

NORFOLK



ISLAND

## **THE GOVERNMENT OF NORFOLK ISLAND**

### **MEDIA RELEASE**

# **Budget heralds new strategic planning approach: Chief Minister**

Norfolk Island Chief Minister Andre Nobbs has welcomed the passage by the Legislative Assembly this week of the Appropriation Bill to implement the 2007-08 Revenue Fund budget. He said today that the budget was the first major step toward actioning the strategic framework outlined in May by the Norfolk Island Government.

“We are approaching our first 100 days in government”, Mr Nobbs said. “So far we have put a lot of effort into communicating our direction, consulting with the community and establishing the major elements of our strategic plan. This budget now provides funding for a number of major initiatives arising from the plan.”

In the budget debate in the Assembly\*, Mr Nobbs made a statement on the manner in which action on five key strategic areas would advance over the next financial year. As well, each of the other Ministers gave details of major initiatives and spending priorities within their portfolio responsibilities. The Chief Minister said today that he wished to emphasise two areas where action was already underway.

#### **Improved financial accounting**

Mr Nobbs said that a major reform had commenced this week with the arrival of consultants from Australia to commence detailed process mapping of all major areas of the public sector. The consultants would be meeting with all public sector managers over the next week or so to analyse all processes and to assess the enhancements available to systems and procedures. This was the first main step in implementing the budget’s \$400,000 programme to develop a comprehensive Financial Management Information System (FMIS), as well as to integrate procedures to enhance efficiency and service delivery in both manual handling and integrated reporting.

“The new FMIS will result in a range of benefits”, the Chief Minister said. “We expect it to contribute to substantial improvements in delivery of services to the community, and to be cost-effective by achieving efficiency savings. We are seeking to implement new systems which are user-friendly and which at the same time improve accountability and transparency, particularly through improved reporting formats and timelines”.

#### **Infrastructure replacement and improvement**

The Chief Minister said that the Government was implementing the strategies to ensure sustainable community services basis as set out in the major econometric report produced by Econtech. Key recommendations on which action was well underway related to restructuring

the Norfolk Island revenue base and supporting tourism promotion and airline services. Another key recommendation was to provide funds for depreciation and infrastructure replacement. The 2007-08 budget provided \$900,000 for a depreciation sinking fund, including \$200,000 towards the construction of a new hospital. These funds are to be quarantined from the general revenue appropriation to ensure that public infrastructure can be maintained, improved and replaced where necessary.

“This is a significant step”, Mr Nobbs said. “It moves us toward being fully sustainable in the long-term and at the same time addresses issues raised in the past by the Commonwealth concerning asset management and replacement. The establishment of this sinking fund illustrates the determination of the government to operate as a fiscally responsible and transparent way”.

The Chief Minister also noted that the total amount available to Norfolk Tourism for the year to promote the island to visitors would be a record \$2m, representing allocations from the Revenue Fund, Norfolk Air and the Commonwealth Regional Partnerships Programme.

“These are just some of the major areas funded in this year’s budget”, Mr Nobbs said. “We intend to push ahead with a programme of vigorous but responsible reform, and we will continue to work with community to ensure that changes are well understood and widely supported”.

Andre Nobbs  
**Chief Minister**

29th June 2007

\* Copy attached

## **Appropriation Bill 2007-08**

Mr Speaker, I intend to vote for the Appropriation Bill 2007-08, which puts into place the Revenue Fund Budget for the financial year. The Minister for Finance summarised a range of initiatives included in the budget in his speech to last week's Assembly meeting.

I endorse the remarks of the Minister for Finance and thank him and the staff of the Administration for the hard work which has gone into the preparation of the budget. In supporting the Appropriation Bill, I would like to briefly outline how the budget fits into the overall aims of the Norfolk Island Government, and particularly into the strategic framework which I presented to the Assembly sitting in May.

### **Growing prosperity for Norfolk Island**

The Executive portfolios we have implemented and some of the budget measures demonstrate the stress that the Norfolk Island Government gives to economic growth and the prosperity of the wider community. Next financial year will see available an unprecedented amount of almost \$2 million for promotion of our most important industry, tourism. Much of this money will be allocated toward encouraging high yield tourism through destination advertising, use of a wider range of media and promotion of the experiences and events which can enrich the holiday experiences of our visitors. The larger amount available will mean that these initiatives can be implemented without detracting from simultaneous promotion to our traditional and strong market sectors.

