

29 February 2024

By email to: Mobile Stakeholder Group
 Broadband Stakeholder Group
 Consumer Stakeholder Group

Tēnā koutou

Telecommunications – 2024 Work Plan

This letter sets out our work plan for 2024.

Our focus this year is on:

- *Fibre*: Setting the price quality path for Chorus for the next regulatory period;
- *Retail Service Quality*: Progressing our work on improving retail service quality for consumers; and
- *Monitoring and Reporting*: Completing our Rural Connectivity Study.

An outline of our work programme, including indicative timing, is set out in more detail below.

As in previous years, this remains subject to change as the programme moves forward, including the need to address any urgent issues that may arise in the market.

Fibre Services

Our fibre work this year will focus on setting a new price-quality path for Chorus for the next regulatory period from 2025 to 2028.

We plan to issue a draft price-quality determination (addressing key expenditure, quality and revenue issues) by June and a final price-quality determination by December.

During the course of the year, we will also look at proposed changes to standard points of interconnection (SPOIs), whether there is a case for considering the deregulation of fibre or changes to anchor services, and what targeted amendments may be required to ensure the ongoing effectiveness of the information disclosure regime.

We aim to reach final decisions on SPOIs, anchor services and fibre deregulation in the first half of the year and final decisions on information disclosure requirements in the second half of the year.

We will engage with stakeholders on any updates to the input methodologies that may be required to reflect our decisions as they emerge during our work.

Retail Service Quality

Our retail service quality work this year will focus on completing initiatives already in the pipeline and reviewing the work we have already undertaken to ensure it is improving outcomes for consumers.

Current Work

In the first half of the year, we aim to finalise our work on **customer service**, by identifying the service level reporting that best informs consumer choice and encourages providers to improve their performance.

In the second half of the year, we aim to finalise our work on **product disclosure**, by identifying the best way of enabling consumers to more meaningfully compare prices and coverage between providers.

Ex Post Review

We want to ensure our work is achieving its intended statutory purpose.¹

Accordingly, we propose to review whether our current approach to retail service quality issues, focused on collaborative engagement with industry, is addressing pain points for consumers.

Specifically, we will look at:²

- Whether the changes made by the three mobile operators to improve billing and usage information for their customers have addressed inertia issues in the residential mobile market;
- Whether the industry response to the Commission's guidelines on broadband marketing have improved marketing practices and reduced consumer confusion; and
- Whether the changes made to the industry dispute resolution scheme have improved outcomes for consumers and what further changes may be required to maintain best practice in this area.³

¹ Most recently, we recently reviewed the *Copper Withdrawal Code*, and are currently finalising our review of the *111 Contact Code*, following consultation with industry and consumer stakeholders. This has resulted in amendments to improve the efficiency and effectiveness of the codes. We are also reviewing certain aspects of the regulatory regime for fibre this year, as noted above, to ensure it remains fit for purpose.

² Around two years have passed since the Commission made recommendations for improving outcomes for consumers in each of these areas. This provides a sufficient baseline of experience for reviewing the action taken by the Commission and the industry response.

³ Our review of the dispute resolution scheme will constitute our second formal statutory review under section 246(1) of the Telecommunications Act 2001.

We are also interested in feedback from industry and other stakeholders on our current approach to retail service quality and what opportunities they can see for more effective collaboration and engagement going forward.

Future Work

Finally, to the extent that time allows, we also propose to lay the foundation for future work on billing and switching.

Our work suggests that:⁴

- Bill clarity and billing errors are ongoing issues for consumers; and
- Consumers continue to experience issues with switching and expect the process to be difficult. This is problematic from a both a competition and retail service quality perspective.

We propose to undertake research to understand what problems consumers are experiencing in these areas and engage with industry on the best way our collective efforts can be applied to addressing these problems.

Monitoring and Reporting

Our monitoring and reporting work is critical to our ability to safeguard competition and give consumers the information they need to participate confidently in the market.

This year we will focus on two key areas:

- *Rural Connectivity Study*: We will continue our push, using the information we gathered from industry last year, to build up the most detailed picture we can of connectivity options available to rural consumers and how these are performing. This will give us a more complete view of the competitive landscape across New Zealand and enable more meaningful comparison and analysis of the rural customer experience going forward. It will also provide a key input into the statutory review of copper regulation that we need to complete by the end of 2025.⁵
- *Measuring Broadband New Zealand*: We will continue our push to include more technologies, providers and geographies in the programme, include more results by provider, introduce “real speed” reporting of speeds to the modem and devices in the home, and conduct performance testing of the most common modems as a special project. This will increase the usefulness of our quarterly reports in helping consumers to choose the best broadband for their needs and encourage providers to compete on quality as well as price.

⁴ See *Improving Retail Service Quality Final Baseline Report*, 9 December 2021, page 20 https://comcom.govt.nz/_data/assets/pdf_file/0023/272930/Improving-Retail-Service-Quality-Final-Baseline-Report-9-December-2021.pdf; and *TDR Annual Report 2022 – 2023*, 10 October 2023, page 6 <https://www.tdr.org.nz/sites/default/files/2023-10/2023%20TDR%20Annual%20Report.pdf>.

⁵ Telecommunications Act 2001, section 69AH(1)(a). This year we plan to frame and formally announce this review, gather preliminary information required for the review, and prepare to engage with stakeholders on the key questions that need to be addressed next year.

We will continue to work with stakeholders on MBNZ developments following our established quarterly reporting cycle and will include the results of the rural connectivity study in the next annual *Telecommunications Monitoring Report* which we expect to publish around June.

Conclusion

We trust that this letter provides a useful update on our work plan for 2024.

We will keep you updated as we move forward and look forward to your continued engagement in our work.

Please contact Rachael Coyle (rachael.coyle@comcom.govt.nz) on telecommunications matters or Keston Ruxton (keston.ruxton@comcom.govt.nz) on fibre matters if you have any questions in relation to this letter.

Ngā mihi nui

Tristan Gilbertson

Telecommunications Commissioner