



orcon®

Commerce Commission

Via email: telco@comcom.govt.nz

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On 4 November 2008 the Commission requested feedback from interested parties regarding the Commission's Telecommunications Sector Monitoring. It is our view that the Commission plays an important role in developing the competitiveness of New Zealand's Telecommunications Sector. We do not address the questions specifically but provide Orcon's general views below.

We view the Commission's monitoring and reporting role is useful in determining the effectiveness of existing regulation and whether changes are required to the regulatory environment. It is our concern that dominant service providers can use their market power to negatively impact on competition to the detriment of end users. The Commission must ensure it continues its monitoring and reporting role, to ensure the market is achieving long-term benefits for end users as envisaged by the Telecommunications Act.

In addition, some information from the Commission's monitoring and reporting role can be made public. We view that it is important for consumers and investors alike. It reduces uncertainty for investors entering or expanding in telecommunications markets. For consumers, information is essential to ensuring they receive the most appropriate products and services available, at the right price.

In our view the key statistics and annual reporting are useful to the industry and consumers. It is essential that these reports continue. In particular the OECD benchmarking identifies how the market in New Zealand has failed to deliver the benefits for end users achieved overseas. Reporting of telecom data is useful, but in our opinion the Commission should report data from other dominant firms. We also consider that data should separate different sectors within the market such as mobile and fixed line. This would effectively show the impact of bundling and any abuse of significant market power. It would also show where Telecom may be breaching equivalence rules.

Yours faithfully

STEVEN BOND-SMITH
REGULATORY AND COMMERCIAL MANAGER

