

Response ID ANON-KAUD-75QE-7

Submitted to Telecommunications Sector Regulatory Review - Consultation
Submitted on 2025-09-25 13:38:47

Have your say

Privacy notice

I consent to the Ministry for Regulation sharing my contact details with another government agency and I am happy to be contacted if required.

Yes

Demographic information

What is your email address?

Email Address:
david.haynes@ispanz.org.nz

Are you making a submission on behalf of an organisation or as an individual?

Organisation

Organisation Submission

What is the name of your organisation?

Name of organisation:
Internet Service Providers Association of New Zealand Inc

I consent to my organisation's name being publicly released by the Ministry for Regulation as a submitter to the Review.

Yes

If no, please can you explain why: :

What best describes the nature of your organisation in relation to telecommunication services? (Please tick all that apply)

Industry group

If other, please specify in the box below. :

Permission to Contact You About Your Submission

Are you happy for us to contact you if we have questions about your submission?

Yes

Consumer protection and customer service

Do you wish to skip this section?

No

Simplifying rules and strengthening consumer protection

Do you have a preferred option?

Status quo: maintain the voluntary Commerce Commission guidelines and the role of the New Zealand Telecommunications Forum (TCF) in making industry codes

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages::

The status quo is currently working well and we see no reason for change.

Could there be any unintended consequences (to consumers or industry) by creating a single enforceable Commerce Commission code for regulating retail service quality?

Unsure

If you answered 'Yes', please provide your reason(s) below::

Access to basic telecommunications services

Do you wish to skip to the next section?

No

Future of the Telecommunications Service Obligations arrangement

Do you have any preferred option(s)? (Please select all that apply)

Phase out the requirement to provide home telephone service

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages::

Option 2 represents current reality.

If you included Option 3 'ensuring access to basic telecommunication services' as one of your preferred options, please indicate your preference between the following:

Not Answered

Are there any unintended consequences that might arise from phasing out or replacing the current TSO arrangement?

No

If you answered 'Yes', please provide your reason(s) below::

If you currently rely on a copper connection, is there anything that would make it difficult or impractical to switch to a different technology (e.g. cost or a medical alarm)?

Not applicable – I don't have a copper connection.

If you answered 'Yes', please provide your reason(s) below::

Which of these telecommunication services are critical for people to access?

Voice calling, Broadband

If other, please explain::

Do you have any concerns about the potential removal of directory services (white pages listing, print telephone book and directory assistance)?

No

If you answered 'Yes', please provide your reason(s) below::

Geographically Consistent Pricing

Do you agree or disagree with our recommendation that the Commerce Commission review and assess the effectiveness of GCP.

Agree with the recommendation

Please explain the reason for your selection. If you identified an alternative, please explain.:

We believe that a review in 2027, in two years' time, is appropriate.

Basic fibre services

Do you agree or disagree with our recommendation that the Commerce Commission should review anchor services and consider the option of a phased repeal as part of their next regulatory reset in 2027?

Agree with the recommendation

Please explain the reason for your selection. If you identified an alternative, please explain.:

We believe that a review in 2027, in two years' time, is appropriate.

Fibre Regulation

Do you wish to skip this section?

No

Governance settings in Local Fibre Company constitutions

Do you have any preferred option(s)?

An option not included above

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages::

ISPANZ is strongly in favour of Option 1, retaining the Government Share, except that there should be a timeframe imposed on the Minister's decision making. The time limit in the Companies Act for shareholders to consider a special resolution for constitutional amendments would be appropriate; 10 working days (Companies Act Schedule 1, s2(1))

Would there be any unintended consequences of removing the Government Share?

Yes

If you answered 'Yes', please provide your reason(s) below::

Where does one start? There would be consequences well beyond Ministerial decision making timeframes. If the problem is the time that it takes a minister to make a decision, put a timeframe on that. This is sovereign national infrastructure and a natural monopoly that requires close government oversight.

Ownership restrictions in Local Fibre Company constitutions

Do you have a preferred option?

Status quo – retain constitutional shareholder caps

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages::

This is sovereign national infrastructure and a natural monopoly that requires close government oversight.

The consultation states that various things "may" be inhibiting new investment, not that they are. ISPANZ does not believe that there is a problem that needs fixing.

Would there be any unintended consequences of removing the ownership restrictions?

Yes

If you answered 'Yes', please provide your reason(s) below::

This is sovereign national infrastructure and a natural monopoly that requires close government oversight.

Layer 1 unbundling

Do you have any preferred option(s)?

Status quo – continue to require Layer 1 unbundled fibre

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages::

The consultation document is incorrect. ISPANZ knows of at least one instance where a provider is using Layer 1 unbundling. More may occur in the future. Therefore, ISPANZ supports Option 1.

Would there be any unintended consequences of repealing all Layer 1 unbundling obligations?

Yes

If you answered 'Yes', please provide your reason(s) below::

Contrary to what you say, it is being used today. We disagree with your statement that it is not being used. Layer 1 unbundling enhances competition, and is likely to become more, not less, important.

Exemption process for services above Layer 2

Do you have a preferred option?

Status quo – require full public consultation

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages::

ISPANZ disagrees with your statement of the problem and strongly supports Option 1, the status quo. It is RSPs that innovate, not Layer 2 providers. The status quo helps keep fibre wholesale and retail services separate, promoting competition and preventing LFCs from competing directly with retailers.

Would there be any unintended consequences of streamlining the exemption process?

