



COVERSHEET

Minister	Hon Dr David Clark	Portfolio	Digital Economy and Communications
Title of Cabinet paper	Release of the Lifting Connectivity in Aotearoa Publication	Date to be published	22 December 2022

List of documents that have been proactively released

Date	Title	Author
September 2022	Release of the Lifting Connectivity in Aotearoa Publication	Minister for the Digital Economy and Communications
28 September 2022	Lifting Connectivity in Aotearoa: Public Release DEV-22-MIN-0231 Minute	Cabinet Office

Information redacted

NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

In Confidence

Office of the Minister for the Digital Economy and Communications
Cabinet Economic Development Committee

Release of the *Lifting Connectivity in Aotearoa* publication

Proposal

- 1 This paper seeks agreement to publicly release the *Lifting Connectivity in Aotearoa* publication.

Relation to government priorities

- 2 The proposals in this paper:
 - 2.1. support the 2020 manifesto commitment to improve rural connectivity;
 - 2.2. support the implementation of the Digital Strategy for Aotearoa; and
 - 2.3. complement the Government's response to Rautaki Hanganga o Aotearoa, the New Zealand Infrastructure Strategy.

Executive Summary

- 3 Digital connectivity in Aotearoa has progressed substantially over the last decade following significant government and private sector investment in the rollout of infrastructure to support access to fast broadband for New Zealanders. However, there remain gaps in the quality of available connectivity, particularly for rural and peri-urban parts of New Zealand.
- 4 This paper seeks agreement for the release of a publication, entitled *Lifting Connectivity in Aotearoa*, that sets out the Government's long-term vision for connectivity in New Zealand, building on the successful foundations of existing government investment.
- 5 *Lifting Connectivity in Aotearoa* sits under the Digital Strategy for Aotearoa, with quality connectivity being essential to realising the vision of enabling New Zealand to prosper in the digital world.
- 6 Following Cabinet approval, I intend to finalise the *Lifting Connectivity in Aotearoa* publication and release this publicly.
- 7 Alongside finalising the publication, officials will continue work to identify opportunities for further government investment to address remaining connectivity gaps.

Background

Connectivity in New Zealand

- 8 Good connectivity is vital to the digital economy and digitalisation. It enables the exchange of ideas, data and other information that impacts the way people work, live and study.
- 9 The importance of telecommunications networks and internet access is continually growing, as are peoples' uses and expectations of it. The COVID-19 pandemic has accelerated trends towards more remote-working, doing business on-line, and accessing services (for example health, education and government services) digitally, including through the internet, streaming and teleconferencing.
- 10 Over the last decade government has allocated more than \$2.5 billion, and the private sector almost \$16 billion, to upgrade and expand broadband and mobile infrastructure and networks to improve connectivity in New Zealand. This infrastructure, and associated networks, have supported New Zealanders throughout the challenges of the COVID-19 pandemic, at a time when many of life's activities needed to take place online.
- 11 However, despite the considerable investment and positive progress to date, connectivity challenges remain in rural and peri-urban parts of Aotearoa. These areas are typically more challenging and costly to address but are important to ensure that all New Zealanders have access to connectivity to meet their needs and to grow our economy.
- 12 Good progress is being made through existing government programmes to help tackle connectivity issues in rural areas. \$60 million has recently been allocated under Budget 2022 to continue this work to enable improved connectivity in rural and remote areas. Work is also underway to determine the allocation of 3.5GHz spectrum to support the delivery of 5G.
- 13 The \$60 million will be largely focused on wireless technology to address more immediate needs in rural areas, such as network congestion, but growth in data demands is likely to continue to outstrip this investment. Therefore, I have also been working on a longer-term strategic approach to guide any future government investment in connectivity infrastructure.

Lifting Connectivity in Aotearoa – Government Statement of Intent

- 14 The attached *Lifting Connectivity in Aotearoa* publication (at Appendix 1) outlines a strategic approach to connectivity, setting out the priorities and objectives for the Government's ongoing role in connectivity in the form of a Statement of Intent. The publication sets this strategic approach against a backdrop of achievements in government connectivity programmes to date.
- 15 *Lifting Connectivity in Aotearoa* sits under the umbrella of the Digital Strategy for Aotearoa. The vision for the Digital Strategy for Aotearoa is 'enabling Aotearoa New Zealand's people, communities, economy, and environment to

flourish and prosper in the digital era'. Access to high quality connectivity infrastructure will be one of the key aspects to help deliver this vision.

