



Annual Report

Telecommunications Carriers' Forum 2007

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Telecommunications Carriers' Forum

What the TCF does

The Telecommunications Carriers' Forum (TCF) plays a vital role in the New Zealand telecommunications industry by working collaboratively on the development of key industry standards and codes of practice that underpin the digital economy.

The TCF works with a wide variety of industry participants and government agencies to promote competition and investment in the sector, accelerate the introduction of new generation services, and encourage excellence in customer service.

Structure

The TCF is a registered incorporated society, governed by a Board which is headed by an Independent Chair, and operated by the CEO and a Forum Administrator. Our members are New Zealand telecommunications carriers and service providers.

For more detailed information about the TCF and our work, visit www.tcf.org.nz

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Foreword from the Independent Chair



As I reflect on my time as Independent Chair of the TCF, I am amazed at how much has changed. We have gone from a highly concentrated industry to one with a number of significant players; broadband and mobile phones have gone from being luxury items to everyday necessities; convergence of technologies and industries is accelerating; and changes in the regulatory environment have established a new basis for doing business. The pace of technological and industry transformation shows no sign of letting up.

The degree of change for the TCF has also been remarkable. The TCF was established in 2002 with a very modest budget and a part-time administrator. It's fair to say the industry environment at the time was fractious and confrontational, and progressing our work was difficult. In sharp contrast, as we entered 2008, the TCF has a budget of \$1.5m, more than 3 full-time equivalent staff including a new CEO, and a track record of proud achievements. Without a doubt, we have turned a corner as an industry organisation.

One of the keys to this dramatic change was a decision by our members to commit themselves to some very challenging deliverables for the number portability and local loop unbundling projects, and an equally important commitment to working collaboratively with a firm eye on the interests of consumers.

This level of commitment is evident in our ability as an organisation and an industry to address a significant policy challenge by developing a robust forward-looking solution for the Telecommunications Service Obligation (often referred to as the "Kiwi Share"). This will only be possible because our industry members will again put aside their historical differences and focus on what will best serve New Zealanders and future markets.

On behalf of our members, I am delighted to welcome once again our inaugural CEO, Ralph Chivers, who joined us in January 2008. Ralph brings a wealth of industry experience and a solid reputation with our key stakeholders. One of Ralph's strategic activities in the next year will be to undertake a comprehensive organisational review, with to the aim of leading the TCF through its next stage of development. Throughout this review, the TCF will continue to provide excellent service to our members and access to information and services for consumers.

As the TCF itself has grown and matured, this Annual Report has a new look and feel to reflect our changes – I hope you enjoy it.

A handwritten signature in white ink that reads "Malcolm Alexander". The signature is stylized and includes a small flourish at the end.

Malcolm Alexander

Independent Chair
Telecommunications Carriers' Forum



Introduction from the CEO



The TCF essentially came of age in 2007. We completed a number of very substantial pieces of work that have significantly benefited consumers; we received solid endorsements from the Minister for Communications and Information Technology, the Telecommunications Commissioner, and the Telecommunications Users Association (TUANZ); and we further developed our organisation capability towards a long-term future for the TCF that leverages our current momentum.

During the year we:

- successfully deployed infrastructure to implement local and mobile number portability and launched both services to consumers
- designed and implemented a very successful Telecommunication Disputes Resolution Scheme providing customers free and independent resolution of disputes. The Scheme has been embraced by most of the industry, and we are delighted this includes a number outside our direct membership
- supported the introduction of local loop unbundling and unbundled bitstream services, which are critical to the new competitive environment
- made significant progress in developing Codes of Practice for Mobile Premium Messaging, Disconnection, and Emergency Services.

These are impressive achievements for the TCF that will benefit consumers and have a positive impact on competition as well as investment in the industry. Perhaps just as important, they reflect the high level of collaboration among our members and the resulting forward momentum for our industry.

It was gratifying to receive public praise during the year from Minister Cunliffe and Commissioner Patterson, who both acknowledged our contribution to the implementation of the new regulatory environment arising out of amendments to the Telecommunications Act. To top it off, the TCF was awarded the premier Chairman's prize at the annual TUANZ Innovation Awards – a clear sign of the TCF's reputation, successful work, and contribution to the sector.

Of course, none of our achievements happen by accident; they are due to an enormous amount of behind-the-scenes work. I would like to acknowledge the very considerable efforts of our Independent Chairman Malcolm Alexander and the members of the TCF Board for generating our new-found momentum. Our members contribute many thousands of volunteer hours to our work programmes. Government officials and consumer groups actively contribute views and specialised input. At a more direct level, Tony Baldwin has been an exemplary chairman of the unbundling Working Parties. Last but certainly not



least, I want to recognise Susan Wells and the team from Organisers New Zealand who have provided the outstanding support that has underpinned our success.

Looking forward, I can see several fresh challenges for us as an industry and for the TCF as an organisation. The implementation of unbundling, the operational separation of Telecom, and the accelerating deployment of next generation IP-based networks will bring fundamental change to the industry and ultimately benefits to consumers. Grappling with the impacts of these changes will dominate our programme for some time yet.

For the TCF, we will pause to take stock of our strengths and identify areas we can improve, reconsider our role and purpose, and refresh our organisation so that we are in the best shape possible to support the future development of this dynamic industry and explore what consumer benefits we can help industry to deliver.

This all makes for a very exciting 2008!

Ralph Chivers

Chief Executive
Telecommunications Carriers' Forum

TCF Board
and Forum
Administrator
accepting the
Chairman's prize
at the 2007
TUANZ Innovation
Awards.