Yes

If you answered 'Yes', please provide your reason(s) below::

These are natural monopolies. Allowing a wider/easier ability for LFCs to offer services above Layer 2 would reduce fair competition amongst RSPs as LFCs worked to erode the RSP customer base.

Fibre deregulation review process

Do you have a preferred option?

Status quo – Two-step process with no timeframe for decisions

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages::

ISPANZ does not agree that there is a problem. The current two-step deregulation process can easily cope with the fast pace of change in the telecommunications market. The assertion in the consultation document that "This two-step process can introduce delays in responding to market developments, slowing the removal of outdated regulations or the introduction of more adaptive ones" is manifestly incorrect. We note that it is the service providers who are the innovators. Fibre deregulation is not necessary for service innovation.

Would there be any unintended consequences of adopting a single step process for deregulation reviews?

Yes

If you answered 'Yes', please provide your reason(s) below::

There is no problem, so don't fix it. Avoiding an unnecessary change avoids unintended consequences.

Legacy regulatory obligations in telecommunications

Do you have a preferred option?

An option not included above

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages: :

ISPANZ believes that Deeds of Open Access Undertakings for Rural Broadband Initiative Services are still required. Therefore, under your statement of the scope of Option 2, these Deeds are not "obsolete and redundant requirements" and so must be maintained. We therefore support a modified Option 2 that retains Deeds of Open Access Undertakings for Rural Broadband Initiative Services.

Would there be any unintended consequences of streamlining and modernising these Deeds?

Yes

If you answered 'Yes', please provide your reason(s) below::

ISPANZ believes that Deeds of Open Access Undertakings for Rural Broadband Initiative Services are still required. Therefore, deleting all the deeds mentioned in the consultation would not delete something which is not an "obsolete and redundant requirement".

Telecommunications Development Levy & Telecommunications Regulatory Levy methodology

Do you wish to skip this section?

No

How revenue is defined

Do you have a preferred option?

Base the levies on gross telecommunications revenue

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages::

This would be simple and fair. The \$10 million cap should be reviewed and possibly increased. "Gross revenue" would need to be clearly defined.

Are there any unintended consequences of moving from qualified revenue to gross telecommunications revenue?

Unsure

If you answered 'Yes', please provide your reason(s) below::

We cannot think of any.

Should there be any adjustments to the levies to mitigate these (e.g. changes to the levy threshold, rates, should the levy be charged on gross telecommunications revenue from a Public Telecommunications Network etc)?

Yes

If you answered 'Yes', please provide your reason(s) below::

The \$10 million cap should be reviewed and possibly increased. "Gross revenue" would need to be clearly defined.

Method for calculating the levy

Which option(s) would you support?

Status quo – keep the levy-based proportion of total industry revenue

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages::

We consider this to be the most fair approach.

Could shifting from a revenue-based levy to a fixed-rate model lead to any unintended consequences? If so, what adjustments to the methodology could help address them?

Yes

If you answered 'Yes', please provide your reason(s) below::

The status quo works. You avoid unintended consequences by retaining the status quo.

Could a tiered contribution structure help mitigate any unintended consequences of moving to a gross telecommunications revenue model?(E.g. would applying lower rates for smaller providers or differentiating rates between retailers and wholesalers support a more proportionate approach?)

Not Answered

If you answered 'Yes' or 'No', please provide your reason(s) below::

The status quo works. You avoid unintended consequences by retaining the status quo.

Auditing Requirements

Do you have a preferred option?

Remove the requirement for financial information to be externally audited

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages::

This would provide a simplification and a cost saving. A Director's certificate should ensure accuracy. It would be a courageous director that knowingly signed an incorrect certificate.

Are there any unintended consequences of removing the requirement for financial information to be externally audited every financial year?

No

If you answered 'Yes', please provide your reason(s) below::

Should the levies be merged

Do you have a preferred option? (Select one)

No preferred option

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages::

Could there be any unintended consequences of merging the TDL and TRL?

No

If you answered 'Yes', please provide your reason(s) below::

Who is required to pay the levy

Do you have a preferred option?

Status quo - charge the levies to both retailers and wholesalers

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages::

ISPANZ supports there being clear visibility of wholesale and retail costs, including levy costs. Option 2 contains no advantages and would obfuscate costs.

Would there be any unintended consequences of charging the levies on retailers and not wholesalers (for example, would it risk increasing costs for retailers and/or consumers)?

Yes

If you answered 'Yes', please provide your reason(s) below::

ISPANZ would be suspicious of LFCs not passing on the full levy savings that they would realise from Option 2.

Balancing the costs and benefits of regulation

Do you wish to skip this section?

No

Consideration of costs and benefits

Do you have a preferred option?

Sectional purpose statements to require consideration of costs and benefits

Please explain the reason for your selection. If you identified another option, please include the advantages and disadvantages: :

The Telecommunications Act is too complex to have a single meaningful purpose statement that would not be so broad and all-encompassing as to be useless. Whilst we support sectional purpose statements, much will depend on what they say. If they are not well-worded and helpful, then they should not be introduced.

If you prefer option 2, are there any unintended consequences to consumers or industry that might arise from having an overarching purpose statement:

Not Answered

If you answered 'Yes', please provide your reason(s) below::

If you prefer option 3, which parts of the Telecommunications Act 2001 should the sectional purpose statements apply to:

Retail service quality, Information and monitoring, Information disclosure (fibre services market monitoring), Other sections

If you answered 'Other', what sections and why?:

Are there any unintended consequences to consumers and industry that might arise from having sectional purpose statements?

Yes

If you answered 'Yes', please provide your reason(s) below::

They might be useless. In the worst case they might inhibit innovation.