- 16 *Lifting Connectivity in Aotearoa* tells the story of government's involvement in telecommunications connectivity in New Zealand to date, including the substantial investment in Ultra-Fast Broadband (UFB), the Rural Broadband Initiative (RBI), the Mobile Black Spot Fund and Marae Connectivity programme. It also outlines the challenges and opportunities that remain, to guide where government might focus its efforts in future.
- 17 It is my intent that *Lifting Connectivity in Aotearoa* highlights what the Government is already doing to improve remaining connectivity challenges (including through the recent \$60 million allocation through Budget 2022 to boost rural connectivity) and acknowledge that there are still gaps requiring further consideration.
- 18 *Lifting Connectivity in Aotearoa* sets out the Government's long-term vision for connectivity in New Zealand. It contains two main parts:
 - 18.1. Part 1: Building on successful foundations (existing government programmes)
 - 18.2. Part 2: Government Statement of Intent (for 2022 to 2032).

Part 1: Building on successful foundations

- 19 This section highlights the digital connectivity progress New Zealand has made over the past 12 years. It highlights the key milestones in government initiatives and provides case studies and real-life examples of the impact of improved connectivity to everyday New Zealanders, with a particular focus on rural connectivity.
- 20 It also highlights work underway following the \$60 million allocation under Budget 2022. This includes further improvements in network capacity and speeds in rural settlements, the introduction of a Remote Users Scheme to provide a connectivity solution to New Zealand's most remote and underserved users and extending the successful Marae Digital Connectivity programme.

Part 2: Government Statement of Intent

- 21 This section sets out a proposed vision to work towards for 2032 and guiding principles to achieve this vision. At a high level the Statement of Intent takes a longer-term view of any government investment in connectivity. The purpose of the Statement of Intent is to:
 - 21.1. guide government investment and interventions to improve connectivity in New Zealand through a shared sense of vision and priorities; and
 - 21.2. outline where the Government may or may not play a role in telecommunications infrastructure provision.

- 22 The Statement of Intent is intended to make clear the Government’s role to:
 - 22.1 ensure prudent use of resources (i.e. government funding will be consistent with government’s stated roles as set out in the publication); and
 - 22.1 set a vision for delivery including setting expectations about when and where (and how) the Government may decide to invest or intervene.
- 23 Ongoing engagement with Māori will be a priority in developing action plans under the Statement of Intent to ensure that connectivity solutions meet Māori needs and aspirations.

Cabinet approval sought for the release of the final publication

- 24 I am seeking Cabinet approval to release *Lifting Connectivity in Aotearoa*, subject to incorporating any feedback from the Committee, and subject to further minor refinements in the content at my discretion, including the finalisation of the design. My intentions for the launch of the publication are set out in the communications section below.

Opportunities for further investment in the future

- 25 Alongside developing the Statement of Intent that will inform future government intervention in connectivity, MBIE officials have been investigating opportunities to support lifting connectivity further in Aotearoa.
- 26 Based on initial analysis of gaps and opportunities, and in consultation with Crown Infrastructure Partners (CIP), officials consider there may be opportunities to expand the existing fibre footprint to reach more New Zealand homes and businesses.

27 Confidential information entrusted to the Government
[Redacted text block]

28 Confidential information entrusted to the Government
[Redacted text block]

- 29 Officials advise that further investment in fibre would be a strategically consistent next step for improving connectivity in Aotearoa, in line with the

principles set out in *Lifting Connectivity in Aotearoa*. While the upfront cost of fibre is high, the lifespan of fibre cable is long (estimated to be at least up to 30-50 years). Fibre also provides capacity future-proofing for increased demand, and supports developments in other access technologies (including the local delivery of 5G).

- 30 Deploying fibre also enhances resilience, contributes towards reducing the impact of climate change as it has a lower power consumption and carbon footprint than other broadband options, and encourages competition in the provision of broadband and voice services.
- 31 Alongside finalising and publishing *Lifting Connectivity in Aotearoa*, my officials will continue work to determine the detail and analysis of opportunities for further government investment in the fibre footprint to lift the standard of connectivity for rural and peri-urban New Zealanders.

- 32 Free and frank opinions
[Redacted text]

Implementation

- 33 Following Cabinet approval for the release of the publication and the report back on further investment opportunities, the key next steps are:

- 33.1. the publication will be finalised and sent for printing;
- 33.2. the final version will be launched at a public-facing event before the end of the year.

Financial Implications

- 34 There are no direct financial implications for the Crown from the release of the *Lifting Connectivity in Aotearoa* publication.

Legislative Implications

- 35 There are no legislative implications arising from the release of the *Lifting Connectivity in Aotearoa* publication.

Impact Analysis

Regulatory Impact Statement

- 36 Impact analysis requirements do not apply given there are no legislative implications arising from the release of the publication.

Climate Implications of Policy Assessment

- 37 Climate Implications of Policy Assessment requirements do not apply given there are no new initiatives being introduced alongside the release of the publication. I note that climate implications and opportunities for greenhouse gas emissions reduction will be considered in any future actions to support the Statement of Intent.

Population Implications

- 38 The release of the *Lifting Connectivity in Aotearoa* publication is not expected to have significant implications for population groups.
- 39 It is anticipated that future work resulting from action plans developed to support the Government Statement of Intent will have a positive impact on population groups, such as through improved access to connectivity infrastructure enhancing opportunities to engage in digital technology.