From left to right:
Graham Walmsley
David Stone
Susie Stone
Malcolm Alexander
Matt Crockett
Susan Wells
Ernie Newman

Key Players in the TCF

TCF Board

Malcolm Alexander *(Independent Chairperson)*

Malcolm has been the Independent Chair of the TCF since its inception in 2002. Malcolm has wide experience of self-regulatory governance models in the telecommunications, electricity, and gas markets. He is currently General Manager - Corporate Affairs for Genesis Energy and is responsible for business strategy, external affairs, regulatory affairs, and corporate environmental policy including climate change. A competition lawyer by training, Malcolm's extensive experience in the telecommunications industry has proven invaluable to his leadership role in the TCF.

Graham Walmsley, CallPlus *(Group Member Representative for Tier Two Members)*

Graham returned to the TCF Board in 2007. He is the General Manager of Blue Reach, a subsidiary of CallPlus. Prior to this Graham was the Manager for Strategic and Regulatory Development for CallPlus Services. He has many years of experience in the telecommunications industry, having held the positions of Head of Business Marketing for Telecom and Chief Information Officer for CLEAR Communications. His other roles include Marketing Manager for Countrywide Bank and CEO for Diners Club International.

Susie Stone, Kordia *(Representative for Tier 2 and Tier 3 Members)*

Susie is the Kordia Group's General Manager – Strategic Development responsible for strategic business development, commercial affairs, international business, government relations, and regulatory policy. Prior to joining Kordia, Susie worked for CLEAR Communications, where she was General Manager of Network Solutions, with responsibility for local access, data, messaging and call centre solutions. Her background includes strong entrepreneurial, marketing, business development, management, regulatory policy and technology experience within a variety of industry sectors including government, IT, telecommunications and broadcasting.

Matt Crockett, Telecom

Matt is the CEO of Telecom Wholesale and International, which provides domestic and international wholesale network services. He was previously General Manager for Telecom's Wired Division where he oversaw their retail fixed line voice, data and internet businesses. Prior to this, he was Head of the New Zealand Market Strategy team, covering both fixed and mobile retail strategy. Before joining Telecom in 2003, Matt was at the global management consulting firm McKinsey & Company where he was responsible for client relationships and projects across multiple industries.

Chris Abbott, TelstraClear

Chris has been the Group Manager Regulatory at TelstraClear since September 2006. He has considerable experience in telecommunications regulation, having worked as a Chief Advisor at the Commerce Commission prior to joining TelstraClear. Chris previously held a number of roles at American International Group (AIG) in the United Kingdom and New Zealand.

David Stone, Vodafone

David is Head of Industry Affairs for Vodafone. He has extensive industry experience, starting with CLEAR Communications in 1996 and subsequently working with a number of other industry members. Prior to joining Vodafone, David was Manager – Strategic Development for United Networks Limited. David worked for a time as an exploration geologist and while he also holds legal degrees, he no longer practices law.

Ernie Newman, TUANZ *(Non-voting representative)*

Ernie has been Chief Executive of the Telecommunications Users Association of New Zealand (TUANZ) since 1999 and represents TUANZ in several organisations including the TCF and the Number Administration Deed. He is a Board member of the International Telecommunications Users Group (INTUG), and was its Chairman from 2002 to 2005. He is a regular participant in APECTel, the telecommunications and IT working group of APEC.

TCF Operations

Ralph Chivers, Chief Executive Officer

Ralph has 15 years of experience in the telecommunications industry on both sides of the Tasman in a broad range of roles spanning investment management, technology strategy, business planning, programme management and wireless engineering. Ralph's career extends across the public and private sectors as well as entrant and challenger businesses, giving him an in-depth and balanced understanding of the industry. He has strong hands-on knowledge of the New Zealand telecommunications regulatory environment from both government and industry perspectives.

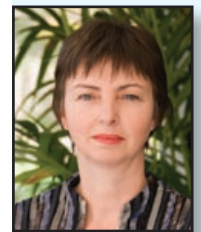
Forum Administration

Susan Wells, Helen Knox, and **Clare Dobson** from Organisers New Zealand Limited (ONZL) have been the Forum Administrators since May 2006. Forum Administrators provide secretariat and professional support to the TCF Board and working parties, perform programme management, assist with the drafting of codes and preparation of submissions, arrange consultation, maintain the content on the TCF website, produce the monthly newsletter and press releases, and manage finances. Susan has been closely involved with the TCF since its inception and previously held a position on the TCF Board.

Tony Baldwin

Independent Chairperson of the LLU Working Parties

Tony is a legal and regulatory specialist with recognised expertise in industry chair roles. He has chaired the successful local loop unbundling (LLU) working parties since 2006. Drawing on his extensive law, policy and business background, Tony brings a wealth of commercial and public policy experience to his role with the TCF.



Left Column:
Malcolm Alexander
Graham Walmsley
Susie Stone
Matt Crockett
Chris Abbott

Right Column:
David Stone
Ernie Newman
Ralph Chivers
Susan Wells



TCF Membership

The TCF has a three-tier membership structure comprised of New Zealand telecommunications carriers.

Tier 1 members each hold a seat on the Board, with Tier 2 and Tier 3 members jointly holding two Board seats.

