

Subject: Broadband Investment Fund Submission

Annex Three states:

It is proposed that the qualifying rural area criteria should be those communities that do not have terrestrial based broadband infrastructure capable of providing broadband service and for which there are no current commercial plans to provide such infrastructure (including reference to Telecom's fibre enabled cabinet plans).

I believe this approach is fundamentally flawed and will leave numbers of rural areas without broadband capability for the foreseeable future. To give the example of St Arnaud and surrounding areas: The local Nelson Lakes community has been petitioning Telecom for years to upgrade local cabinets so that residents can access broadband. Finally within the last 12 months the VILLAGE cabinet has been upgraded, but people only a few miles down the road still cannot get broadband and Telecom has no plans to remedy this any time soon. I understand that to upgrade the cabinet near the Tophouse-Korere Rd/SH63 intersection, for example, Telecom requires a certain minimum number of people who are willing to subscribe to its broadband services. The problem is that a number of people who want broadband would rather source it from other providers, e.g. Actrix, because they can get potentially much higher speeds at much cheaper prices through providers like Actrix than through Telecom.

I believe each case should be dealt with on its own merits. If qualifying rural areas are restricted to "more remote rural areas without terrestrial based broadband capable infrastructure" many areas that **do** have such broadband capable infrastructure will miss out because there is not enough in it for Telecom to make such areas a priority, and they could end up worse off than areas with no broadband capable infrastructure.

Regards

Cathie Harrison