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Submission on: **RBI Non-Discrimination Consultation Paper**

From: Federated Farmers of New Zealand

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1. Introduction

- 1.1 Federated Farmers welcomes the opportunity to comment on the Ministry of Economic Development's RBI Non-Discrimination Consultation Paper.
- 1.2 Federated Farmers notes the technical nature of this consultation paper and endorses the submission from InternetNZ, which we believe raises a number of serious issues that the Ministry needs to consider.
- 1.3 We have chosen to comment on the issues that are most concerning to our members.

2. General Comments

- 2.1 The reality for rural and remote users is that the state of the current network in many rural areas is poor. For some, even basic voice services are not available unless at very high capital cost. This is in part a result from the lack of effective competition in the rural market.
- 2.2 The standard of services provided to rural areas has been much lower for the rural population than for the urban population. Therefore it stands to reason that people in remote and rural areas stand to benefit most from the roll-out of crown funded telecommunications infrastructure.
- 2.3 As such, the Federation has been a strong advocate of the RBI. We are hopeful that that this initiative will deliver more affordable and accessible voice and data services, and in doing so address the inequality of service provision between urban and rural communities.
- 2.4 Federated Farmers therefore submits that it is critical for the RBI to improve services for rural New Zealanders, through facilitating new infrastructure build and by the establishment of effective regulatory and competitive provisions.

3. Price Non-Discrimination

- 3.1 The rural telecommunications market can not afford to stagnate any longer, if it does we believe the digital divide between the 'haves' and 'have not's' will only continue to increase, seriously disadvantaging the rural community.
- 3.2 It is essential that there is real competition in the rural market to drive down prices and encourage investment. For too long rural telecommunications users have

suffered from a lack of competition and investment and a general result has been a poor service.

- 3.3 As noted above, Federated Farmers has been a strong supporter of the RBI yet the process will be effectively meaningless if rural consumers are faced with the prospect of an anti-competitive telecommunications market. The RBI was designed, and publically funded, to provide a step change for rural users. It is equally important to ensure that the competition and regulatory frameworks are right as well as building the physical infrastructure.
- 3.4 The Federation's primary outcome is straightforward; the consumer needs to come first. The RBI should result in consumers being offered decreasing costs and greater choice in terms of services and service providers.
- 3.5 The MED needs to encourage competition from the outset by incorporating appropriate controls in the RBI contract which guarantee a truly competitive market place which benefits consumers and provide incentives for new market entrants.
- 3.6 The MED also need to make certain that their negotiations provide for all potential access seekers to have equal access on equal terms to the incumbent operator's infrastructure and services.
- 3.7 Federated Farmers is pleased to see the Ministry's intention to involve the Commerce Commission in this proposal. The Federation believes that this is fundamental requirement. The Commission provides an important function and has the knowledge and ability to provide consumers with the confidence they are being treated fairly by service providers.

4. Co-location Services

- 4.1 We note that the MED recognises Vodafone's desire to build tall towers (up to 35m). Federated Farmers understands the wish of telecommunications companies to build taller towers in rural zones.
- 4.2 We recommend that the MED consider taking steps to assist and support Vodafone in developing a national instrument/guidance under the RMA to promote the extension of tower heights in rural zoned land. This would of course still be subject to landowner consent.
- 4.3 Federated Farmers recognises that the height of towers will vary depending on the location. However we would expect any initial discussion, and subsequent contract,

between Vodafone and the landowner regarding the siting of a cell tower would cover the maximum design specifications, including tower height. This way the landowner clearly knows in advance the potential impact on his/her property and can discuss the issues with Vodafone accordingly.

5. About Federated Farmers

5.1 Federated Farmers of New Zealand is a primary sector organisation that represents farming and other rural businesses. Federated Farmers has a long and proud history of representing the needs and interests of New Zealand farmers.

5.2 The Federation aims to add value to its members' farming business. Our key strategic outcomes include the need for New Zealand to provide an economic and social environment within which:

- Our members may operate their business in a fair and flexible commercial environment;
- Our members' families and their staff have access to services essential to the needs of the rural community; and
- Our members adopt responsible management and environmental practices.