

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

COMMUNICATIONS OUTLOOK 2001

Country: New Zealand

Date completed: 12.09.2000

TELECOMMUNICATIONS

Market Structure and Regulatory Status (Questions 1 -10)

- 1. Please provide details of the regulation of communication infrastructure, including the public switched telecommunication network (PSTN), provision in your country.**

Infrastructure provision for following service	Regulatory Status (e.g. monopoly, duopoly, certain number, fully open to any applicant)	Number of licensed operators (2000)
Fixed PSTN (Local, National and International)	Fully open	21 registered international. No licence needed for local or national.
Network infrastructure capacity (Includes only companies not licensed to provide voice services)	Fully open	No licence required
Analogue Cellular Mobile (e.g. NMT etc.)	Fully open	1
Digital Cellular Mobile (e.g. GSM, PCS etc.)	Fully open	2
Wireless local loop (fixed wireless)	Fully open	1 operating
IMT-2000 Operators (i.e. UMTS and 3 rd Generation)	Fully open	Nil. Auction in progress for spectrum.

- 2. Please provide details for the major public telecommunication operator (PTO) of public switched telecommunication services in your country. (PTOs are state and privately owned entities providing public switched telecommunication services over their own infrastructure)**

Name of PTO	PTO Ownership Status (2000) (e.g. state owned/privately owned) If a balance of ownership exists please indicate the share (%) held by the government
Telecom NZ	Privately owned
Vodafone NZ	Privately owned
Telstra - Saturn	Privately owned

3. Please provide details of market share for the largest PTO in the following categories.

	The largest PTO's share	
	End 1998	End 1999
Local Access: % of access lines	98%	96.5%
Local Access: % of local calls	Na	Na
National Long Distance (% of total minutes) ¹	Est 75%	Na
International (% of total outgoing MiTT)	67%	62%
Internet Subscribers ²	na	44%

1. If % of minutes is not available, please indicate the % of revenue

2. If share of subscribers is not available, please indicate number of Internet subscribers for the PTO.

4. Please provide details of the number of subscribers by cellular and PCN mobile communication operators.

Name of Operator	Number of Subscribers (End 1999)
1. Telecom NZ	858 000
2. Vodafone NZ	397 000
3.	
4.	
5.	

5. Please provide a description of the most significant recent policy changes affecting the provision of telecommunications services, as well as any draft laws, or regulatory proposals to be implemented in 2000 to 2001.

Please provide details:

The government is holding a Ministerial Inquiry into telecommunications services, which will report on options for the regulatory regime on 29 September 2000.

6. Please provide a brief description of the responsibilities of the national regulatory authorities for public telecommunication services. Please highlight any changes over the last 12 months.

Please provide details:

Ministry of Commerce - manages radio spectrum, telecommunications policy, administers regulation under the Telecommunications Act.

Commerce commission - Administers Commerce Act 1986.

7. Are there any foreign ownership, size of shareholding or other ownership restrictions on individuals and corporations investing in the incumbent PTO(s) in your country? Yes/ No

If 'yes', please provide details:

Yes. No single foreign entity may invest more than 49.9% in Telecom NZ.

8. Are there any communication infrastructures or services (e.g. mobile, cable television, terrestrial broadcasting, satellite broadcasting) that PTOs in your country are not permitted to provide directly? In addition, please specify any restrictions on PTOs investing in companies that provide such infrastructure or services. Please include information on requirements by the incumbent PTO to divest cable networks.

Please provide details:

No restrictions.

9. What selection procedures are used to grant licences for new Wireless Local Loop (WLL) and IMT-2000 services? (e.g. spectrum auctions, calls for tenders, government appointments, licence on request)?

Please provide details:

Spectrum auctions.

10. Under the communication regulation existing in your country how would national and international voice telephony services provided over the Internet, by entities other than a PTO, be defined and treated? Please mention any restrictions or obligations that may apply.

Please provide details:

- No restriction on national services over the Internet.
- Providers of international telephony services over the Internet interconnected with the PSTN at both ends are required to be registered with the Ministry of Commerce.

Pricing (Questions 11 -12)

11. What, if any, conditions are applied to the tariffs set by PTOs? (Please include any price control information such as price caps or approvals and specify for which services they apply).

Please provide details:

- Telecom NZ is prohibited from increasing the price of the standard residential line rental faster than the annual increase in inflation.
- Telecom NZ must not charge rural residential customers more than the standard urban residential line charge for the same service.

12. If communication discount schemes are available in your country please provide information on one or more popular schemes applicable to low users and dial-up Internet access users from the incumbent PTO. In the space below please indicate the main features:

Low User scheme:

A low user can choose a cheaper monthly line charge (NZ\$24.75 incl. Tax) and pay 20 cents per call (Maximum of 2 hours per call).