TELECOMMUNICATIONS CARRIERS' FORUM

CONNECTING
NEW ZEALANDERS



Tier 1 Members:

Telecom	Matt Crockett
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TelstraClear	Chris Abbott
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Vodafone	David Stone
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Tier 2 Members:



CallPlus	Graham Walmsley
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Compass Communications	Mark Frater
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Woosh Wireless	Paul Kearney
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WorldxChange Communications	Paul Clarkin
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Tier 3 Members:



FX Networks	Derek Locke
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Kordia	Susie Stone
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NZ COMMUNICATIONS

NZ Communications	Tex Edwards
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TrustPower	Peter Gregory
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Vector Communications	David Robinson
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Key Achievements in 2007

Local and Mobile Number Portability (LMNP)

Local and mobile number portability (LMNP) gives consumers and businesses the ability to keep their existing local or mobile phone number if they change telecommunications providers.

LMNP is the foremost achievement in 2007 for the TCF, its members, the telecommunications industry as a whole, and for New Zealand's consumers. LMNP also represents a significant milestone in New Zealand's domestic competition landscape.

Launched on schedule on 1 April 2007, LMNP was the culmination of three years of intensive work by the telecommunications industry at a cost of approximately \$100 million. The complexity of the project required an unprecedented level of industry cooperation and commitment, requiring changes to networks and billing systems, as well as the creation of the Industry Portability Management System (IPMS), a centralised industry system to manage the porting process.

The successful introduction of LMNP was not just a technical achievement for industry members, but has promoted healthy competition among telecommunications companies.

LMNP makes it easier for consumers and businesses to change telecommunications companies by allowing them to:

- compare rates and services on offer from the telecommunications companies and pick the one that is best for them
- avoid the cost and effort of changing their telephone numbers on business cards, stationery, advertising and signage if they change telecommunications companies
- move between telecommunications companies as many times as they wish in order to take advantage of the best deals available in the market.

Rob Clarke, originally a technical consultant on the LMNP project, is now involved in day-to-day operations as Number Portability Co-ordinator. "My current role is to ensure that porting runs smoothly. There are now ten carriers involved in every port, and calls to ported numbers can use 24 separate networks."

In his earlier role as a technical consultant, Rob investigated the systems and processes implemented by other countries to enable number portability. "What we found when we looked at the overseas experience was that number portability involved considerable risk and historically had a low chance of succeeding. Some portability systems overseas experienced major failures early on and others had to stop porting within months of being launched."

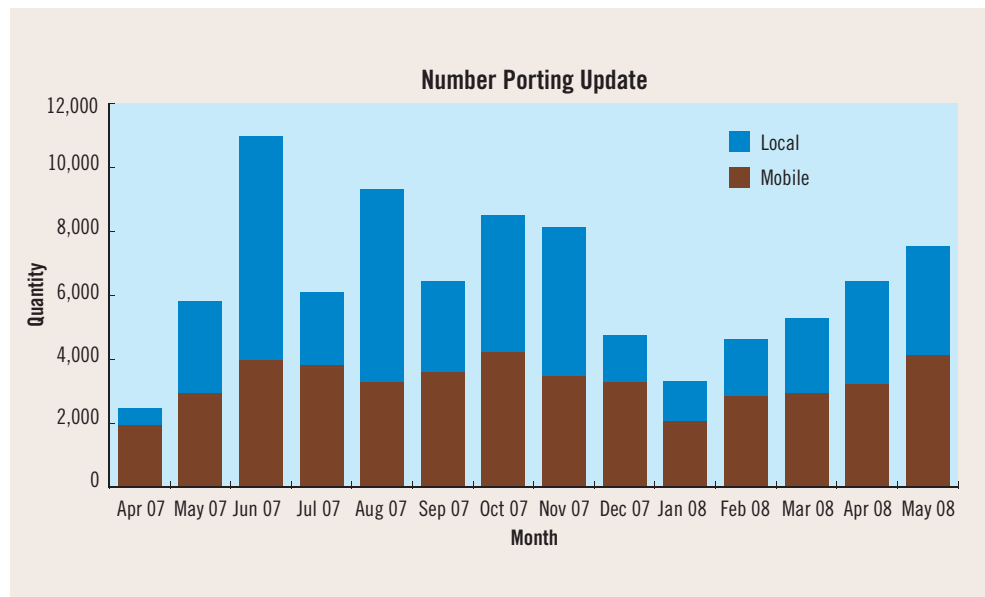
Rob points out how impressive the success of LMNP really is. "The New Zealand system has been tested under real-life conditions and has come through the first year without mishap. That is a major achievement by international standards. As time goes on we will further enhance the IPMS and tune it to ensure that it continues to play its part in LMNP."

Organisations like Auckland Grammar School are already realising LMNP's benefits. Patrick Gargiulo, Head of Operations at Auckland Grammar, said: "Number portability allowed us to make significant savings on our telecommunications spend on phone and internet usage while minimising the risks of changing service providers."



By reducing the barriers to changing telecommunications suppliers, the industry has empowered consumers and businesses to choose the service provider that best meets their needs.

By the end of April 2008, a total of 82,115 local and mobile numbers had been ported with June 2007 being the peak month. Over the 13 months since number portability went live, an average of 6,317 numbers have been ported per month, evenly split between local and mobile numbers. It is expected that over 100,000 numbers will have been ported by July 2008.



Telecommunication Dispute Resolution (TDR)



Residential and small business customers now have another avenue they can pursue if they are unable to resolve a complaint with their telecommunications company.

On 29 November 2007, New Zealand's inaugural telecommunications and internet service providers consumer dispute resolution process was launched. The Telecommunication Dispute Resolution (TDR) service was established by the TCF and leading consumer advocates including the Consumers' Institute, TUANZ and Citizens Advice Bureau. It is a free, independent service available to any consumer whose telecommunication company is a member of the TDR service.

