

EXPLANATORY STATEMENT

Select Legislative Instrument 2011 No. 175

Norfolk Island Act 1979

Norfolk Island Regulations 2011 Commonwealth Financial Officer

Subsection 51D (1) of the *Norfolk Island Act 1979* (the Act) provides that regulations may provide that there is to be a Commonwealth Financial Officer for Norfolk Island.

The Regulation allows the Commonwealth Financial Officer for Norfolk Island to be appointed by the Governor-General, and will hold office at his or her pleasure.

Under the Regulations, the Commonwealth Financial Officer would have access to all relevant financial accounts, records, documents and information related to the Norfolk Island Administration or a Territory authority.

The Commonwealth Financial Officer is intended to be an optional appointment, to be made at the discretion of the Governor-General. It is intended that such an appointment may be made in the event that the Governor-General is of the view that Norfolk Island would benefit from Commonwealth assistance.

Norfolk Island may benefit from Commonwealth assistance, for example in the implementation of the financial framework obligations under Part VI Division 1 of the Act, which enables the implementation of a contemporary financial management framework that will assist the Norfolk Island Government to meet the expectations of its community and to plan for the future. This includes provisions to establish a customised and proportionate financial framework which provides for the responsible management of public money and public property, preparation of budgets, financial reporting, annual reports and procurement.

For subsection 51D (3) of the Act, the Commonwealth Financial Officer for Norfolk Island is entitled to:

- a) at all reasonable times to full and free access to all accounts, records, documents and papers relating directly or indirectly to:
 - (i) the receipt or payment of money by the Administration or a Territory authority; or
 - (ii) the acquisition, receipt, custody or disposal of assets by the Administration or a Territory authority; and
- b) to make copies of, or take extracts from, any accounts, records, documents or papers mentioned in paragraph (a).

Additional functions and powers may be prescribed by regulation.

The Norfolk Island Government and Norfolk Island Administration were consulted in the development of the regulations. All parties consulted agreed with the Regulation.