Internet Access Discount Scheme:

All calls to ISPs are free for residential customers of Telecom NZ.

(Additional pamphlets from the PTO in English or French, or with the main points translated into one of these languages, would be most appreciated. Please provide data in local currency).

Note: Low user schemes is a term sometimes applied by PTOs to schemes designed for segments of the community that are financially disadvantaged. A dial-up Internet user refers to a consumer accessing the Internet via a PC with a modem over the local public switched telecommunication network.

Numbering/Domain Names (Questions 13 - 14)

13. Please describe the numbering policy in your country. Please mention the responsible authority and whether portability (including geographic portability) has been introduced and for which services (e.g. 800 numbers, cellular numbers, local PSTN numbers).

Please provide details:

Numbering is the responsibility of the independent Numbering Administration – an industry body. Portability has been introduced for local PSTN numbers using call forwarding.

14. Which organisation is responsible for the administration of your Internet country code top level domain names. (An example of a country code top level domain name is .be for Belgium). Please provide any details of any recent policy initiatives relating to country code domains.

Please provide details:

DOMAINZ (the New Zealand Internet Registry Ltd.)
<http://www.domainz.net.nz>

Interconnection (Questions 15)

15. Interconnection between fixed networks.

	Yes /No	Details
Are PSTN interconnect or access charges a matter for commercial agreement between operators? And if so, is there provision for arbitration and by whom?	Yes	Arbitration built into agreements. Commerce Commission and courts have jurisdiction to handle disputes.
Is there a requirement on the incumbent to publish the rate for PSTN interconnect or access charges?	Yes	Every 6 months
For the purpose of establishing interconnect or access charges is accounting separation used?	Yes	
Once the interconnection or access charge of the incumbent has been established, is it available as a standard rate for other service providers (including other PTOs and resellers)?	Yes	Anti-competitive discrimination is actionable under the Commerce Act.
Does regulation specify that competitive service providers can collocate facilities on the same site as incumbent PTOs? (Please indicate whether resellers and Internet Service Providers can collocate equipment under the same terms and conditions as PTOs without being designated as a PTO?)	No	Anti-competitive activities are covered by the Commerce Act. Co-location has been negotiated successfully on a commercial basis between competitors.
What kind of interconnection accounting methodology (e.g. LRIC, FDC, etc.) is used for calculating the incumbent's interconnection charges?		Commercial negotiations in the context of general competition law and detailed information. Disclosure of local loop costs.
Is carrier pre-selection implemented? If so, please describe the coverage of carrier pre-selection (e.g. local, long-distance and international).	Yes	Local, long distance and international.

16. Fixed to Mobile Network Interconnection

	Details
Are termination rates to mobile networks published?	Yes
How are the termination rates for fixed-to-mobile calls determined in your country (e.g. commercial negotiated between operators, determined by mobile operator or other)?	Commercially negotiated in the context of general competition law.
Are these rates subject to any regulation (e.g. must they be cost orientated if operators have significant market power)?	Commerce Act (General competition law)

Unbundling (Questions 17 -18)

17. Please describe initiatives for local loop unbundling and indicate when unbundling policies were put in place or the expected date of implementation.

Please provide details:

This issue is currently subject to investigation by the Ministerial Inquiry into telecommunications

18. Please provide the prices for access to unbundled local loops and specify the service on offer (e.g. raw copper, DSL subscriber line).

Please provide details:

See question 17

Consumer Issues (Questions 19 -20)

19.

	Details
In the context of universal service policies, which elements of telecommunication service are considered as part of universal service in your country?	The Kiwi share obligation guarantees that local telephony service will be maintained to the extent it was available in 1990 and that rural residential customers will pay no more than urban residential customers.
Please provide details of any explicit funding mechanism for addressing universal service and its coverage (this can include initiatives related to infrastructure in respect to addressing digital divide issues).	Cost are: 1 - borne by the carrier (Telecom NZ) 2 – included in the transport price of interconnection
Is the cost of providing universal service calculated? If so please provide the latest annual costing.	Telecom NZ costs the Kiwi share obligation at NZ\$90 – NZ\$120 million per annum.
What percentage of telephone subscribers do not have access to an Internet service provider's point of presence with a local call?	0.03%
What is the average monthly online time for a subscriber to the largest PTO's Internet access service (e.g. number of hours).	23.5 hours per month
What is the average household consumption expenditure of telecommunication services in your country? Please provide the data in local currency and specify the year of the survey. Please indicate which of the following telecommunications services are included or excluded -- fixed PSTN services, cellular mobile services and Internet access -- or provide a definition of the indicator used in your country.	Na

20.

	2000	2001	2002	2003
Please report any estimates of the potential coverage of access lines with DSL by the end of the following years (as a % of total subscriber lines) by the incumbent(s):	circa 60%	na	Na	na