happening in future is that under the Tourist Accommodation (Ownership) Act, the Table of Provisions No 4 is the disposal of relevant applications, those numbers that will be exceeding the trigger market share, which will now be operable on the numbers of operating units will be dealt with under that section and that is that it will come into this House for discussion and either approval or rejection or instruction to me to do something with it in future times so having said that Mr Acting Deputy Speaker I seek leave to have this withdrawn

ACTING DEPUTY SPEAKER Just before you do that I'll see if anybody wishes to have any debate on it. There being no debate you may seek leave

MR ROBERTSON Thank you Mr Acting Deputy Speaker I now seek leave of the House to withdraw this motion from the Notice Paper

ACTING DEPUTY SPEAKER Is leave granted Honourable Members? Leave is granted

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

MR NOBBS Thank you Mr Acting Deputy Speaker. I move that the House at it's rising adjourn until Wednesday 16th June 1999 at 10am.

ACTING DEPUTY SPEAKER Thank you Mr Nobbs is there any debate?

MR SMITH Thank you Mr Acting Deputy Speaker. I'm just wondering. We've got the 16<sup>th</sup> June there. I think in that week there's a public holiday on the Monday and although it does fall in the third week, that we shift it to the week after. We've got a short week the week before with Bounty Day. So I'm just suggesting that we move it to the week after

ACTING DEPUTY SPEAKER Any debate Honourable Members? No. You will have to move an amendment Mr Smith

MR SMITH It's a simple amendment. I just move that we have it on the following Wednesday

ACTING DEPUTY SPEAKER The question is that the motion be amended to read that the House at its rising adjourn until Wednesday, 23<sup>rd</sup> June 1999 at 10am. Is there any debate? Then I put the question that the amendment be agreed to

QUESTION PUT

AGREED

The ayes have it. The amendment now becomes the motion. Is there any further debate? I put the question read that the House at its rising adjourn until Wednesday, 23<sup>rd</sup> June 1999 at 10am

QUESTION PUT

AGREED

The ayes have it

## ADJOURNMENT

MR BUFFETT Thank you Mr Acting Deputy Speaker, I move that the House do now adjourn.

ACTING DEPUTY SPEAKER Thank you.. Is there any adjournment debate? As there is no adjournment debate I put the question that the House do now adjourn

QUESTION PUT

AGREED

Therefore this House stands adjourned until Wednesday 23<sup>rd</sup> June 1999 10am.