Tourism will remain pivotal to our economy, but the budget also provides funding for developing and promoting other industries, including an allocation to develop fishing and agricultural initiatives. The budget allocates monies for the operation of the new Assembly Public Accounts and Estimates Committee, which has among its functions a specific focus on economic development and diversification. As well, funding will be available for travel and consultation with Commonwealth agencies involved in industry diversification and business promotion. My colleague the Minister for Industry and Commerce has commenced dialogue with his Commonwealth counterpart to pursue possible opportunities for Norfolk Island to share in relevant programmes and initiatives.

### **Better services delivery**

The budget provides record amounts to maintain and improve quality services in many areas, especially health, education, law enforcement and social welfare. It also includes new areas of funding for infrastructure replacement and, very importantly, for the implementation of new electronic financial information and management systems. The \$400,000 to be spent in this area will enable us to greatly improve financial transparency and should also result in improved productivity and substantial cost savings.

### **Communicating our direction**

This Government has made clear that it will continually communicate with the community about both its overall directions and the details of new initiatives and the implications of policy changes. One of those major new directions is to focus on longer-term financial planning. This will flow from the implementation of the improved electronic financial management systems I have already mentioned. We are committed to the production and publication of three-year forward financial estimates. In company with two of my ministerial colleagues and senior officers, I have

discussed this issue with Minister Lloyd and have asked for information on Commonwealth procedures for forward estimates, so that we can mirror their formats and procedures in those we have under development. Consultants are currently on the island working on comprehensive process mapping and systems development as a first stage in our upgraded Financial Management Information Systems.

I believe that we have set in place the preconditions for much improved communication and cooperation between the Norfolk Island and Commonwealth governments and our senior officers. This will open up new opportunities to share in Commonwealth programmes to develop our infrastructure and economy, to protect our environment and culture and to promote our industries. Meetings with Commonwealth ministers and officials have been very positive, and the budget includes funding to support ongoing liaison and face-to-face meetings.

We intend to continue to show leadership and direction through innovative ways of communicating and consulting with the Norfolk Island community. Our community radio station is a key component of this strategy, and we have already trialled several different methods of public involvement in radio forums and outside broadcasts to maximise community information and public input into important debates and issues before the Government. The budget reaffirms our commitment to public broadcasting, and at this point I would acknowledge the strong contribution of the Radio Station Manager, Mr George Smith, who was rightly rewarded with recognition in the recent Queen's Birthday Honours. Congratulations to you, George, from all Members of the Assembly.

### **Environment for living**

Government members recently met with representatives of the Commonwealth's Regional Partnership Programme, and discussed creative ways in which we could use budget funding to support community groups and organisations in maximising grants available through the amounts they can pledge as part of the application process. We intend to support as many such applications as we can with grants in kind and, where possible, in cash to assist them to access programmes for community enhancement, environmental and ecological protection, cultural development and heritage promotion.

A couple of examples might help to illustrate the sorts of initiatives which the Government plans to promote in the coming financial year. We are an enthusiastic supporter of the development of a new community centre with a wide range of functions. This might involve one or more buildings allowing for uses such as a cultural centre, modern conference venue, performing arts space, gallery, community hall and many other possibilities. We intend to work with the proponents of the concept and the funding bodies with a view to outcomes which can benefit all Norfolk Islanders. We are also continuing to pursue recognition of the Norfolk language by UNESCO, with a view to seeking eligibility for related funding schemes.

These sorts of initiatives involve small, but significant, budget commitments and can be fully funded from the proposals now before the Assembly.

### **Fairness, opportunity and responsibility**

The budget does not make large allocations for new initiatives for social justice and accountability. However, we plan to undertake some important steps within the funding available. The Minister for Tourism and Health will proceed with the justice package of legislation, involving around 10 separate pieces of legislation to bring up

to date our criminal law, courts, legal procedures and legal profession. Most of the changes will involve modernising the legal system to bring it into line with mainland processes and structures. The Government has also undertaken to action the recommendations of the Chief Justice of the Supreme Court for legal reforms once these are received.

We continue to liaise with our Commonwealth and State colleagues on further measures to allow for handling administrative complaints and review of decisions in a wider range of areas than currently available. As well, we intend to widen the current probity complaint system to enable investigation of complaints of corruption. In both types of complaint, we will implement independent off-island review mechanisms and ombudsman facilities as soon as practical, in cooperation with mainland governments.

Mr Speaker, these are just some of the areas where this budget will help us to move toward the goals established in our strategic framework. There are many more initiatives which the Government will detail in coming months. I strongly support the Appropriation Bill which puts the budget into place, and seek the support of all Members for passage of that Bill.

Andre Nobbs  
**Chief Minister**

27 June 2007