



W.W. (Bill) Sanders



SUBMISSION .....

6 April 2004

Senator R. Lightfoot  
Chairman Joint Standing Committee on the National Capital and External Territories  
Parliament House  
Canberra ACT 2600

Dear Senator Lightfoot

**NORFOLK ISLAND GOVERNANCE INQUIRY: PART TWO  
(SUSTAINABILITY OF PRESENT GOVERNANCE ARRANGEMENTS)**

Thank you for the opportunity to comment again regarding the financial sustainability of Norfolk Island.

As I am not in a position to know the details of the government arrangements – whether in place or proposed – I cannot respond to the details listed.

However, I still believe to be fiscally responsible those who live here must be prepared to contribute to allow the Government to fund services which are deemed essential. Persons who come to live in a remote and isolated location with an extremely small population, cannot expect to have the same standard of services as on the mainland. The level of services provided must equate with the ability to fund.

There are two types of taxes which could be introduced – Land rates and a simple form of income tax. Land taxes might appear to be an imposition on some elderly landowners but payment of taxes on such properties could be deferred and become a debt against the estate.

- A simple form of income tax could be as follows:
- Any person earning \$60,000 or more per annum pays \$6,000 per annum
- Any person earning between \$50,000 and \$60,000 pays \$5,000 per annum
- Any person earning between \$40,000 and \$50,000 per annum pays \$4,000 per annum
- Any person earning between \$30,000 and \$40,000 per annum pays \$3,000 per annum
- Any person earning between \$25,000 and \$30,000 per annum pays \$2,500 per annum
- Any person earning less than \$25,000 per annum is exempt

I believe the threshold of \$25,000 is reasonable and the ceiling of \$60,000 is necessary so that workers are not discouraged from working to earn more.

A person can pay what he or she believes is correct but an authorised officer would have the right to investigate if it is thought that the assessment is incorrect.

This would alleviate the high cost of implementing a mainland type income tax system. There is no requirement on NI [except for companies] to keep books and the imposition of such a need would be met with dismay and probably incompetence by the many “one-man-bands” who serve the Island.

I state again: People who live here “cannot expect to have the same standard of services as on the mainland”.

Yours sincerely

*W.W. Sanders*

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