

11th NILA

18/26 October 2006

EXTRACT

MR CHRISTIAN Thank you Mr Speaker, as at the 30th September 2006 the Revenue Funds overall income 80% of the approved revised budget, and that is some \$641,000 short of where we would like to be. Customs duty is \$224,000 short of budget and the sum total of other tax categories is \$48,000 under budget. The FIL is \$41,000 short of budget and the departure fees is pretty well on target but land titles fees are running \$43,000 short of budget. The revenue funds revised budget income from the liquor bond is currently \$27,000 behind budget. Income from the NSL has been budgeted at \$1.2m for the full financial year. Actual cash received from this source at 30th September was \$31,000 and in a response to questions without notice, I've explained the workings of that however, after expenditure for July, August and September the amount available for transfer to the revenue fund in respect of the NSL is \$20,000. As far as expenditure, we are managing to contain expenditure and in a dollar value that is \$281,000 below the budgeted amount for 2006/2007. That leaves us at the moment in a situation where the budget is in deficit of \$357,000 as compared to the financial indicators, which I tabled last month, where we had a budget deficit at that stage of \$326,000 we have in fact gone backwards in round figures by about \$30,000. This clearly tells us that I still have some hard work to do and I'm expecting that the NSL revenue will start to flow in the next month or so, but in the meantime I will continue to keep the hand break on that expenditure side of things, and monitor the situation closely. Thank you Mr Speaker

MR SHERIDAN Mr Speaker just a quick question Minister . considering the poor performance of the revenue fund for September and the requirements to pay the New South Wales Education Department \$900,000 for services rendered past due, Minister with only some \$750,000 at the bank, some \$2.2m in creditors owing do you believe that the revenue fund is being forced to operate whilst technically being insolvent

MR CHRISTIAN Thank you Mr Speaker, that's a mute point. I've spoken with the Finance Department this morning. The education bill stands at the moment at about \$900,000 in round figures. We normally pay that in December of each year and it is my expectation that in December of this year I will be able to pay the education bill in full. One has to understand that these figures here were prepared at the end of September and the cash balances in the account goes up and down on a daily basis, but the situation remains that come December I will be able to pay the education account

SPEAKER Honourable Members the question before us is that the paper be noted and I put that question

QUESTION PUT
AGREED

SPEAKER Thank you. Are there any further Papers this morning

STATEMENTS

SPEAKER Are there any Statements Honourable Members

MR CHRISTIAN Mr Speaker I wish to make a statement in relation to the NSL. Mr Speaker, over recent weeks, I have made some public statements about the Norfolk Island Government's forward financial planning, particularly in relation to revenue measures. As Members would be aware, a key element of this planning related to a study commissioned by the Norfolk Island Government on its current and future financial position, which was produced by the highly respected independent economic research company,

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Econtech. We have analysed their economic models and recommendations, together with their full report setting out their methodology and the information they included in their study.