

31 March 2026

Hon Paul Goldsmith
Minister for Media and Communications
Parliament Buildings
Wellington

Dear Minister

Recommendation on deregulation of Voice Fibre Fixed Line Access Services

I am pleased to provide the Commerce Commission's final report and recommendation on the regulation of **Voice Fibre Fixed Line Access Services (Voice FFLAS)** under section 210 of the *Telecommunications Act 2001*.

This report follows our review of Voice FFLAS and sets out our recommendation that the service should **no longer be regulated under Part 6 of the Act**.

Under the *Telecommunications (New Regulatory Framework) Amendment Act 2018*, we are required to consider before the start of each fibre regulatory period whether there are reasonable grounds to review the regulation of fibre services. In December 2024, we concluded that such grounds existed for several Fibre Fixed Line Access Services, including Voice FFLAS, and commenced a formal deregulation review.

In October 2025, we published a draft recommendation that Voice FFLAS should remain regulated. While we found that the market for voice services was workably competitive, we were initially concerned that the compliance costs associated with deregulation—particularly those relating to cost allocation—might outweigh the benefits.

Following consultation with industry participants, and after considering submissions and cross-submissions, we have revised our position. Our final recommendation is that **Voice FFLAS be deregulated**.

This recommendation reflects three key findings:

- **Workable competition exists in the market for retail voice services.** Consumers rely predominantly on alternatives such as VoIP over broadband, mobile voice services, and over-the-top communication applications. The regulated wholesale service represents a negligible proportion (0.36%) of fibre connections.

- **Consumers have readily available substitutes.** These alternatives are widely available in urban areas where regulated fibre networks operate and generally provide comparable functionality and pricing.
- **The costs of deregulation are now expected to be manageable.** Submissions identified practical approaches to allocating costs between regulated and unregulated services that would comply with input methodologies requirements. We are now satisfied that the benefits of deregulation would on balance likely outweigh the costs.

Taking these factors into account, we consider that deregulating Voice FFLAS would best give effect to the purpose of Part 6 of the Act, including promoting outcomes consistent with workable competition for the long-term benefit of end-users.

Our recommendation reflects careful consideration of the evidence and stakeholder views received during consultation on the costs and benefits of deregulation. Ultimately, we consider that the conditions that originally justified regulation of this service have materially changed, and that regulation no longer best promotes the purpose in the Act.

Please note that this recommendation relates only to Voice FFLAS. We are also undertaking deregulation reviews of three other fibre services (Transport, Point-to-Point, and Co-location and Interconnection services), and consultation on those reviews will follow separately.

We would be pleased to provide further briefing on the report or the analysis underpinning our recommendation if that would be helpful to you or your officials.

Yours sincerely

Tristan Gilbertson
Telecommunications Commissioner

Encl.

Final recommendation to the Minister for Media and Communications on Voice Fibre Fixed Line Access Services