



**FAXED**  
30 Jan 07

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**The Hon Jim Lloyd MP**

MINISTER FOR LOCAL GOVERNMENT, TERRITORIES AND ROADS

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*Reference: 00089-2007*

The Hon David Buffett MLA AM  
Chief Minister  
Norfolk Island Legislative Assembly  
Old Military Barracks  
NORFOLK ISLAND 2899

Dear Chief Minister

When I visited Norfolk Island on 19-20 December 2006, I said that I would write to you about my priorities following the Australian Government's recent consideration of Norfolk Island governance issues.

At the time of my announcement that the Australian Government had decided not to proceed with changes to Norfolk Island's governance arrangements, I foreshadowed that I would outline for the Norfolk Island Government's (NIG) consideration my priorities for improving the NIG's accountability, transparency and probity.

The NIG continues to have a responsibility and a commitment to ensure that Norfolk Island has good and sustainable governance and financial management arrangements in place. If implemented, these measures would ensure that the Norfolk Island community has access to the same level of government disclosure and the same level of protection and recourse available to other Australians.

It is clear to me from the consultation process undertaken last year, that the Norfolk Island community seeks greater transparency of the financial management of the NIG. I urge the NIG to develop and publish multi-year budgets, including forward estimates for revenue, expenditure and capital works, on an annual basis. I also consider it would be beneficial to adopt contemporary financial management practices, including Australian Accounting Standards, and the full publication of financial statements by a set time each year. Financial transparency would be further improved by establishing Norfolk Island's government business enterprises as separate corporate structures, with independent financial reporting requirements.

The NIG should consider establishing a code of conduct for the members of the Norfolk Island Legislative Assembly and government officials to improve accountability, as well as expand the register of all pecuniary interests of Assembly members to include non-pecuniary

interests. I also suggest that the role, responsibilities and powers of the Chief Minister be documented. I note that the NIG is already taking steps to establish mechanisms for the independent scrutiny of its decisions and administrative practices. I consider that an independent administrative appeals framework and freedom of information principles are key requirements for transparent government and probity.

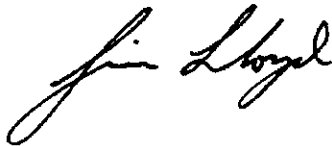
I am particularly concerned about the current gaps in the legislative protections for Norfolk Island residents. To offer Norfolk Island residents an equivalent level of protection and recourse to that available on the mainland, I suggest that contemporary legislation and programmes be developed in the areas of child welfare, domestic violence, bankruptcy, superannuation, corporate behaviour and conduct, competition and trade practices, and occupational health and safety. I note that in some of these areas, most notably superannuation, the NIG is already moving to address the gaps, and I welcome your actions.

During our consultations in 2006, the NIG assured the Australian Government that necessary economic and governance reforms will be undertaken. As such, I seek early advice on:

- the schedule for these reforms;
- the forward legislative programme;
- the projected capital works programme;
- forward financial estimates for both the current and three forward years. I would expect these estimates to detail the capital works, general expenditure and revenue projections following the reforms and include the airport loan repayments and runway trust fund contributions, due to begin in 2009; and
- the views of the NIG concerning any of the other matters I have raised in this letter.

As the Minister for Territories, I look forward to working collaboratively with the NIG to achieve the best outcomes for the community.

Yours sincerely

A handwritten signature in cursive script, appearing to read "Jim Lloyd".

JIM LLOYD

30 January 2007