Satellites and the Digital Divide in NZ

Dr Bronwyn Howell

Ivey Business School, Toronto, Canada

October 16 2024

Bronwyn.Howell@vuw.ac.nz

New Zealand

Geographic and demographic challenges

Fibre to the Home available to 87% of population (50% uptake in accessible areas)

Structural separation

- incentives for integrated mobile rivals (fixed wireless)

Satellite 14% of rural connections (37,000 in June 2023)

- highest per capita uptake in OECD (Telecoms.com https://www.telecoms.com/satellite/starlink-takes-rural-broadband-market-by-storm-in-nz#close-modal

Trade-offs

Speed

- Satellite 180 Mbps; FWA 45 Mbps

Price

- Satellite NZ$159/month plus NZ$1040 setup
- FWA NZ$96 to $200 per month
- comms 1.68% to 2.81% of rural household income

Resilience

14 February 2023

Considerations

Shared ROWs, towers, roaming, spectrum etc

- very efficient but lack resilience especially in rural areas

Microwave still matters for backhaul resilience

- slow internet better than no internet

Satellite to mobile texting collaborations already being marketed (OneNZ/SpaceX; Spark/Lynk)

https://one.nz/why-choose-us/spacex/?srsltid=AfmBOorBX2o1amRuZgwy5ChdtsPJhfL8iKF2yz-YriHSj2AcUl6miOXM

https://www.capacitymedia.com/article/2brf73z8a07ynv54kt7nk/spark-to-launch-satellite-to-mobile-service

The game is changing

Redefining the rural/urban boundaries

The end of rural natural monopolies

- strategic options now include include satellite providers too