

# ***Scoping Workshop - Rural/remote connectivity and affordability study***

**3 November 2022**

**Attendees:** John Gandy, Kate Robinson, Toni Shuker, Robin Meaclem, Brendan Dempsey, Miriam Schumacher, Robert Deuchars, Ben Oakley, Rachael Coyle

**Apologies:** David Quaid

## **Introduction**

This workshop is to agree on the scope for a study on rural connectivity. It is the first of three planned workshops, with workshops two and three focusing on how we do this study.

Once the PID is complete this study will be handed over to Market Performance and Ben Oakley will be the Sponsor. It was agreed that the focus of this study will be non-SFA broadband experience and connectivity. This study will be an input into the copper review.

## **Defining Rural**

The terms 'rural' and 'remote' each have separate meanings in NZ. There is a low rural density. It was agreed for this study that the scoping definition of 'rural' is non-SFA areas, and this can be applied across the whole Telecommunications portfolio.

MBNZ and AMR use the same definition of non-SFA for rural consumers and do not have specific geographic variation pockets.

The purpose of this study is to establish a current state view to inform a monitoring programme which leads into identification of problems. This study is building the baseline report of how we determine the scope, and feeds into the copper review work.

## **Must do for this study**

- We need a knowledge base to be able to respond when asked about policy by externals (MBIE, other external parties). The copper review work will also depend on this study.
- We can ask for maps/GIS data (probably different trigger signal strengths will be used for FWA vs mobile services).
- Research competition within technology in rural areas.
- Research the ability to expand networks in rural areas.
- We will need to tailor our analysis depending on our findings.
- We need MBIE and other stakeholders' inputs for this study.
- Understand the demographics in rural, including their user requirements and needs.

- We need to check whether remote users do have different experiences; do their plans change, are services different, do satisfaction ratings differ.
- We need to be aware of SFA and non-SFA differences. Some users will be more remote (miles from a town) than others and have different incentives and services offered.
- What is the effect on retail service providers in rural areas and what services can consumers currently get.

#### **Should do for this study**

- Look at technology competition in rural areas, need some information for copper review, providing raw material where competition tensions exist from end user experience.
- What is regulation creating in rural areas.

#### **Could do for this study**

- Observe investment behaviour in regions broken down granularly.
- Link in data from MBNZ and AMR reports.
- Include a commentary of services that are offered in other countries, but not an analysis on speed, comparison, price, government, private (too granular). Nice to have, not a must.
- Comparison on competition in rural states worldwide, what would benchmark be.

#### **Won't do for this study - Out of Scope**

- This is not a market study
- Consideration of the effect of removing UCLL from Schedule 1 is next steps after this study and not to be included now
- SFA users
- Detailed analysis
- International benchmarking
- Solutions
- Reasons for and against investments
- Qualitative data
- Verify the accuracy of GIS information that is collected.

#### **Agreed - In Scope**

- Mobile (primarily voice service)
- Competition in rural areas
- Analysis and output of data collected from this study (to be part of AMR)
- Investment data (we collect this and link with data from: MBNZ, CIPs, STATS)
- State what has been invested
- Quantitative data

- Data management

### Outputs

- Results of the analysis of the current state data can be added into the rural chapter of the AMR in March 2023. Once this study is complete this can be included in the published AMR in March 2024.

### Outcomes

- Better knowledge of rural areas in NZ.
- Scope and level of analysis (we want to plug the gap with research by building our knowledge base).

### Engagement with Rural

- Define providers.
- Define services.
- Define end users (are we asking for opinions or just information gathering) – interested parties should have the right of reply and validation into the study
- Engagement doesn't necessarily need to be via submissions.
- Contacting Maraes and other rural federations.
- Contact and involve lobby groups (not individuals).
- We don't have regular communication with rural communities. As we work out what the baseline is we need to talk to communities on a more regular basis.
- Incentive to rural communities that they can work with us to change the quality of their service and their needs in the long term.
- We need to manage expectation within rural communities of the benefits this study can provide. This study is currently only doing research, with analysis further down the line therefore no change will happen immediately.
- We could engage with end users to see if we're missing anything with our study from their point of view and experiences.

### Risks

- We don't cover all affected parties.
- Scope creep.
- Currently we do not have a scope of the rural landscape in NZ.
- Terminology used by providers post this study.
- Level of analysis impacts our outcome.

### Data

- If we need it, GIS (Global Information Systems) database shapefile can help overlay with properties, geographies etc.

- Any information received from Chorus can be kept as living document and tied through to demographic data.

The following information is needed for the Copper review:

- Where copper is located
- Performance characteristics
- Substitutes for copper

Some of this data is readily available from the Government, and we can get this data in a map format. Some providers publish data on their own websites.

We need to understand:

- Technology mix currently available.
- Alternatives to copper (i.e. fixed wireless, satellite).
- Understand affordability (use CIP and Stats data to look at incomes in certain areas) – nice to have, not a must.
- Relationships between spectrum holdings.
- Price comparisons (must include in study).

It was agreed that other studies may use the data from this study and can add their own details as necessary.

Market Performance are currently consulting how to standardise maps and how this information is collected by us. TCF could do this and list how to specify in maps. If this is built correctly, this information can be added to and used as needed.

The data we currently have is in archives, Robin can look at this and map out (includes old mobile footprint). Market Performance will also be storing this data.

### **Notes**

It was noted that Commissioners have previously agreed to include affordability (percentage of income) post study into Market Performance, noting that this is not a market study.

### **Competition Dynamics in Rural Areas**

- Research pricing from different providers.
- Economic analysis would be needed.
- Analytics needed (led by intel from this study).

### **Part A PID Recommended Changes**

Changes to 'purpose'

- Point 2 – in scope instead of purpose
- Points 1 and 3 – combined purpose

First line of 'in scope' – current state to be highlighted more

**Meeting Close**

The participants in the workshop agreed to send recommended changes on Part A of the PID to John and Kate.

Released Under Official Information Act 1982