The TDR service, together with the TCF Customer Complaints Code, governs the handling of customer complaints by telecommunications providers and internet service providers (ISPs). Together they set out the principles and rules to be applied when dealing with consumer complaints which have not been resolved to the consumer's satisfaction through the provider's internal procedures.

TDR covers all products and services offered by telecommunication companies and ISPs who are members of the scheme, which is open to any organisation that provides those services. The TDR has already attracted the following members which serve over 98% of New Zealand

telecommunications consumers:



Dispute Resolution Services Limited (DRS), an independent dispute resolution company, operates the TDR service and reports to a governing council which has 50% consumer representation. Three of the consumer representatives are jointly appointed by the Consumers Institute and TUANZ, while one is appointed by the Ministry of Consumer Affairs. The TDR Council also has an independent chairman, consumer law expert Bill Bevan.

From December 2007 to March 2008, the TDR received 182 qualifying complaints. By the end of March, all but six complaints were resolved at Level 1 (facilitated dialogue). Five complaints progressed to Level 2 (facilitated negotiation) and one to Level 3 (conciliation). By far the largest percentage of complaints received by TDR (49%) related to billing and credit.

The following case study is just one example of the type of complaint the TDR received during its first few months of operation:

A customer had been receiving unsolicited premium messaging on his mobile phone. He contacted his provider several times without success or any offer of assistance. The customer was charged \$75 for the unsolicited texts and refused to pay this part of his phone account until the matter was sorted out. The provider told the customer that his phone would be disconnected if he did not pay his account in full. The provider gave the customer details of the originator of the unsolicited texts but the customer was unable to contact this person directly. The customer looked up the website and discovered that accessing the service was achieved simply by entering a phone number. There were no security precautions in place to verify the identity of the customer or to check the service was being requested by the account holder. He complained to the provider that it should not allow the particular individual to use its services.

The customer rang TDR and said he wanted the provider to refund the sum of \$75 and to have his phone reconnected. TDR contacted the provider which took action promptly. It credited the customer with \$75 and reconnected his phone. It also referred the customer to the authorised key contact for the account and advised the customer how to opt out of receiving premium messaging in the future. The customer was delighted with this outcome.

Unsolicited feedback on the TDR service has been very positive:

“I recently got my phone bill and [the telecommunications company] have done what they said they would do. They credited back the \$90 then they also gave me another \$100 for the trouble. So I’m very pleased. Thank you so much for your help.”

“Thank you, the issue has been resolved. I am very happy and very impressed with TDR and the impact on my problem. I have already told lots of friends about the service.”

Customer Service Standards

Central to the development of the TDR service was the creation of industry-wide Customer Service Standards. These Standards are described in the Customer Complaints Code and apply to residential and small business customers of telecommunications companies who are members of the TDR service. The Standards cover a range of common issues including changes to service, billing and faults, and equipment ownership and maintenance.

With the creation of the new Customer Service Standards consumers and small businesses can be assured they will be treated in a fair and reasonable manner, and that they know what to expect in their dealings with any telecommunications provider that is a member of the TDR service.

The development of these common Customer Service Standards is a first for the New Zealand telecommunications industry. It demonstrates an unprecedented level of industry cooperation and commitment to provide their customers a consistently high quality of service.

Local Loop Unbundling (LLU) and Unbundled Bitstream Access (UBA)

Local Loop Unbundling (LLU) is a requirement on Telecom to allow other service providers to access and use the copper circuit from the telephone exchange to the customer premises. Regulation of LLU services was proposed in the Telecommunications Amendment Bill passed by Parliament in 2006.

In July 2006, in anticipation of the introduction of LLU and UBA, the TCF established working parties to develop performance requirements governing network deployment and compatibility, which would reduce the likelihood of interference and service incompatibility. This “Phase One” report was delivered in December 2006.

In late February 2007, the Commerce Commission announced it would regulate Telecom’s provision of unbundled services. TCF members believed there was value in continuing the cooperative approach used in Phase One, with a view to seeking industry agreement on the key technical and operational issues underpinning LLU and UBA. Five working parties were established to complete the Phase Two work:

- Local Loop Unbundling (LLU)
- Unbundled Bitstream Access (UBA)
- Co-location for LLU
- Backhaul for LLU and UBA
- Interference Management.

Throughout 2007, and within the Commerce Commission’s tight timeframe, the TCF delivered a suite of agreements covering each of the above areas.

Subsequently the Commerce Commission issued its Standard Terms Determinations (STD) covering LLU and UBA, with the TCF agreements substantially surviving the Commission’s close scrutiny. The Commission made it clear that in determining non-price terms, it would generally adopt the terms unanimously recommended by the TCF and only make changes to those recommendations where there was a compelling reason to do so.



At a technical level, UBA provides opportunities for competitors to build their own broadband and voice over internet protocol (VoIP) products based on a Telecom-provided bitstream service. A key benefit of UBA is that it can be purchased by consumers without a requirement to also buy a standard telephone line, a concept known as “naked DSL”.

LLU gives Telecom’s competitors additional flexibility by allowing them to install their own equipment in Telecom’s exchanges so that they can design and build new broadband and voice services from the ground up, to their own specifications.

By providing competitors with the opportunity to innovate, LLU and UBA stimulate competition, giving consumers a greater choice of broadband and next generation voice services.

Tony Baldwin, independent chairperson of the TCF’s unbundling working parties, observed that “all members of the TCF working parties participated in an extremely constructive manner, finding solutions to a wide variety of very complex technical issues within some demanding timeframes.

