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Submission: Copper Services Investigation  
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Commerce Commission  
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## **RURAL WOMEN NEW ZEALAND (INC) SUBMISSION**

### **Copper Services Investigation**

#### **Introduction**

Rural Women New Zealand (RWNZ) welcomes the opportunity to provide a submission to the Commerce Commission on the Copper Services Investigation under section 69AH of the Telecommunications Act Approach paper.

RWNZ is supportive of the investigation and notes the invitation to provide feedback on:

- the proposed economic framework (Chapter 5);
- the application of the economic framework to the Copper Services Investigation (Chapters 6 – 9); and
- the evidence planned for use (Chapter 10).

Our submission is set out accordingly.

#### **Comments**

Internet and mobile connectivity, coverage, reliability and capacity are not consistent across Aotearoa New Zealand. Delivering an available and dependable service is essential for the social, economic and cultural wellbeing of rural and remote customers and the viability of rural communities.

We would also highlight the value of the food and fibre sector to the economy of Aotearoa New Zealand. Data from the Ministry for Primary Industries (MPI) *Situation*

*and Outlook for Primary Industries* (published December 2023) reports the contribution of the food and fibre to New Zealand as:

- \$57.4 billion in export revenue<sup>1</sup>
- 81.9% of trade/merchandise exports<sup>2</sup>
- 10.5% of gross domestic product (GDP)<sup>3</sup>
- 13.1% of employment (358,000 people)<sup>4</sup>

Robust internet and mobile connectivity are fundamental to rural businesses and farmers continuing to thrive and deliver this economic contribution.

### Chapter 5

RWNZ agrees with the proposed economic framework to be applied during the investigation:

1. Defining the service and in doing so giving consideration to smaller geographic areas, particularly based on the population density demographic approach, to ensure rural and remote users are adequately acknowledged
2. Identifying alternatives which act as effective substitutes for the regulated service
3. Assessing competition including security of supply, and
4. Understanding change particularly the potential benefits and costs (both direct and indirect).

### Chapter 7

We agree with the characteristics proposed to consider whether the alternatives are effective substitutes across the geographic areas:

- Availability – the physical availability of the alternative service;
- Quality – whether the alternative service supports similar RSP<sup>5</sup> and/or end-user uses; and
- Price – whether the alternative service is similar in terms of price characteristics such as recurring and non-recurring prices (Installation/setup costs and ongoing regular costs).

Other characteristics that we support the Commerce Commission to consider include:

- Geographic constraints and availability;
- Technical capability and quality that supports the same or improved retail service provider (RSP) and/or end-user uses; and
- The ability to switch to any alternative, considering non-price aspects such as network capacity and adaptability, as well as the complexity and time to switch.

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<sup>1</sup> In the year to 30 June 2023

<sup>2</sup> In the year to 30 June 2023

<sup>3</sup> In the year to 31 March 2022

<sup>4</sup> In the year to 31 March 2021

<sup>5</sup> Retail service provider

We appreciate the value of competition for providing comparable pricing options for connection of phone and internet services, but stress the key concerns for rural and remote communities being equity of access and quality of service.

On the issue of quality, our members have experienced significant decline in the quality of some copper-based voice connections, primarily due to the introduction of VoIP over ADSL lines. This degradation can render voice communications unintelligible<sup>6</sup>.

This technology has become the standard for copper landline services offered by many RSPs, including One NZ and 2Degrees. Additionally, it is also incompatible with most, if not all, medical alarm systems. Complaints about the poor voice quality (to the New Zealand Telecommunications Forum and One NZ) have proven ineffective, suggesting that further regulation may be necessary.

On the issue of price, our office has received reports from rural schools of the significantly higher cost of being switched from copper to VoIP service impacting on already limited education budgets. Such financial impacts could subsequently lead to negative consequences for students and their educational outcomes.

An example of the apprehension caused by the withdrawal of copper services, as reported by our members, is:

*We recently lost the availability of copper cable for internet and phone and needed to change to wireless for both. The real concern I have is that if we lose connection, we have no way to contact emergency services. We have no cell reception without expanders and if we lost power in an emergency we would have no means of communication.*

#### Chapter 10

We support the proposed evidence plan set out in Chapter 10 of the proposal. The range of information collected and to be used in the investigation appears comprehensive.

For RWNZ, key evidential information relates to:

- Availability – both current and in the future
- Capacity – minimal constraints and ability to switch to alternative services
- Quality – especially speed and latency feature
- Price and the impact on end-users ability to pay

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<sup>6</sup> Examples can be provided on request.

We suggest the investigation consider how ‘rural’ is defined. Current definitions available include the Statistics NZ Urban/rural experimental profile (UREP)<sup>7</sup> and the Geographic Classification for Health (GCH) which has been adopted by Health New Zealand for the development of health services<sup>8</sup>. The Ministry for Primary Industries’ *Rural Proofing Guide for policy development and service delivery planning* may also provide further useful information for this consideration.

## **Closing**

RWNZ welcomes the Commerce Commission investigation into copper services, particularly for rural and remote customers and communities, and supports in principle the proposed approach. Thank you for the opportunity to provide input.

## **About Rural Women New Zealand**

Rural Women New Zealand (RWNZ) is a not-for-profit, member-based organisation that reaches into all rural communities to provide a credible and respected voice on rural environment, health, education, technology, business and social issues.

RWNZ strives to ensure that all rural residents, workers and families have equitable access to services, inequalities are addressed by Government, and the wellbeing of rural communities is considered from the beginning of all policy and legislative development.

RWNZ is affiliated to the Associated Country Women of the World and as such upholds all United Nations, International Labor Organisation (ILO), Food and Agriculture Organisation (FAO) and World Health Organisation (WHO) conventions and outcome statements as they relate to women and rural women in particular.

Nāku iti noa, nā



Gabrielle O'Brien  
**Chief Executive**

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<sup>7</sup> Statistics NZ currently defines rural areas as “rural settlements” of 200 to 1000 residents, with at least one community or public building, and “other rural areas”, which include land used for agricultural, forestry or conservation purposes with fewer than 200 residents.

<sup>8</sup> The GCH divides New Zealand into urban and rural classifications and segments rural and remote communities into three distinct groups based on proximity to services.