



## **MARKET RELEASE**

**6 October 2017**

### **Commerce Commission confirms study into New Zealand mobile markets**

Spark New Zealand looks forward to participating in a study into New Zealand mobile markets, announced today by the New Zealand Commerce Commission. Such a market study was foreshadowed by the Minister for Communications earlier this year.

The Commerce Commission's stated purpose of the study "is to better understand how mobile markets are developing and performing with a view to developing a common understanding of the forward looking competitive landscape for mobile telecommunication markets along with any emerging competition issues."

Spark New Zealand's General Manager Regulatory Affairs, John Wesley-Smith, said the company looked forward to engaging with the Commerce Commission on the scope of its study.

"This comes at a critical time for mobile network operators as we start to consider the large investments in sites, spectrum, backhaul and core infrastructure that will be necessary to deliver world class 5G services over the years ahead, in comparable timeframes to the countries that New Zealand benchmarks itself against.

"We do not envisage, though, that there could be a case for any new mobile market regulation when we have three world class networks delivering prices that are well below OECD averages and three mobile network operators that are ploughing significant investment into an intensely competitive market.

"These are exactly the outcomes that regulation is designed to encourage, and they're already present in our markets. The technology we're delivering gets better every year, the minutes, texts and data customers get increase every year, and our prices keep falling."

Wesley-Smith said Spark New Zealand accepted the market study arose out of a public request from the Minister, and agreed that the Commission should want to continue to build its understanding of how telecommunications markets are developing.



“However, we would caution that unnecessarily broad market studies may create a perception of regulatory uncertainty for investors, especially where there is no obvious market failure or policy concern to explain them.

“We will be seeking a quick conclusion to this process. In that context, we will be asking the Commission to consider early in its process whether it can identify any genuine indicators of market failure that might justify further investigation given the level of competition and significant investment programmes already in place.

“Investors both here and overseas have many choices globally about where they put their money. It would be in no-one’s interest for there to be a repeat of the regulatory uncertainty we’ve seen played out on the fixed side of the New Zealand telecommunications sector over the past decade.”

The Commerce Commission intends to engage with interested parties and accept written submissions by 30 November 2017 on what aspects of the market the study should cover, before finalising the scope, sequencing and timetable for its work.

A copy of the Commerce Commission’s letter to interested parties about the study can be found at <http://bit.ly/2gdefAu>

- ENDS -

For media queries, please contact:

Andrew Pirie  
GM Corporate Relations  
+64 (0) 27 555 0275

For investor relations queries, please contact:

Dean Werder  
General Manager Finance and Business Performance  
+64 (0) 27 259 7176