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Commerce Commission
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WELLINGTON

Via upload: <https://comcom.govt.nz/file-upload-form-folder/file-upload-form>

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TRUSTPOWER SUBMISSION: 2022 REVIEW OF THE MEASURING BROADBAND NEW ZEALAND PROGRAMME

1.1. Introduction and overview

- 1.1.1 Trustpower Limited (**Trustpower**) welcomes the opportunity to provide a submission to the Commerce Commission (**the Commission**) on its *2022 Review of the Measuring Broadband New Zealand Programme* consultation paper (**the Consultation Paper**).
- 1.1.2 Trustpower is supportive of robust and independent speed and data measures that provide transparency over wholesale and retail broadband markets. This information is useful for consumers, network operators, service providers, regulators and policy makers provided it is fit for purpose and accurate.
- 1.1.3 The Commission is proposing a number of enhancements to the Measuring Broadband New Zealand (**MBNZ**) programme in order to respond to the identified limitations of the current framework and to keep pace with the changing technological landscape.
- 1.1.4 We elaborate our views in the rest of this submission, and it should be considered alongside the TCF submission.

1.2. Including smaller retailers and greater geographical information to the programme

- 1.2.1 Trustpower is supportive of the MBNZ programme incorporating a greater number of RSPs. Including more providers in the program brings value particularly from a competition perspective. With more providers, more volunteers, and more data, the MBNZ programme should be able to deliver more meaningful information. However, it is important acknowledge that:
 - a) including smaller retailers must go hand in hand with encouraging more volunteers;
 - b) regulated requirements may cause unintended consequences, particularly for smaller retailers; and
 - c) small changes to the MBNZ processes may make it more efficient.
- 1.2.2 First, as the Commission notes “the number of participating volunteers and the sample sizes for each provider, plan and technology determines the level of detail we can report”.¹ Some

¹ Commerce Commission, *Review of the Measuring Broadband New Zealand Programme*, March 2022.

<https://comcom.govt.nz/regulated-industries/telecommunications/projects/2022-review-of-the-measuring-broadband-new-zealand-programme?target=documents&root=277058>

retailers have struggled to achieve 40-50+ volunteers per provider, for each technology and each plan in each testing period. Increasing the number of volunteers across the country is the key to unlocking the true value of the MBNZ programme.

- 1.2.3 Trustpower is strongly supportive of voluntary, industry-led measures to encourage engagement. In our view, a regulated requirement may lead to unintended consequences and would add cost to smaller retailers without the guarantee of immediate success.² We have been eager to get more volunteers on our network and contacted the MBNZ provider to suggest some frameworks to follow, but we were not successful in obtaining a suitable, cost-effective pathway to do this. We believe there may be tools that the industry has yet to explore which are easier to implement and will deliver a more coherent approach than a regulated requirement.
- 1.2.4 Finally, there are some efficiency gains to be had from minor improvements to the current system. For example, customers enter their speed plan when they sign-up for the program. As new products/speeds come into the market and customers are migrated into these new products the data is manually reconciled between the MBNZ provider and the RSP. This drives inefficiency and cost, particularly as more volunteers are onboarded onto the programme (and thus more time manually spent reconciling data). We would encourage the MBNZ provider to consider an easier system for RSP's to notify of product changes, or the Commission to consider establishing a whole of industry telecommunication database such as a registry, so that the data is overall more accurate, and the process more efficient for all parties.

1.3. Ability to assess in-home Wifi performance

- 1.3.1 As we outlined in our 2021 response to the Commission's Retail Service Quality workstream, it is essential to scope issues that are within the industry's control. While we recognise Wi-Fi connectivity is the main means by which consumers are connecting to the internet, we remain curious as to how to a standardised approach to measuring Wi-Fi connectivity would be conducted in practice given the wide variability of Wi-Fi performance that is outside an RSPs control.
- 1.3.2 Ofcom recognises there are a myriad of factors that can contribute to issues with connectivity in the home and have taken steps to help consumers understand these:

*"Halogen lamps, dimmer switches, stereo or computer speakers, fairy lights, TVs and monitors have all been known to affect routers. Keep your router as far away as possible from other devices as well as those which operate wirelessly, such as cordless phones and baby monitors. Place your router on a table or shelf rather than on the floor and keep it switched on."*³

- 1.3.3 Ofcom's version of MBNZ covers broadband performance to the router only. However, in 2020 they undertook a programme of Wi-Fi performance testing whereby various routers were tested under lab-based conditions in a semi-anechoic chamber.⁴ They found two identifiable factors that impacted Wi-Fi connectivity: the age of the router and router network selection (2.4GHz v. 5GHz) but these were both under test conditions.
- 1.3.4 In a real home, the Wi-Fi signal is reduced by obstacles such as doors and walls, the footprint size of the home vis-a-vis Wi-Fi device coverage capability, and numbers and age of devices connected. It is not clear how a standardised processed for measuring Wi-Fi may work given

² Australia and the United Kingdom are also seeking ways to encourage more volunteers, but neither country's regulator has adopted a regulated approach to achieve the goal.

³ For more details see <https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/advice/improve-bb-speeds-at-home>

⁴ For more details see https://www.ofcom.org.uk/data/assets/pdf_file/0038/194897/uk-home-broadband-performance.pdf

such large environmental variations.⁵ While the age of a router may be within some RSPs control,⁶ it may well be that certain customer experience improvements are best delivered through innovation and competition rather than prescriptive regulation.

1.3.5 Despite this, Trustpower may consider a separate Wi-Fi test provided some of these issues were addressed. In the meantime, we believe there may be value-add to be had in a consumer-awareness campaign in partnership with consumer organisations, industry and the MBNZ provider, which highlights the impact of factors such as router placement, age of device and router network selection, on in-the-home connectivity.

1.4. Testing of 5G, fixed wireless services, satellite and other tech as they emerge including services provided by WISPs in rural New Zealand

1.4.1 It would be sensible to incorporate more technologies into the MBNZ programme. While fixed-line connections and fixed wireless connections use different technologies, and are not directly comparable in terms of performance, addressing the digital divide will require that rural customers are also able to reap the benefits of vibrant competitive retail broadband markets.

1.4.2 In our view, as new technology emerges it is important for consumers to understand the capabilities of these new products. This means the Commission, industry and the MBNZ provider must work efficiently together to design new ways to test the performance of these new services. The TCF has been discussing this matter more broadly and we would encourage the Commission and the MBNZ provider to liaise with the TCF on this matter.

1.5. Move towards software-based testing embedded in modems

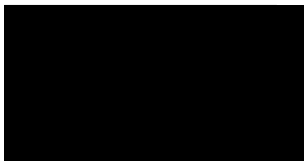
1.5.1 At present, both Ofcom and the ACCC use white-boxes but each has also explored the option of embedded software testing. We would be supportive of the Commission working with overseas regulators to assess the viability of embedding software-based testing within a physical router.

1.5.2 However, the development of a framework for the implementation of such an initiative would need further consideration and industry engagement.

For any questions relating to the material in this submission, please contact me via email on

[REDACTED]

Kind regards,



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⁵ For more details see https://www.ofcom.org.uk/_data/assets/pdf_file/0038/194897/uk-home-broadband-performance.pdf

⁶ Although we note that there is an increased use of Bring Your Own Device, and MVNO providers do not always play a role in deciding which router a customer uses, as that may be the MNOs commercial decision.