

1 May 2006

Chris Abbott  
Chief Adviser  
Network Access  
Commerce Commission  
44-52 The Terrace  
PO Box 2351  
Wellington, New Zealand

chris.abbott@comcom.govt.nz

Dear Chris

**Submission on the Ihug and Callplus applications for regulated bitstream access**

The Tourism Industry Association New Zealand (TIA) is the voice of the New Zealand tourism industry. The businesses we represent generate more than 85% of New Zealand's tourism-related revenue.

Tourism is a \$17.2 billion industry and generates 17.4% of New Zealand's exports. The industry employs 1 in 10 New Zealanders in a diverse range of businesses – the majority of which are small and medium sized enterprises. These businesses cover a range of tourism-related activities – hospitality, transport, adventure and activities, retail and related tourism services – spread throughout New Zealand in places such as the far North, Franz Joseph and Fox Glaciers, Te Anau, Stewart Island, and Kaikoura.

Technology uptake is a major issue for our industry. The New Zealand Tourism Strategy 2010 contained a recommendation calling for *“the development and implementation of a sector-wide technology strategy to support sustainable growth in New Zealand tourism”*. TIA is currently undertaking the preliminary work necessary to the development of the tourism technology strategy.

Access to broadband services is a vital business driver for the tourism industry, and it is highly likely that the requirement for wide broadband availability will be a cornerstone of the technology strategy.

Broadband access provides the means for tourism businesses to market their product to the world in a cost-effective manner, deal efficiently with enquiries and reservation requests (most modern booking systems require broadband capability), and capitalise on the ever increasing range of business applications and information sources available online. This is particularly true of regional tourism businesses, where isolation from the main tourism flows and from the support services available to the industry makes the use of online marketing and business management tools even more important.

Broadband services are also expected by international and local visitors as they travel throughout New Zealand and wish to take advantage of modern communication aids such as laptops, blackberries etc.

In effect broadband technology is directly linked to New Zealand's ability to be competitive in the tough global tourism market.

- **Note that broadband access throughout NZ is critical for the development of the New Zealand tourism industry - the country's largest export sector**

TIA asks that the Commerce Commission fully assess the likely impacts of its decision on the quality and availability of broadband services on existing end users in tourism, and on the communities their businesses help support.

- **Assess impacts**

We ask that the existing accessibility of these services in all areas - whether rural, regional or urban - be identified and the service levels protected in any decisions made by the Commerce Commission.

- **Protect existing users**

TIA has significant concerns for those tourism businesses currently unable to access broadband services. Efficiency and productivity in the tourism sector will be built on the adoption and use of information and communications technologies by all of our tourism businesses.

In the interests of supporting a high quality world class tourism industry, TIA believes access to high quality broadband services must be expanded throughout the country in an efficient and fair manner. The Commerce Commission's decisions must allow for the development of a commercial environment which delivers access for all tourism businesses currently unable to access this technology.

- **Make decisions in regard to the applications that support a commercial and technical environment which delivers the expansion of broadband services throughout New Zealand**

I trust these comments are of use to the Commerce Commission in its deliberations.

Yours sincerely

Fiona Luhrs  
Chief Executive  
Tourism Industry Association New Zealand (TIA)