



# Announcements on the future of communications regulation

This brochure outlines details of the new regulatory framework proposed for communications services as part of the Review of the Telecommunications Act.

Digital technologies are transforming the way New Zealanders live, work and do business. The UFB and RBI programmes are being rolled out, and the Government's vision is that virtually all New Zealanders will be able to access broadband at peak speeds of at least 50 Mbps by 2025.

To reach this target and to keep our economy growing we need the right laws in place to make sure high quality and affordable communication services are available for consumers and businesses.

Last year, we asked whether a new approach was needed to the regulation of communications networks and services. Submitters agreed – the communications sector is vastly different to the market in 2001, when the Telecommunications Act was introduced, and it's time for our laws to catch up.

## A new direction for regulating broadband and phone services

From 2020, the Government will move to a framework for regulating copper and fibre services that is similar to the one used for utilities like electricity lines.

This move will deliver the stability needed to support investment in high quality and affordable communications services for New Zealanders.

## The Government is also

- Considering ways to better support competition in the mobile market
- Retaining the current 'unbundling' requirements to promote innovation on the UFB network from 2020
- Ruling out any changes to the current arrangements for regulating broadcasting infrastructure



# We're protecting consumers and encouraging investment so we can all make the most of our world-class UFB network



## Wholesale prices from 2020

Ultra-Fast Broadband (UFB) pricing is currently set by contracts which expire at the end of 2019. To regulate these services from 2020, a utility-style regime (with 'building blocks' pricing) for UFB and copper services will be established.

The new framework will deliver a more stable, predictable regulatory framework that encourages innovation and investment. It will support a vibrant retail communications market that delivers the services consumers want, when they want them and at reasonable prices.

This type of regulation is already used for utilities (like gas and electricity distribution companies) in New Zealand, and for telecommunications in Australia.

We want to make sure consumers don't face disruption from the change. The Government will work to ensure there is no sudden change in prices for basic phone and broadband services.



## Supporting competition in the mobile sector

The mobile market is delivering for consumers, with more bundled calls and data on offer and lower prices. We are considering ways to make sure that this competition stays strong. We will consult further on encouraging sharing of infrastructure, and making sure the Commerce Commission has the tools it needs to investigate the market.



## Keeping the UFB unbundling requirement

From 2020, UFB providers are required to 'unbundle' parts of the network, to open up the network to more competition. Unbundling will support the development of innovative new services for consumers. We have decided to keep this requirement in place.



## No new regulation of broadcasting infrastructure

Convergence is blurring the boundaries between broadcasting and telecommunications. Last year we sought views on whether broadcasting should continue to be exempt from regulation under the Telecommunications Act. We have decided that now that online services offer an alternative to traditional broadcasts, this isn't the right time to impose additional regulation.



## Your views

Last year we consulted publicly on the future of communications regulation through the discussion document *Regulating Communications for the Future*. Submissions are available online at [www.mbie.govt.nz/telcoreview](http://www.mbie.govt.nz/telcoreview)

This is an important change, and we need to get the details right. In coming months, we will continue the conversation with an options paper on the detailed design and implementation of the new framework.

You can learn more at [www.mbie.govt.nz/telcoreview](http://www.mbie.govt.nz/telcoreview) or contact the team at [telcoreview@mbie.govt.nz](mailto:telcoreview@mbie.govt.nz)