

NORFOLK



ISLAND

## THE GOVERNMENT OF NORFOLK ISLAND

### MEDIA RELEASE

#### **Minister presents 2005-06 Government Budget**

The 2005-06 Revenue Fund Budget and the *Appropriation Bill 2005-06* were presented to the May sitting of the Legislative Assembly by Minister for Finance Ron Nobbs, who highlighted the fragile state of the Administration's finances. Mr Nobbs said that the Budget bottom line was a deficit of over \$2.2 million, with a further \$2 million of unfunded requests which had not been approved.

In addressing the Assembly the Minister said, "To say that I am displeased to have to stand here and deliver such a budget is the understatement of the year. However, there is a need to provide supply to commence on 1st July - if there is no supply there is no authority to expend funds and the Government stops".

The Minister continued, "Notwithstanding this, there are two very significant issues which this Government has not had time to complete. I provided details of these at the time the Budget Review and stated that results would be available by the end of this financial year – that is the end of June".

"The first is a review of all areas of Government. I can advise that a review of the Administration will be complete by the end of June. Areas in which other Ministers have responsibility are also under review, including social services, tourism and lands and conservation areas".

"The second significant issue relates to revenue, where a thorough review was undertaken of current and potential revenue streams. May I say that this review did not have to start from scratch. There have been considerable investigations and other work done in this area over the years. The too hard basket has been well utilised"!

Mr Nobbs said that a proposal to revamp the revenue stream had recently been put to Members, resulting in endorsement of the concept of a broad based consumption levy, to be known as the Norfolk Sustainability Levy (NSL). He said that the proposal required fine-tuning, which was already well underway.

The Minister said that he regarded the Budget as an interim measure and that it would face substantial change following completion of the major reviews he had detailed. He provided an overview of income and expenditure and highlighted that salaries accounted for some 46% of the total Budget, with the greatest expenditure being \$1.9 million at the Central School which alone accounted for a third of total salary costs.

Debate on the Appropriation Bill has been adjourned until the June sitting of the Assembly. Copies of the Bill and its attached schedules of proposed income and expenditure are available from the Assembly Offices in the Old Military Barracks, Kingston.

**Ron Nobbs**  
Minister for Finance

27<sup>th</sup> May 2005