

NORFOLK



ISLAND

## THE GOVERNMENT OF NORFOLK ISLAND

### MEDIA RELEASE

#### **Reserve Fund to mark a new era in government financial planning: Finance Minister**

At the forthcoming sitting of the Norfolk Island Legislative Assembly the Finance Minister, Hon Graeme Donaldson MLA, will introduce the Public Moneys Amendment Bill. The primary purpose of this new legislation is to establish better provisions for future capital expenditures in areas where significant liability for replacement, maintenance, capital works or other significant new financial needs can be foreseen.

In order to achieve this aim, the Bill introduces a new fund into the Public Account, the Reserve Fund, which will be the repository of moneys set aside for particular purposes under specific heads. Each head of the Reserve Fund will be required to be for a specified purpose and will be established by the executive member. Once established, the purposes for which a head was established may only be changed by the Legislative Assembly and may only be withdrawn under the direction of the Assembly by an enactment appropriating money for a purpose for which the head was established.

The balances of these funds must be published annually when the Appropriation Bill is introduced into the Legislative Assembly.

The Minister said that if the Bill is agreed to by the Assembly and ultimately becomes law, the new procedures will mark a new era in responsible forward financial planning by the Norfolk Island Government. In particular, it should ensure that there are sufficient funds held in reserve to undertake significant capital works and to replace or upgrade major community infrastructure facilities.

Full copies of the Public Moneys Amendment Bill and its explanatory memorandum are available from the Legislative Assembly.

6<sup>th</sup> August 2004