



30th June 2008

Rural Women

NEW ZEALAND

Broadband Investment Fund Submission
ICT Regulatory Team
Ministry of Economic Development
P O Box 1473
Wellington

Rural Women New Zealand ("RWNZ") is the leading rural women's organisation in New Zealand. RWNZ represents the interests of over 4000 members from more than 300 branches from North Cape to the Bluff. Since 1925 we have been providing rural women with a national voice on rural issues and a local framework for social and educational opportunities.

We are pleased to have the opportunity to comment on the *Broadband Investment Fund Draft Criteria and Proposed Process for Consultation for rural*.

It is the right of all New Zealanders to fully participate in society as noted in the *1987 Royal Commission on Social Policy*. Broadband is one of those important infrastructural facilities that will allow this full and equitable participation for underserved populations.

We are pleased to have the opportunity to provide feedback around the questions raised as follows:

1. Do you agree with the proposed outcome of the Rural Fund?

In general RWNZ agrees with the proposed approach. We are especially pleased to see that 'extending the reach of broadband into underserved regions [which are defined as] *rural areas with low urban influence and highly rural/remote areas*' has been set as a critical area eligible for financial assistance from the Broadband Investment Fund.

2. Do you consider that there should be a secondary outcome that relates to improving rural voice services?

Yes

3. Given the significant cost increases to deploy high-speed broadband in rural and remote areas and the better potential coverage that may be provided at a lower cost but also at lower speeds (including potentially by wireless rather than fibre) should the rural criteria be set at a lower speed than urban?

RWNZ's position is that that 'equality of service', regardless of location, should be the aim. However, we appreciate that the per mbs costs for rural users will always be higher than those costs spread over larger pools of urban users. Because of this, we suggest that a longer term target of 5Mbps be set for all rural connections with 1 Mbps broadband speeds set as a minimum speed. 'Broadband with a speed of less than 1mbs is a contradiction.

4. Do you think that mobile/wireless solutions would provide the required level of broadband service?

While wireless initiatives in areas with good Line of Sight (LOS) coverage are obvious means to deliver broadband, RWNZ does not believe mobile/wireless solutions alone will meet the needs of rural communities. Latency effects that occur with wireless/satellite hybrid delivery seem fundamental to the system and may limit some types of internet use.

If applications are considered for wireless and/or satellite projects, RWNZ suggest that projects that offer VPN (virtual private network) and remote desktop capability be given preference over those without. These capabilities are available in most other countries and should be standard within New Zealand.

5 Do you agree that rural applicants should be required to offer open access to their infrastructure, bearer and/or application services?

RWNZ believes that the question of third party open access to rural infrastructure should be considered on a case-by-case basis. While agreeing with the general philosophy of open access to all TPPs, the financial returns likely to be generated from rural infrastructure leads us to believe that access by TPPs should not be automatic 'as of right'. A defined period of exclusive provision by the initiating provider, sufficient to re-coup their initial investment, may be worthy of consideration.

6. The rural criteria does not specify percentage weightings but rather are ranked in order of priority. This has been proposed in order to retain the greater level of flexibility that is required in rural areas. Do you consider that percentage weightings should be specified at the expense of flexibility?

RWNZ agrees with priority ranking, at least within the first funding round. Given the significant geographic limitations facing rural providers, and the different, but always low, rural populations, we believe fixed weighting will disadvantage too many potentially worthwhile proposals.

7. Consideration is being given to limiting interim seed funding for a rural project to a maximum of \$500,000, with a proviso that neighbouring communities would be permitted to apply for a greater funding amount where a combined solution leads to a lower overall cost per new broadband access connection. Do you agree with this approach?

We appreciate that with limited funds it may be practical to limit funding to a maximum amount but this could exclude some potentially very worthwhile projects. Accordingly we do not agree with \$500,000 as a ceiling amount

8. What do you consider to be an appropriate level of applicant assistance (e.g. list of relevant experts, funding, case management)?

Given the relative dearth of expert advice and project management skills available in rural communities, RWNZ believes that applicants need to be offered the widest possible range of advice and guidance when developing proposals and applications.

9. Will the proposed timeline provide applicants with sufficient time to fully complete the application requirements?

If less than 9 months it is RWNZ's view that it would be too tight a timeline for under served regions to meet application requirements. Information regarding these kinds of opportunities can be delayed depending on how they receive it. For example many rural communities rely on the Rural Bulletin which is only 11 times per year.

10. Does the proposed timing raise any issues for your planning processes?

Not applicable to Rural Women New Zealand at this stage

Once again thank you for this opportunity to offer our views.

Yours faithfully

Noeline Holt

Executive officer