



**FEDERATED
FARMERS**
OF NEW ZEALAND

WELLINGTON

Lambton Centre
Level 4, 117 Lambton Quay
P O Box 715, Wellington
6140
New Zealand

14 October 2021

Commerce Commission

Submission: *Improving Retail Service Quality* draft baseline report

Federated Farmers of New Zealand appreciates the opportunity to provide feedback on the Commerce Commission's *Improving Retail Service Quality* draft baseline report.

On the matter of whether key retail service quality (RSQ) matters described in the draft baseline report need improving, we agree that they do. Some have more direct relevance to the experience of rural consumers than others. In particular, 'customer service' matters as they relate to how well a company addresses queries or complaints raised by their rural consumers, as well as 'product disclosure' matters as they relate to addressing disparities between descriptions of the service offered and the service experienced by rural consumers. As such, we recommend that the matters described under the RSQ categories of 'customer service' and 'product disclosure' ought to be addressed first.

On the matter of whether debt practices and affordability fall within the scope of the RSQ, value for money, or the price of a service weighed against the quality of that service experienced by rural consumers, tends to be a more prominent consideration among our farmer members. That said, we would not oppose including debt practices and affordability measures within the scope of RSQ. To do so would be consistent with similar moves in the electricity space to protect vulnerable members of the community.

On the matter of the Commission maintaining a watching brief on those matters described in paragraph 53, we understand the rationale for doing so and generally support the Commission opting to do so for most of the matters described. The only one of those matters of direct relevance to the experience of our farmer members is that of low overall satisfaction. Many of our farmer members have indicated to us their unhappiness with the quality of connectivity services provided by their retail service provider, with ~31% and ~20% experiencing a decline in the last 12 months in their internet connection or mobile coverage of their farm respectively.

On the matter of whether the RSQ should originate from the Commission or industry, we have no firm opinion. That said, we do consider it important that any performance requirements described within the RSQ are applied at a regional or district level. Currently, performance metrics for infrastructure services tends towards reliance on metrics aggregated at the national level, leading to little attention given to the especially dire experiences of many rural consumers.

An example of aggregated national level metrics is the ResearchNZ *Consumer Telecommunications Survey* report. The survey did allow a survey respondent to identify whether they are located in "a main city", "a provincial city" or "a rural area", but there does not appear to be any analysis of whether the experiences of urban, provincial or rural consumers differed in any way that circumstance would inform. This perhaps explains why results described in the *Consumers Telecommunications Survey* report differ so markedly from the results in our own annual rural connectivity surveys.

Another example is the Measuring Broadband New Zealand quarterly reports. SamKnows employs a useful system that takes regular measurements of the performance of a broadband internet connection, but the data consumed through this approach means that preference is given towards those consumers on unlimited plans. Our own survey data suggests that this inevitably skews the results to report performance of urban broadband connections as unlimited monthly plans are rarely available for rural consumers. Further, the speeds indicated by the quarterly reports rarely reflects the experience of rural consumers in our own annual rural connectivity surveys.

Yours sincerely,

Andrew Hoggard

National President and telecommunications spokesperson