



Submission on the Commerce Commission's Emerging Issues Paper on Improving Retail Service Quality: Product Disclosure

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Introduction

1. TUANZ is pleased to submit in relation to the emerging issues paper released by the Commerce Commission on the 12th October 2022 in relation to possible improvements to product disclosures for broadband and mobile services.. This submission is a Public Version and contains no confidential information.
2. Our address is PO Box 65503, Mairangi Bay, Northshore 0754 or Level 7, 62 Victoria Street West, Auckland Central. Our email address is office@tuanz.org.nz and our website can be found at <https://www.tuanz.org.nz>.

The Technology Uses Association of NZ Inc (TUANZ)

3. TUANZ is the association for the users of digital technology and connectivity which is in its 35th year since incorporation. We are unique - **we believe there is no other group or organisation that is representative of the people and organisations that are the end users of digital technologies in the manner that TUANZ is. We value our independence and will always seek to speak for users without undue influence.**
4. Our member's want to see a lift in the digital economy along with the continued development of strong markets across the technology and connectivity sectors providing real choice for end users – whether corporations or consumers. We seek a national drive to leverage the opportunities that we have with our world leading digital networks. **TUANZ has the vision where New Zealand is one of the top 10 digital ready nations by 2030.**
5. TUANZ position is consistent and clear: **The availability of competitively priced, good quality, fast connectivity in all parts of NZ is a critical economic enabler for the future of the NZ economy.**
6. TUANZ is a not-for-profit membership association with over 170 members, predominantly large organisations with a strong dependency on digital technology and connectivity as well as small enterprises and individual members. These small businesses and residential users are the

customers of our large corporate members, who are just as focused on the quality of their customers' connectivity as their own.

Our position on improving retail service quality

7. In our submission to the Commission on their Baseline Report released in September 2021, we stated our support of moves to improve retail service quality from the communications providers in Aotearoa New Zealand.
8. In that submission (15th October 2021) we agreed that the list of proposed retail service quality matters were ones that we would like to see addressed.
9. TUANZ had during 2021 advocated for improvements to product disclosure by providers and attached a report that we had commissioned from The Behavioural Insights Team. In that report issues such as providers using confusing marketing, services not matching the information, and a poor product disclosure regime were identified.
10. So our overall position is that we support and agree with the Commission's moves in seeking to improve retail service quality. Below we provide brief answers to the questions included in the emerging issues paper.

Response to Questions - Comparing Prices

11. **What are your views on the option set out above for addressing this issue?**

TUANZ supports the introduction of a unit pricing approach in product disclosures. Users are well used to this approach in supermarkets and will quickly understand how the pricing comparison works. Furthermore, we support the concept of an average monthly price as the basis of the reference given that the majority of users pay for their services on a monthly basis.

12. **What are your views on the proposed 24-month period for calculating the average monthly cost? For example, would a shorter timeframe of 12 months or a longer timeframe of 36 months be more**

meaningful to consumers?

While we have no actual research on this matter, we anecdotally believe that 24 months is the most common length of contract that the majority of users commit to, so we support this as the default period to be used in calculating the average monthly cost. However, if the providers are able to share their data which shows that a different period is more applicable then we would be open to reviewing this position.

13. Do you support the implementation approach set out above?

We agree that the implementation approach through the issues of Guidelines to the industry is the correct first step. We have called for an overhaul of the TCF's Product Disclosure regime and this should be a key inclusion in any updated code.

14. How should we prioritise this issue relative to the other issues considered in this paper, if they are not addressed simultaneously?

We consider this to be the highest priority but would like to see all four of the pricing issues addressed simultaneously.

Response to Questions - Comparing Total Costs

15. What are your views on the option set out above for addressing this issue?

We support the inclusion of this information regarding total costs to a user over the length of the contract. As the paper states, this is now common practice in the financial sector and should be easily understood by users.

16. Do you support the implementation approach set out above?

We support the implementation approach as per our comments in paragraph 13 above.

