

Thames-Coromandel District Council

Submission to the Ministry of Economic Development

on the

Telecommunications Service Obligations Regulatory Framework Discussion
Document

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Introduction

Firstly, Thames-Coromandel District Council would like to thank the Ministry of Economic Development for the opportunity to provide comment on the Telecommunications Service obligations Regulatory Framework Discussion Document.

The issue of broadband provision to rural communities has great relevance to the Thames-Coromandel District due to the geographic spread of the District's settlements and is one that the communities of the area have signaled as important to them.

Local Government New Zealand has made a submission on behalf of the National Council, representing the 73 territorial authorities, and 12 regional councils of New Zealand. Although this submission covers many of the issues pertinent to the Thames-Coromandel District, it was decided that an individual submission from TCDC would also be submitted due to the importance placed on this issue by the District's communities.

Thames-Coromandel District Council agrees that universal telecommunications services for all New Zealanders are critical for enabling economic growth and the development of a knowledge-based economy, as well as providing essential social benefits and timely access to emergency services. The Council believes that it is important to include broadband capabilities in the definition of telecommunications services.

The fact that New Zealand rates low in recent OECD country comparisons for broadband and telecommunications sector performance is reason enough for the country to increase investment in improving infrastructure for telecommunications services allowing New Zealand to compete in the global market.

TSO Framework

TCDC supports the review of the Local TSO to reflect changing expectations for telecommunications access services and to ensure users more promptly benefit from

technology enhancements. It is important to ensure the TSO remains relevant in a rapidly changing technological environment.

3b How effective has the TSO framework been in achieving the government's telecommunication s objective of ensuring the delivery of cost efficient, timely and innovative telecommunications services on an ongoing, fair and equitable basis to all existing and potential users?

The TSO framework has been effective in the provision of basic telecommunications services but has failed to keep pace with new technological innovations. Broadband access is fast becoming a necessity if New Zealand's economy is to grow and keep pace with other countries in the developed world. It is necessary for a new TSO to incorporate new developments in technology.

5d Should the existing service performance measures be expanded, including down to geographic regional level, to better ensure reliability of telephone service? If so, what measures are recommended and why?

Many communities in the Thames-Coromandel District have signaled to Council, through the creation of autonomous community plans, their desire for a communications network that meets the demands and expectations of local industries. An increase in the quality and availability of telephone lines to rural and remote areas was also signaled as an important issue needing addressed.

Due to this, it would seem that the existing service performance measures should be expanded to better ensure reliability of telephone service, particularly in isolated and rural areas.

5i Should the gateway devices installed in customer's homes to support the supply of telephone service be required to have battery back-up? If so, why, and should there be a requirement that battery back-up last for a specified period?

TCDC is in favour of battery back-up being required in gateway devices that are installed in customer's homes. In certain weather events, the Thames-Coromandel District is susceptible to power outages sometimes over a period of days. For safety and security of

the Peninsula's communities, TCDC would support the proposal to include in the TSO back-up battery power to ensure access to emergency services is maintained.

6h What importance do you place on the merits and risks outlined above for contestability in compensating the Local Service TSO Provider?

TCDC is in favour of introducing contestability into the TSO service provider subsidy. This will result in the best value for money for rural customers of which the Thames-Coromandel District has many. Contestability would give other service providers the opportunity to access TSO subsidy funding so they could expand their customer base and build economies of scale.

9a Taking into account likely broadband user requirements in 3-5 years time. What do you consider will be the key broadband applications for businesses and households?

TCDC believes that it isn't possible to predict the likely technology that will be required in the future – rather that provision must be made to allow those in all areas to gain access for reasonable use. Technology is changing at a rapid pace and therefore it would be pointless to peg a framework on a particular technology or speed requirement, but rather should be focused on a minimum bandwidth which should be 'fit for purpose'.

9c Do you consider there is a case for subsidy mechanisms to fund upgrading of rural broadband infrastructure, and if so, what mechanisms should or should not be considered, and why?

TCDC is of the opinion that the provision of fibre cable throughout the district is one that will be too costly for a provider, or Council to take-on alone. The Council recommends that Central Government provide a subsidy to Local Authorities to lay the basic infrastructure (fibre cable) throughout the District. This cable can then be leased to a provider e.g. telecom to recover the costs over time. As well as providing this for existing residential and rural settlements, TCDC recommends that all new developers should be obliged to install fibre cable along with other infrastructure in new developments.

9f Are there other factors that need to be considered for a Broadband TSO?

Thames-Coromandel District Council believes that one of the most important requirements needed is a robust definition of 'rural'. Currently the meaning is subject to interpretation and TCDC would like it tightened up so that all members of communities are catered for in the new TSO Framework.

9g Should for the TSO Provider for any broadband TSO be selected on a contestable basis?

TCDC is strongly in favour of the TSO provider for any broadband TSO being selected on a contestable basis. The competition created through this will ensure that the communities and residents of the District are provided with the best service and the lowest cost.

Conclusion

Through the creation of community plans, the Thames-Coromandel District has recognized the importance of providing reliable, current technology to those who live in rural areas.

Because of New Zealand's high dependence on its rural sector for economic growth and productivity improvements, the benefits from broadband use in rural New Zealand could potentially be very significant. It has the potential to increase innovation, facilitate social development, remote working, and the improved delivery of education via distance learning. All of these provide many flow-on benefits not only for the District, but the country as a whole.

Therefore TCDC supports in principle the merits of having an improved TSO that is contestable and managed on a regional basis.