



THE GOVERNMENT OF NORFOLK ISLAND

MEDIA RELEASE

Telecommunications judgement has "serious implications": Minister

Minister for Finance Neville Christian said today that the judgement handed down in the Norfolk Island Supreme Court by Justice Kiefel in respect of *The Administration of Norfolk Island v Ryan* has serious implications for Norfolk Telecom.

Mr Christian said that Norfolk Telecom is used by the Administration of Norfolk Island as a revenue-raising vehicle. Profits from Norfolk Telecom are paid by way of dividends to the Revenue Fund and used to finance community programmes such as health, welfare and education. By contrast, profits derived by private sector communications operators are retained by their owners for personal gain.

“As a result of the court decision, payment of contributions to community programmes associated with uses of some forms of telecommunication have become optional,” Mr Christian said. “The Norfolk Island Government will now have to consider options to maintain its income streams. One option would be to remove the taxation component from Norfolk Telecom’s telephone and internet charges and replace it with local call charges as well as applying GST to all telecommunications and internet services, payable by all users including customers of private internet service providers”.

Mr Christian reaffirmed his support for the high-quality and reliable internet services provided by Norfolk Telecom and encouraged consumers to choose wisely when deciding which services they would use.

Neville Christian
Minister for Finance

15 June 2007