

1 May 2006

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Dear Chris

Rural Women New Zealand submission on the Ihug and Callplus applications for regulated bitstream access

This submission is from Rural Women New Zealand Incorporated, National Office, 30 Hawkestone St, Thorndon, Wellington. We are available to appear before the committee to speak to our submission. We can be contacted on Phone (04) 473 5524 and email Jo-Anne.Stokes@ruralwomen.org.nz

1. Summary

1.1 In this age of technology RWNZ does not see why there should not be a level playing field to access to a high speed broadband service. No family or business should be disadvantaged because they are in a rural location.

1.2 RWNZ does not want to see the education of children in rural communities, or the efficient operation of agricultural businesses vital to the New Zealand economy, compromised because of the inability to access an affordable high speed broadband service.

1.3 Players, other than Telecom, do not have to meet any obligations towards the Kiwishare intent in the telecommunications market and may judiciously avoid offering services including high speed broadband to rural communities because of the cost and low population base compared to the more lucrative populated urban areas.

1.4 If Telecom, through commercial or technological considerations, is unable to provide a service or upgrade an existing service to ensure high

speed broadband access in a rural area then the only alternative for many will be the added cost of satellite or wireless. This is inequitable.

2. Background

2.1 Rural Women New Zealand (RWNZ) represents the interests of all rural families in New Zealand. The organisation has around 4,000 members in 300 branches located throughout New Zealand. Since 1925 RWNZ has been providing rural women with a national voice on rural issues and a local framework for these opportunities. It makes submissions on issues relevant to its four portfolio areas of Health, Education, Land, and Social issues.

2.2 Rural Women New Zealand is also the voice for rural people relying on technology for their children's education, and to manage their home and businesses in isolated areas of New Zealand where access to government services and information is often only through internet access. Time and cost of travel being a prohibitive alternative, and rural mail services not viable for many transactions in this technological age.

2.3. According to the Ministry of Economic and Development (www.med.govt.nz)... "infrastructure refers to transport (roads, rail, ports, airports), electricity, gas, **telecommunications**, and water infrastructure. Infrastructure is a critical foundation for growth. There are concerns that New Zealand's infrastructure might not be good enough to support an innovative high-value economy."

3. Submission

3.1 It is not the purpose of this submission to support bundling or unbundling of a telecommunication service but to bring to the attention of the Commerce Commission the principle that rural and urban communities should have equity when it comes to access of high speed broadband telecommunication services. Rural families are more dependent on telecommunication services than urban and yet many rural communities are still denied that right.

3.2 The rural community is isolated not only geographically but is further marginalised by poor telecommunication access. Rural productivity and effectiveness hinges on the provision of a fast reliable telecommunications service.

3.3 The updated intent (2001) of the Kiwishare was to ensure that Telecom would provide affordable and accessible internet access – albeit at very slow speeds - to all New Zealanders both equally in rural and urban communities. Sadly this has not been realised in many rural communities. Add to this the fact that where alternative high speed broadband options are available by

wireless or satellite systems the cost precludes many from taking up such options (though reducing it is still not equitable).

3.4 The continuing unavailability of broadband to a large number of rural communities is a serious enough issue for the sustainability of those communities without the threat of possible loss of existing services in the bid to pursue market share in the more populated urban areas. Simply put commercial considerations could over-ride any intent to provide the same service for all New Zealanders. We do not want to see the present rural/urban telecommunication divide further widened. We recommend the Kiwishare be updated to include high speed broadband access.

3.5 RWNZ is very supportive of initiatives such as the government's Project Probe which saw broadband access provided to rural schools and some surrounding towns and communities. We would be very concerned if any changes to the intent of the Commerce Commission to provide faster speeds would compromise any further expansion of broadband services to the rural community. RWNZ strongly urges the Commerce Commission to look more closely at the downstream effects any decision it makes will have on rural New Zealanders. Less populated locations could be marginalised even further.

Yours faithfully

Noeline Holt
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Rural Women New Zealand