“Each output from the TCF involved substantial and detailed work. Delivering these outputs, on time, to a high quality, and with a high level of agreement, represents an outstanding achievement by all members of the TCF. Few other countries have reached industry agreement, and laid down comprehensive service rules, in such a short timeframe.”

“The TCF has gained the support and confidence of the Commerce Commission. It has demonstrated very strongly that it can deliver high quality outcomes on complex issues, adding significant value to the regulatory process, for the benefit of industry parties and consumers.”

Orcon, a TCF member, was the first telecommunications provider to announce the launch of broadband and calling services built on the newly unbundled network.

“The TCF was instrumental in enabling us to launch our LLU products as quickly as we did”, said Orcon CEO Scott Bartlett. “The speed with which the TCF working party was able to resolve and come to an agreement on the technical and operational issues associated with LLU was commendable, and our customers are experiencing the benefits of that now in the form of new and better services from Orcon.”

Paul Clarkin, Director – Operations & Carrier at WorldxChange, was involved in the development of the specification for Basic and Enhanced UBA and was also very positive about the TCF’s role in the process. “Having a TCF working party meant that technical people were involved in the joint development of the service descriptions for both Basic and Enhanced UBA right from the start, which not only sped up the development process, but improved the outcome.”



Co-siting

Co-siting is a situation in which an operator wishes to locate equipment on a property, such as a building rooftop, that is already being used by another operator. Some properties, for geographical and other reasons, are more favourable for the location of radio facilities. These sites are highly desirable and it is important that their use is optimised.

A non-regulated code establishing rules for co-siting was endorsed by the TCF in December 2007. The Co-siting Code will help optimise industry use of valuable sites, maximising the coverage of networks with a flow-on effect of reducing costs to the providers.

Information Reporting

In July 2007, the Information Reporting Working Party finalised its questionnaire to collect data from providers on retail telecommunications services in New Zealand. The Working Party is now in discussions with Statistics New Zealand regarding the handover of the data collection process.

The information collected will enable a set of statistics to be produced that will assist organisations such as the Organisation for Economic Co-operation and Development (OECD), the International Telecommunication Union (ITU), the Commerce Commission and Statistics New Zealand in their monitoring of telecommunications markets. It will also be used to facilitate international benchmarking.

By involving the industry in the development of the processes for collating such data, the TCF ensured consistency of information while compliance costs were minimised.

Internet Anti-spam

The Internet Society of New Zealand (InternetNZ), the TCF, the Marketing Association, and the ISP Association of New Zealand (ISPANZ) jointly prepared the Internet Service Provider Spam Code of Practice and subsequently endorsed it in September 2007.

The Code follows a self-regulatory model and establishes best practices and procedures for managing spam email, including spam complaint handling procedures.

The Code was produced in parallel to the Unsolicited Electronic Messages Act. Input was sought from New Zealand's internet community, government agencies, other interested parties and the general public to ensure that critical issues were addressed during development.



Signatories are permitted to use a special badge in their communications to identify and promote their support of the Spam Code.

InternetNZ Executive Director Keith Davidson noted that the Code is a key component in the overall fight against spam, along with regulation, education and cooperation with international enforcement agencies.

TCF Independent Chair Malcolm Alexander observed that “this inter-agency effort to reduce spam parallels recent telecommunications industry projects where cooperation has been critical to success, and where there are benefits for consumers and businesses throughout New Zealand. This type of teamwork is really essential in the modern global marketplace.”

Marketing Association Chief Executive Keith Norris said, “This Code is a great example of business organisations working together. Marketing and technology go hand in hand these days, and it's absolutely vital to set best-practice standards for all elements of marketing communications.”

Submissions

One of the TCF's roles is to act as a representative of the telecommunications industry as well as on behalf of our members.

Environmental Standards

In February 2007, the Ministries for the Environment and Economic Development invited telecommunication industry members to make submissions on proposals to develop National Environmental Standards (NESs) for telecommunications. The purpose of an NES is to provide a consistent resource consent framework which applies nationally. An NES has the potential to materially reduce compliance costs to business as well as the time required to deploy telecommunications infrastructure.

The scope of the proposed NESs covered low-impact infrastructure in road reserves, including roadside equipment cabinets, equipment cabinet noise, and masts and antennas. Radiofrequency exposure limits were also addressed.

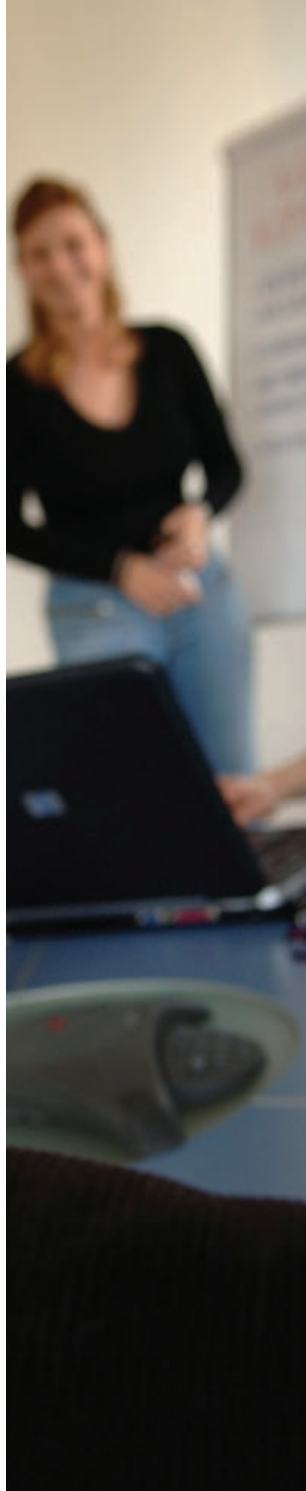
The TCF made a submission welcoming the proposed NESs for telecommunications facilities. The TCF considered that the adoption of NESs, with the amendments proposed in its submission, will significantly enhance the development of telecommunications services to New Zealanders, while ensuring appropriate safeguards to minimise environmental impact.

