



4 December 2017

Matthew Clark
Commerce Commission
By email: telco@comcom.govt.nz

Dear Matthew

Mobile market study

Thank you for the opportunity to provide brief written comments on the terms of reference for the proposed section 9A review of the wireless telecommunications market (Mobile Market Study). We appreciated the opportunity to meet with the Commission to discuss our perspective on the review earlier this month.

We understand the Commission intends to use this study to better inform itself about the current market and how the market may evolve in the future. We agree it is important for the regulator to keep up to date with market changes, and this is the exact reason the Section 9A powers were included in the Telecommunications Act.

The mobile market is delivering excellent value for New Zealanders. The Commission's own monitoring reports show we are 49% below the OECD average for low user plans and 31% below the OECD average for serious user plans. Service innovation and network investment in the mobile market continues apace. Vodafone, for example, has recently introduced innovative new retail services including 'My Flex' prepay plans and Vodafone Pass. Vodafone's 4G footprint now covers 94% of the population. The Rural Connectivity Group joint venture between Vodafone, Spark and 2Degrees will expand rural broadband and mobile coverage even further across New Zealand.

In this context, the role of the regulator should focus on removing any barriers to the efficient operation of the market.

The proposed scope of the Mobile Market Study is significantly wider than the request by the Minister of Communications that the Commission review aspects of the wholesale mobile market. While we understand the purpose of the wider study, the review must avoid being muddled by tactical attempts by some providers to secure preferential terms in the competitive wholesale market. We are concerned that this issue would dominate the process, and not allow sufficient attention to be paid to the more fundamental long term changes being brought about by the increasing role of OTT providers, and any barriers to the next wave of technology change including 5G and the Internet of Things.

For this reason, we recommend that the review of the wholesale mobile market as requested by the Minister, should be separated out from the wider scope of the evolving market. That review could cover the wholesale market, as well as the Commission's periodic review of existing regulations on mobile termination rates, co-location, roaming and mobile porting.

Yours sincerely

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