

25 February 2025

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

Tēnā koutou

Telecommunications – 2025 Work Plan

This letter sets out our work plan for 2025.

Our focus this year is on:

- *Fibre*: Initiating the Fibre Input Methodologies review and related work on the evolution of the regulatory regime;
- *Retail Service Quality*: Progressing work on improving retail service quality for consumers; and
- *Wider Settings*: Completing work on the future of copper regulation in rural areas.

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 framing and initiating the targeted reviews of the regulatory settings we intend to undertake during the current regulatory period.¹

This work will begin with a review of the Fibre Input Methodologies (**IM**) that we need to complete by 2027.

In this review, we intend to focus on the settings that matter most from a competition and consumer perspective, including our current approach to the cost of capital and the fibre frontier.

¹ Our focus will be on maximising the efficiency and effectiveness of the regime in achieving its statutory purpose, and ensuring it remains aligned with developments in the market, now that work on the PQP2 pathway and the first reasonable grounds deregulatory review have been completed.

We will provide a more detailed overview of our proposed workplan when we launch the IM review in March.

We also intend to look at other aspects of the fibre regime that are subject to periodic consideration or review including:

- *Deregulation* – whether there is a case for winding back regulation of certain services;²
- *Form of control* – whether there is a case for moving away from a total revenue cap as the most appropriate way of regulating Chorus’ market power;
- *Declared services* – whether there is a case for reviewing existing services or declaring an unbundled fibre service; and
- *Information disclosure* – whether there is a case for targeted changes to information disclosure requirements.³

We anticipate phasing our consideration of these issues (all of which are inter-linked) on a rolling basis over the four years of the current regulatory period.

We will develop an integrated framework for this sequence of work after the IM review has been launched and will ensure that stakeholders have the opportunity to contribute their views before this is finalised.

Retail Service Quality

Our retail service quality work will (after closing out matters carried over from last year⁴) focus on:

- *Switching* – where consumers continue to experience issues that are problematic from both a competition and retail service quality perspective;
- *Billing* – where bill clarity and billing errors have been ongoing concerns for consumers; and
- *Debt and affordability* – where concerns have emerged around practices relating to interest free phones and debt management in the industry.

² In December 2024, we confirmed that we would investigate the case for deregulating fibre voice and transport services, and point-to-point and co-location services in Non-Chorus LFC areas. See *Fibre fixed line access service deregulation review under section 210 of the Telecommunications Act: Reasonable grounds assessment final decision*, 19 December 2024, available at https://comcom.govt.nz/data/assets/pdf_file/0029/363872/Fibre-fixed-line-access-service-deregulation-final-decision-19-December-2024.pdf.

³ Information disclosure (ID) remains the critical foundation for the entire fibre regime and must remain fit-for-purpose. We will look at areas identified in our PQP2 review as well as other improvements to ensure the costs of the regime remain proportionate to the benefits it provides. We will also consider the need for the continued application of ID regulation to the smaller LFCs.

⁴ On 20 February, we issued revised *Broadband Marketing Guidelines*, completing the review of our earlier work in that area, and will soon issue final *Price and Cost Guidelines*, completing product disclosure-related work carried over from last year.

In the first half of the year, we will focus on switching,⁵ while starting our review of billing⁶ and undertaking preliminary research into debt and affordability issues.

In the second half of the year, we will finish our billing review and focus on debt and affordability,⁷ having regard to the results of our preliminary research.

We consider that industry processes, such as switching, should be improved as far as possible by the industry itself, working through the Telecommunications Forum (TCF), as the relevant industry self-regulatory body.

Accordingly, we propose to play a facilitative role in this area, working with industry to identify specific opportunities for improvement, but leaving delivery to the industry through the TCF under an agreed action plan.

We acknowledge that it will take time to address these issues on a cross-industry basis given the complexities involved.

Wider Settings

Our focus this year will be our recommendation to the Minister of Communications on the future of copper regulation in rural areas.⁸

This work will have significant implications for competition and consumers in rural New Zealand.

We will issue our draft recommendation for consultation early in the first half of the year, and our final recommendation early in the second half of the year, well ahead of the statutory deadline of December 2025.

We will publish our final decision on whether to consider deregulation of the Mobile Terminating Access Service (MTAS) in the first half of this year and initiate work on any subsequent deregulatory review in the second half of the year.⁹

⁵ We will shortly publish an issues paper containing detailed consumer feedback on the current mobile and broadband switching processes, as well as approaches to switching in comparable jurisdictions, inviting views from industry on how outcomes could be improved for consumers.

⁶ Providers have been working on improving their individual billing systems and processes including having regard to consumer research we published in 2023. The key question will be whether sufficient progress has been made to warrant continued market monitoring as a response.

⁷ As with switching, we will publish an issues paper containing customer feedback and approaches in comparable jurisdictions, and will invite views from industry on improving outcomes.

⁸ https://comcom.govt.nz/_data/assets/pdf_file/0032/349952/Copper-Services-Investigation-Approach-paper-22-April-2024.pdf

⁹ Our draft decision can be found at https://comcom.govt.nz/_data/assets/pdf_file/0019/363115/Mobile-termination-access-services-MTAS-review-202425-draft-decision-13-November-2024.pdf. As time allows, we will also consider whether there is a case for bringing forward deregulatory reviews of other services, such as mobile co-location, which may no longer be needed (or needed in their current form) because of changes in the market. The next five services scheduled to be reviewed are: co-location on cellular mobile transmission sites, interconnection with a fixed PSTN, local number portability, mobile number portability and national roaming.

We will also engage with industry on current compliance obligations in the sector to ensure that competition and consumer protection objectives are being achieved in the most efficient way possible.¹⁰

At the same time, we are interested in hearing whether stakeholders have any emerging issues or concerns relating to the development of the industry and competitive landscape, which they consider would benefit from wider discussion on a cross-stakeholder basis.

Please let us know if you have any specific issues or concerns so that we can factor this into our planning.

Conclusion

We trust that this letter provides a useful update on our work plan for 2025.

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

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

Ngā mihi nui

Tristan Gilbertson

Telecommunications Commissioner

¹⁰ We have already signalled that monitoring and enforcing compliance by telecommunications providers with their consumer law and other relevant obligations is a specific priority for the Commission as a whole. https://comcom.govt.nz/data/assets/pdf_file/0031/363595/20242F25-Enforcement-and-Compliance-Priorities.pdf