TSO – Local Service

The Local Service Telecommunications Service Obligation (TSO), formerly known as “the Kiwi Share”, is an obligation on Telecom to provide certain telecommunications services to most New Zealanders. The net cost to Telecom of fulfilling these obligations is partly funded through an industry levy.

In October 2007, the TCF made a submission on the Ministry of Economic Development's discussion document on the future of the Telecommunications Service Obligation (TSO) framework. In its submission, the TCF offered to work with the Ministry of Economic Development and the Minister to find a more efficient way of delivering on the objectives of the Local Service TSO.

The TCF subsequently established a TSO Working Party tasked with developing an industry-agreed approach that delivers on the policy intent of the TSO while minimising the potential for a detrimental impact on competition and innovation. This report will be completed in 2008.



Work in Progress

Outlined below are some of our key deliverables for 2008 which commenced in 2007.

Disconnection

The Disconnection Working Party was established in September 2007 to develop a Disconnection Code of Practice setting out procedures and minimum standards to be applied when disconnection of a service to a residential customer is being considered.

There is currently no agreed set of minimum requirements or standards for telecommunications providers with regard to disconnection, resulting in varying disconnection policies being employed.

The TCF is actively consulting with consumer advocates to ensure that the Disconnection Code will be robust and fair and expects to finalise this code in 2008.

Emergency Services

An Emergency Services Working Party was established in September 2007 to create an industry code of practice for calls to emergency services. In an environment where multiple service providers and technologies are involved, it is literally vital to ensure that consistent procedures and standards are applied.

The Emergency Services Code will:

- recognise current emergency calling systems and practices, and create a process for future engagement among the industry, the initial call answering point provider, and the providers of emergency services
- specify minimum call quality standards
- contain requirements for the provision of customer information to emergency service providers
- include consumer information requirements relating to availability and performance of the service
- assist in minimising non-genuine calls.

The Code is expected to be finalised in the second half of 2008. As well as providing a standard protocol for the industry, it will offer reassurance to the public of a responsible and consistent industry approach to the handling and management of calls to emergency services.

“The industry understands that people want to be treated fairly and appropriately when it comes to the potential disconnection of a service, especially in a lifeline situation,” said TCF CEO Ralph Chivers. “The development of this Code demonstrates that the industry is acting responsibly to promote consistency across all telecommunication providers and offer better protection to customers.”

Mobile Premium Messaging

Since the launch of mobile premium services in 2006, New Zealand consumers have dramatically increased their use of mobile service offerings such as ringtones, wallpaper, games, music downloads, operator chat, and txt2win trivia games. However, there were no industry standards or guidelines around the process of operating or advertising these services.

In 2007, the TCF completed the groundwork for the Mobile Premium Messaging Services Code, which sets standards for mobile telecommunication providers, mobile service providers, and content providers. The Code is being developed by the TCF Mobile Premium Messages Working Party whose members include mobile content providers and TUANZ.

The Code will outline strict standards to ensure that customers know what they are signing up for before they incur any costs, to guarantee that users receive regular updates about the costs they are incurring (including usage alerts), and to make it easy to cancel a service at any time. This will give customers confidence that they will remain fully informed, and in control, at all times. The Code will also cover advertising guidelines and have specific rules for chat, age-restricted and video services.

The collaboration demonstrated by carriers, content providers and consumer bodies reflects the strong desire of all parties to ensure this market grows in a sustainable and responsible manner and protects the end consumer.

New Zealand Utilities Advisory Group

In April 2007, a small working party within the New Zealand Utilities Advisory Group (NZUAG) was established to draft a Code of Practice governing access to transport corridors by network utility operators. The TCF has a representative on this working party.

The Code is expected to address the lack of clarity and the uncertainty created by the variety of statutes and approaches taken by relevant authorities to administering access to transport corridors. The Government expects the Code to reduce cost and risk, improve the coordination of works between stakeholders, deliver better outcomes for all stakeholders and create a sound platform for the development of world-class infrastructure.

The Code will set rules, processes and standards for all work undertaken in transport corridors (road and rail) by utilities, road controlling authorities, and Ontrack. It will also consider costs, charges and cost sharing.

