

NORFOLK



ISLAND

## **THE GOVERNMENT OF NORFOLK ISLAND**

### **MEDIA RELEASE**

## **Telecommunications for Norfolk Island – the way ahead**

In response to issues raised in the Legislative Assembly this week, the Minister for Finance, Ron Nobbs, has outlined his vision for the future of telecommunications in Norfolk Island.

Mr Nobbs said that the Norfolk Island Government was committed to providing high quality, affordable telecommunications for all individuals, businesses and organisations in Norfolk Island. It had commissioned a consultancy to develop a detailed strategic plan for future years, and was expecting a report within the next few weeks. “The pace of change in telecommunications technology is incredibly fast”, Mr Nobbs said. “We wish to remain as close to the forefront of the technology as possible, while still ensuring we do provide secure, reliable and affordable voice communications, internet and data services for the people of Norfolk Island”.

The Minister said that the last Legislative Assembly had considered responsibility for telecommunications in mid-2004. It had reaffirmed the longstanding position that the Administration of Norfolk Island would retain sole responsibility for telecommunications into and out of Norfolk Island, and would set standards and procedures for telecommunication operations. This principle was embedded in both Commonwealth and Norfolk Island legislation.

The Government had also made it clear that it intended to maintain public ownership and operation of Norfolk Telecom, and to ensure that it continued to contribute significant revenue to help meet the costs of health, education, welfare and other services in the public interest. This included the policy that there would continue to be a component of tax in the cost of international calls.

Mr Nobbs said that the Administration had a contract with Reach Global Services (a public company 50% owned by Telstra Australia), for exclusive provision of international telecommunications. The five-year contract was due to expire in just over a year. At the time it was signed, the agreement with Reach provided security of telecommunications for Norfolk Island at reasonable prices. Since then, there had been huge advances in technology, resulting in a general reduction in costs of international direct dial (IDD) phone calls in most parts of the world.

Mr Nobbs said that, while commercial details of the Reach contract were confidential, the Administration received an increasing share of call revenue over the life of the agreement. The current amount received was very much higher than had been mentioned in recent press reports. Mr Nobbs was hopeful that, subject to the report of the consultants, a new service

delivery arrangement would be developed for introduction at the end of the current contract, allowing for substantially lower costs for IDD calls.

“Overall, I am satisfied that the agreement signed with Reach in 2001 has been beneficial to the Island’s telecommunications”, Mr Nobbs said. He detailed some of the benefits to the Island, including the continuance of Reach technical support and international carrier services, handover of the Reach earth station to the Administration and an increasing per minute return to the Administration during the course of the agreement.

Mr Nobbs said that advances in technology were opening up a wide range of possibilities for new and improved services in telecommunications, data transfer and storage, E-commerce and many other areas. He wanted to be sure that Norfolk Island was ready to move forward and that the very best deal possible was achieved for the community. He was concerned that new technologies, including Voice Over Internet Protocol (VOIP), were properly evaluated and tested and not implemented in a piecemeal fashion. Attention must also be paid to ensuring that high quality carrier grade communications were provided in a cost effective manner.

Mr Nobbs said that he wished to respond to two points made by Mr Rob Ryan, proprietor of Norfolk Island Data Services (NIDS), in the last two editions of *The Norfolk Islander*. Firstly, an offer to gift a VOIP system to the Government had not been made to date. Second, the return to the Island from each phone call was considerably higher than the small amount which was quoted as being stated by Mr Ryan. For obvious reasons, the precise figure could not be disclosed.

The Minister emphasised that he was committed to working with all stakeholders to ensure that Norfolk Island maintained efficient and effective telecommunications networks.

Ron Nobbs  
**Minister for Finance**

18<sup>th</sup> March 2005