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Digital Strategy
Ministry of Economic Development
PO Box 1473
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Dear people

Submission to Digital Strategy 2.0

Thank you for the opportunity to comment on DS 2.0. I will do so only briefly with emphasis on the Connection thread. The other aspects of strategy are also felt to be important but time constraints do not allow me to comment particularly meaningfully on those sections. With no additional funding being signalled in these areas I wonder if these initiatives will happen faster or more efficiently than they are now, however I do note there are some good wins being made so this is progress.

Thinking of the connection thread, the defined goal is a nice succinct objective but I can't see where the funding will come from for widespread broadband deployment. There is no immediately compelling business case for private investment or for Councils however the budget announcements yesterday provide a valuable incentive for these conversations to develop. Central government has obviously recognised it is the most appropriate party to encourage investment in this area. Well done.

If one of the objectives is to increase New Zealand's overall broadband uptake then we need to push fibre closer to residential areas as it clearly untenable to continue to have Telecom as a monopoly provider. Urban fibre networks will be able to provide viable alternatives but need demand from confirmed customers to make a business case. Early Government intervention in the form of enabling schools and medical practices to connect will be a major benefit to enabler to achieving this goal. But in Hamilton we are ready now. The proposed timeframe for the Broadband Investment Fund is a long way out for us.

The discussion of Government aggregation is taking a long time to mature into real network connections. This is probably one of the best ways government could stimulate the growth of networks. We are finding demand very slow in coming from schools from the health sector and from any government departments. Nearly two years down the track of our network development in Hamilton we have yet to connect our first school or government department but I am pleased to report we are just about to connect our first medical establishment. Any initiative that overcomes the hurdles facing these groups will enable urban fibre networks to establish more rapidly. With Telecom's current network



upgrade, the window of opportunity is quickly getting smaller for urban fibre networks to establish meaningful competing services.

I agree with your four key infrastructure gaps identified. Of particular personal interest is FTTN and urban fibre loops but we can see significant benefit in rural and international broadband solutions. But we need these to move as fast as possible. The quoted "all major public institutions.... adopting effective demand aggregation by 2012" is too slow. I'd really encourage some quick wins. Thank you.

Yours sincerely

John O'Donoghue
Managing Director