Human Rights

- 40 There are no human rights implications associated with the release of the *Lifting Connectivity in Aotearoa* publication.

Consultation

- 41 Officials from the Commerce Commission, Crown Infrastructure Partners, the Ministry for the Environment, the Ministry for Primary Industries, Te Waihanga – New Zealand Infrastructure Commission and the Treasury have been consulted during the development of the content for *Lifting Connectivity in Aotearoa* and in the course of initial work looking into opportunities to extend high quality broadband to more New Zealanders in the future. The Department of Prime Minister and Cabinet has been informed.
- 42 Targeted consultation with key industry stakeholders and representatives from user communities has been conducted throughout the development of the Statement of Intent. An early draft of the publication was shared with interested key stakeholders¹ and their feedback has been considered and is reflected in the final version of the publication.
- 43 Overall, feedback from stakeholders was supportive. Stakeholders also indicated a desire for ongoing engagement on initiatives developed under the Statement of Intent and opportunities for future government investment in connectivity infrastructure. Ongoing engagement with Māori as action plans are developed under the Statement of Intent will be important to ensure that connectivity solutions meet Māori needs and aspirations.

¹ 2degrees, Chorus, Consumer New Zealand, Spark New Zealand, Telecommunications Users Association of New Zealand (TUANZ), Wireless Internet Service Providers Association (WISPA), The Rural Connectivity Group (RCG), Tuatahi First Fibre, Vodafone New Zealand, Federated Farmers and Rural Women, Citizens Advice Bureau, Internet New Zealand, and representatives from rural communities.

Communications

- 44 *Lifting Connectivity in Aotearoa* will serve as a combined education and public information document. It will also be a means through which the Government's forward strategy for connectivity networks will be outlined, with visual materials (for example, photos, diagrams, and illustrations) used in places to assist understanding of complex concepts in connectivity infrastructure.
- 45 While the Committee is considering the content of the publication, MBIE officials will be continuing work to finalise the design. Given *Lifting Connectivity in Aotearoa* sits under the umbrella of the Digital Strategy for Aotearoa, I will be proposing to follow a similar design to that publication. Appendix 2 provides a sample of the design to indicate the intended look of the publication (noting that the content in this sample is from an earlier draft).
- 46 I intend to publicly announce the release of the *Lifting Connectivity in Aotearoa* publication at a public-facing event by the end of this year. MBIE will also publish a copy of the publication on its website.

Proactive Release

- 47 I intend to release this paper proactively, subject to any redactions consistent with the Official Information Act 1982, after the launch of *Lifting Connectivity in Aotearoa*, rather than within the standard 30 days. MBIE will publish a copy of this paper on its website.

Recommendations

The Minister for the Digital Economy and Communications recommends that the Committee:

- 1 **note** that despite considerable investment in digital connectivity infrastructure and progress to date, there remain connectivity challenges in rural and peri-urban parts of New Zealand and there is an ongoing role for government to ensure that New Zealand's connectivity infrastructure meets our needs and aspirations;
- 2 **note** that the *Lifting Connectivity in Aotearoa* publication (at Appendix 1), is intended to set out the Government's long-term vision for connectivity in New Zealand by building on the successful foundations of government connectivity programmes and setting out a Statement of Intent for 2022 to 2032;
- 3 **note** that the design of the publication is still being finalised, but the design sample provided (at Appendix 2) is indicative of the intended style and the design will complement the design of the *Digital Strategy for Aotearoa* publication;
- 4 **agree** to release the attached *Lifting Connectivity in Aotearoa* publication, subject to any further amendments made under recommendations 5 and 6;

IN CONFIDENCE

- 5 **authorise** the Minister for the Digital Economy and Communications to make any final edits to the publication necessary to improve the readability or accuracy and incorporate any amendments recommended by the Committee;
- 6 **authorise** the Minister for the Digital Economy and Communications to approve the final design of the document, in keeping with the style as described in recommendation 3;
- 7 **note** that the *Lifting Connectivity in Aotearoa* publication will be launched by the end of the year at a public-facing event;
- 8 **note** that as part of the work on considering the Government's ongoing role in connectivity, officials are looking into opportunities to extend high quality broadband to more New Zealanders in the future, particularly in rural and peri-urban areas;
- 9 **agree** to MBIE proactively releasing this paper on its website, subject to any redactions consistent with the Official Information Act 1982, after the launch of the *Lifting Connectivity in Aotearoa* publication.

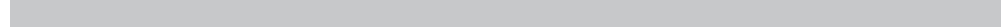
Authorised for lodgement

Hon Dr David Clark

Minister for the Digital Economy and Communications

Appendix 1 – Lifting Connectivity in Aotearoa publication

Final version publically released



Appendix 2 – Design sample for the publication

Final version publically released

