31 March 2008

Telecom operational separation

David Cunliffe
Communications and Information Technology

A robust plan for the operational separation of Telecom NZ has been approved by Communications and Information Technology Minister David Cunliffe.

"Telecom resubmitted its Amended Separation Plan. In accordance with the Telecommunications Act 2001, I have decided to approve the plan which is legally enforceable," said Mr Cunliffe.

"This is a highly significant step for the telecommunications market, and I am pleased to announce the successful implementation of the operational separation today – 31 March 2008 or "Separation Day."

"The robust operational separation of Telecom has been a priority for this government. It is one of a number of measures in the government's strategy to deliver a more effective telecommunications sector for the long-term benefit of all New Zealanders.

Efforts to ensure that the undertakings are implemented will be ongoing. The Commerce Commission is responsible for ensuring full, timely and effective implementation of the approved undertakings and this process will be rigorous.

"Our strategy is to improve market conditions to increase competition, innovation and investment to support New Zealand's transformation to a stronger, more productive knowledge-based economy and society.

"Within one year we have seen this complicated and important process reach a successful conclusion. I am pleased that the undertakings can now be fully implemented as of our target separation day of 31 March.

This government has had a strong mandate for the three-way operational separation of Telecom and we have consulted widely with the industry, other stakeholders and Telecom to arrive at an effective and robust set of obligations to deliver on this."

"While today is a significant step forward for the telecommunications sector it is not the end of the road for enhanced market competition. Work will be ongoing in the Telecommunications Service Obligations (http://www.med.govt.nz/templates/MultipageDocumentTOC___4213.aspx), the broadband pathway (http://www.beehive.govt.nz/speech/digital+summit+20), the Digital Strategy refresh (http://www.digitalstrategy.govt.nz/About-the-Strategy/refresh/) and several other regulatory matters.

"My thanks go to all those who have actively engaged in this process: in particular, Telecom CEO Dr Paul Reynolds and his team; officials and independent experts who have assisted the Crown.

Related Documents

- Telecom Separation Plan (http://www.beehive.govt.nz/sites/default/files/Telecom%20Separation%20Plan_0.pdf) 40.8 KB
- Telecom Separation Undertakings (http://www.beehive.govt.nz/sites/default/files/Telecom%20Separation%20Undertakings_0.pdf) 524.34 KB