2007 Financial Summary

Statement of Financial Performance for the year ended 31 December 2007

	2007	2006
	\$	\$
Operating Revenue		
Tier 1 member fees	344,942	278,484
Group member fees	43,296	35,482
Telecommunications Disputes Resolution (TDR) establishment funding	164,440	61,556
Local loop unbundling/Unbundled bitstream access (LLU/UBA) funding	228,553	150,003
Number portability operating funding	475,564	176,148
Interest	38,310	11,852
Total operating revenue	1,295,105	713,525
Workstream expenditure		
TDR service	164,440	99,955
LLU/UBA project	228,553	177,109
Number portability	475,564	176,148
Other working parties	71,349	63,312
	939,906	516,524
Operating expenditure		
Forum chair	22,500	23,850
Forum management	95,031	0
Forum administrator	119,148	128,516
Communications	28,666	20,368
Website	50,400	4,900
Audit fees	5,000	0
Miscellaneous	34,454	19,367
	355,199	197,001
Total expenditure	1,295,105	713,525
Depreciation (IPMS system)	288,889	0
Net Surplus/(Deficit)	(288,889)	0

Statement of Financial Performance for the year ended 31 December 2007^{/continued}

	2007 \$	2006 \$
FUNDS EMPLOYED		
General funds		
Number portability funding	1,338,708	1,338,708
Retained earnings	(288,889)	0
	1,049,819	1,338,708
Current liabilities		
Trade creditors	146,527	159,053
Payables accruals	26,231	6,990
GST owing	27,329	36,756
Income in advance	341,653	219,463
Refund owing	898,667	23,679
	1,440,407	445,941
Total funds employed	2,490,226	1,784,649
ASSETS		
Current Assets		
Bank balance	805,906	854,114
Term deposit	508,446	0
Trade debtors	219,287	12,771
Other receivables	3,897	0
	1,537,536	866,885
Non-current assets		
Computer equipment	3,133	0
IPMS system	1,238,446	917,765
Less accumulated depreciation	(288,889)	0
	952,690	917,765
Total Assets	2,490,226	1,784,650

2007 Working Party Members

NAME	ORGANISATION	TCF WORKING PARTY
Adam Hibbs	Commerce Commission	LLU and UBA
Airihi Mahuika	Telecom	LLU and UBA
Alan Mitford-Taylor	Telecom	LLU and UBA
Anna Minchev	CallPlus	Number Portability
Anne Withington	TelstraClear	Disconnection
Anthony Morris	Commerce Commission	Information Reporting, TSO
Antony Srzich	Telecom	Information Reporting
Brendan Dempsey	Commerce Commission	LLU and UBA
Brent McNulty	Telecom	Mobile Premium Messaging Services
Brett Thomson	WorldxChange Communication	Emergency Services, Number Portability
Bridget Gallen	Vodafone	Mobile Premium Messaging Services
Bruce Officer	Commerce Commission	Mobile Premium Messaging Services
Céline Hugues	Vodafone	Disconnection, Emergency Services, Number Portability
Chris Abbot	TelstraClear	Information Reporting, National Environmental Standards, Number Portability, Telecommunications Relay Service, TSO
Chris Dyhrberg	Telecom	LLU and UBA
Chris Horne	Incite, for Telecom	National Environmental Standards
Clare Dobson	TCF Forum Administrator	LLU and UBA
Clare Green	Vodafone	Mobile Premium Messaging Services
Colin Foster	Telecom	LLU and UBA
Craig Young	TelstraClear	LLU and UBA
Daniel Hopkirk	Airnet	Number Portability
Darren Hutcheson	Woosh Wireless	Number Portability
David Diprose	ihug/Vodafone	LLU and UBA
David Rauscher	NZ Communications	Co-siting
David Robinson	Vector Communications	LLU Co-location
David Stone	Vodafone	Emergency Services, Number Portability, TSO
Dean Gerrard	Mobile Messenger	Mobile Premium Messaging Services
Deborah Crowe	Run the Red	Mobile Premium Messaging Services
Doug Watt	Vodafone	Information Reporting
Doug Young	ihug/Vodafone	Number Portability
Eric Liu	Vodafone	Unauthorised Use of Cellphones in Prisons
Gary Hooker	Telecom	LLU and UBA
Greg Fowler	NZ Communications	Co-siting
Graham Walmsley	CallPlus	TSO
Helen Knox	TCF Forum Administrator	Disconnection, Emergency Services, Information Reporting, Number Portability
John Butt	CallPlus	LLU and UBA