17. How should we prioritise this issue relative to the other issues considered in this paper, if they are not addressed simultaneously?

We consider this to be the second highest priority but would like to see all four of the pricing issues addressed simultaneously.

Response to Questions - Comparing Plan Inclusions

18. What are your views on the option set out above for addressing this issue?

We support the option in the paper which would bring us inline with other overseas jurisdictions.

19. What views do you have on the key fields of information that should be included in a broadband and mobile offer summary?

In general we support the inclusion of the key fields recommended in the paper. We would suggest that the inclusion of coverage may be complex and not necessarily useful and may be better dealt with by other recommendations in the paper. We would also like to see the inclusion of standard International Roaming charges to be included in the offer summary - although this may be limited to the top countries that New Zealanders typically roam to keep the summary from being too complex. The aim of the summary should be to ensure it is brief and easily readable by any user, but with enough information so the user understands the service and costs being offered.

20. What views do you have on the prescribed standard template format and length that should be included in a broadband and mobile product offer summary?

It would be our preference that there is a prescribed template that all providers use so that users are presented with the same information in the same format when comparing offerings.

21. Do you support the implementation approach set out above?

While we generally agree with the paper that the issues are reasonably clear, we would prefer that the Commission issues guidelines on a preferred template to ensure that the industry moves quickly.

22. How should we prioritise this issue relative to the other issues considered in this paper, if they are not addressed simultaneously?

We consider this to be the fourth highest priority but would like to see all four of the pricing issues addressed simultaneously.

Response to Questions - Comparing Bundle Pricing

- 23. What are your views on the option set out above for addressing this issue?**

We support the proposed solution of including a table which compares the non-bundled costs to show the user the true discount being offered.

- 24. Do you support the implementation approach set out above?**

We support the implementation approach as per our comments in paragraph 13 above.

- 25. How should we prioritise this issue relative to the other issues considered in this paper, if they are not addressed simultaneously?**

We consider this to be the third highest priority but would like to see all four of the pricing issues addressed simultaneously.

Response to Questions - Comparing Customer Numbers

- 26. What are your views on the options set out above for addressing this issue?**

We do not believe this is an issue that end users have a definite view on this topic other than there should be an agreed cross-industry agreement to how customer numbers are measured. However it would appear logical that the ITU definitions are used which would also allow for international comparisons to be made.

- 27. Are there other globally accepted measures for defining mobile or broadband customer numbers that would be more appropriate than the ITU definition?**

No comment to make on this question.

28. Do you support the implementation approach set out above?

No comment to make on this question.

29. How should we prioritise this issue relative to the other issues considered in this paper, if they are not addressed simultaneously?

We consider this to be the lowest priority of the issues if they cannot be addressed simultaneously.

Response to Questions - Comparing Mobile Coverage

30. What are your views on the option set out above for addressing this issue?

We know that coverage is incredibly important to users, especially when they live and/or work in rural areas. We support the recommendations that all operators use the same descriptors at each phase of implementation. While address location is important in fixed broadband, and when using fixed wireless for broadband, it should not be the only way for users to check mobile coverage. We have no specific recommendation for this but encourage the industry and the Commission to utilise best practice in other jurisdictions in developing improved coverage reporting.

31. How long do you consider we should allow for delivering each of the three stages of improvements contemplated in the option set out above?

We understand that implementing this new coverage approach will require investment and time to develop the underlying technology. We would expect that the industry would work with the Commission to agree a reasonable time to undertake the work.

32. Do you support the implementation approach set out above?

Yes.

33. How should we prioritise this issue relative to the other issues considered in this paper, if they are not addressed simultaneously?

Given the time that would be required to undertake this work, we consider this to be the second lowest priority of work.

Final Comments

34. TUANZ welcomes the opportunity to provide the Commission with this submission in regards to the issues and solutions raised in this paper. This submission provides answers to questions in the letter based on our experiences that represent actual users of technology and digital communications. As always we have attempted to provide a succinct and clear enunciation of the views of our members.
35. We look forward to working further with the Commission on this matter..

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