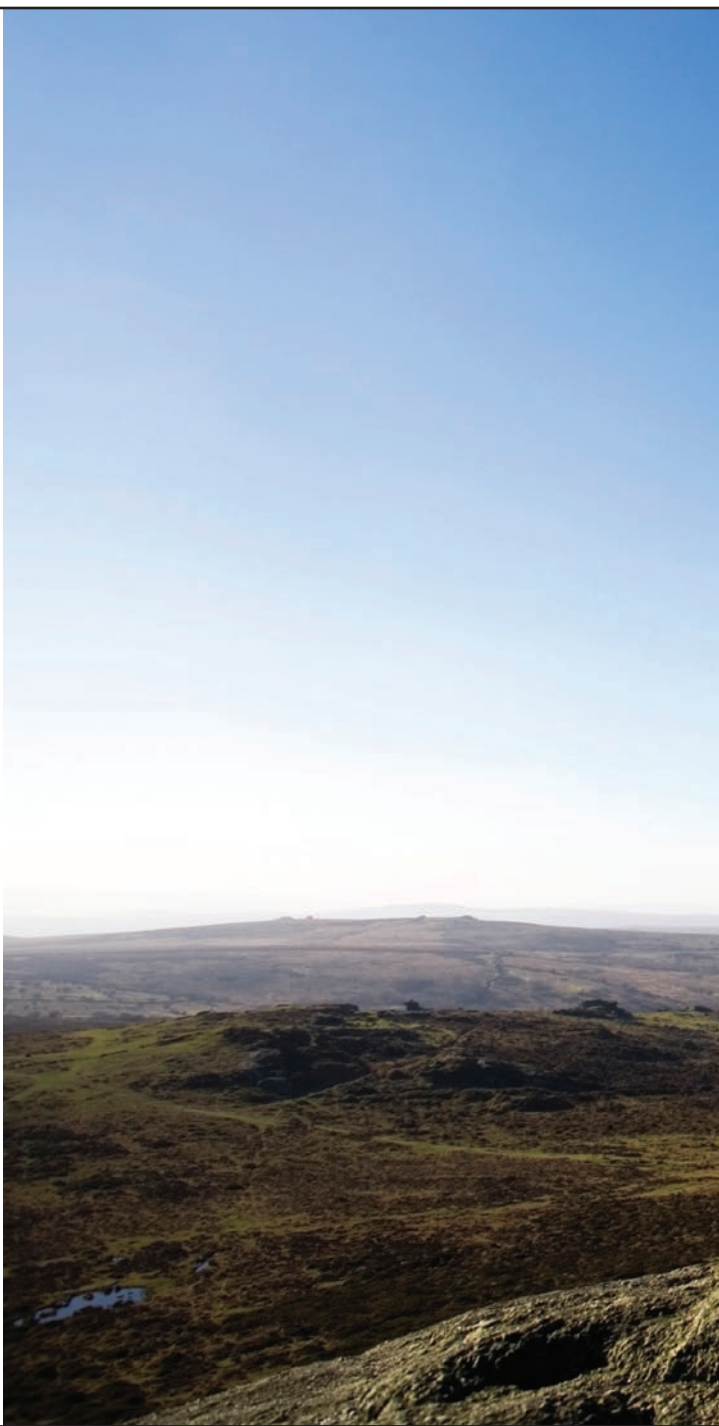
NAME	ORGANISATION	TCF WORKING PARTY
John Newman	Orcon	Number Portability
Jo Rich	Sybase	Mobile Premium Messaging Services
John Wesley-Smith	Telecom	Number Portability, Telecommunications Relay Service
John Wilson	TelstraClear	Emergency Services, Number Portability
Julian Kersey	Vodafone	TSO
Kennett Barnett	CallPlus	LLU and UBA
Kester Gordon	Ministry of Economic Development	Emergency Services, Information Reporting, TSO
Kevin Mason	Telecom	LLU Interference Management
Mark Knowles	CallPlus	Number Portability
Mark Larsen	Telecom	Co-siting, TCF Representative on NZ Utilities Advisory Group
Mark Payne	NZ Communications	Mobile Premium Messaging Services
Mark Sanderson	ihug/Vodafone	Number Portability
Michael Ramsey	Telecom	Mobile Premium Messaging Services
Mike Moran	Telecom	Emergency Services, LLU and UBA, Unauthorised Use of Cellphones in Prisons
Nick Clarke	Woosh Wireless	Co-siting, National Environmental Standards
Nick Haywood	Telecom	Emergency Services, TSO
Nicola Gaffaney	Telecom	LLU and UBA
Olga Germanova	Telecom	Number Portability
Paul Clarkin	WorldxChange Communication	UBA
Paul Dance	Vodafone	Number Portability
Peter Nicoll	Vodafone	Co-siting
Phil Potter	Telstra, for TelstraClear	LLU Interference Management
Poul Israelson	Harrison Grierson, for Vodafone	National Environmental Standards
Raj Narayanan	Vodafone	Number Portability
Raphael Hilbron	Vodafone	National Environmental Standards, Telecommunications Relay Service, TCF Representative on NZ Relay Advisory Group
Rex Haslip	Telecom	LLU
Rob Clarke	TCF Number Portability Co-ordinator	Number Portability
Roger Ellis	Vodafone	Unauthorised Use of Cellphones in Prisons
Sam Deller	Airnet	Number Portability
Sarah Putt	TUANZ	Mobile Premium Messaging Services
Sathy Arasaratnam	Vodafone	LLU and UBA
Scott Burgess	Telecom	Disconnection

NAME	ORGANISATION	TCF WORKING PARTY
Sebastien Pham	ihug/Vodafone	LLU and UBA
Stephen Bond-Smith	Orcon	Emergency Services, LLU and UBA, Number Portability
Steven Kerr	Telecom	National Environmental Standards
Stuart Goodin	Telecom	TSO
Susan Wells	TCF Forum Administrator	Co-siting, Mobile Premium Messaging Services, National Environmental Standards, Number Portability, Telecommunications Relay Service, TSO, Unauthorised Use of Cellphones in Prisons
Susie Stone	Kordia	Co-siting, National Environmental Standards, TSO
Sylvia Ding	Vodafone	Mobile Premium Messaging Services
Tim Armitage	Telecom	LLU and UBA
Tony Baird	BayCity	TSO
Tony Baldwin	LLU/UBA Chair	LLU and UBA
Tracy Watson	Telecom	Co-siting, Information Reporting
Wayne Stechman	Telecom	Disconnection
Wendy Dodd	Telecom	LLU and UBA

2008 Projects and Projections

Highlighted below are some of the TCF's priority projects and workstreams and its expectations of success in the coming year:

- Endorse Premium Messaging Services Code
- Sign off on agreed elements for inclusion in Mobile Co-location Standard Terms Proposal
- Sign off on agreed elements for inclusion in Sub-loop Unbundling Standard Terms Proposal
- Hold second TCF strategic planning session
- Endorse Control of Unauthorised Use of Mobiles in Prisons Code
- Endorse Disconnection Code
- Endorse Emergency Services Code
- Amend Customer Complaints Code to reflect changes from Telecom's operational separation
- Issue TSO Report
- Conduct review of Customer Transfer Code
- Commence development of IP Interconnection Code
- Endorse Interception Data Code
- Complete TCF constitutional and organisational review



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