MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

COVERSHEET

Minister	Hon Paul Goldsmith	Portfolio	Media and Communications
Title of Cabinet paper	Telecommunications Amendment Bill and Telecommunications and Other Matters Amendment Bill: Approval for Introduction	Date to be published	26 November 2025

List of documents that have been proactively released		
Date	**Title**	**Author**
October 2025	Telecommunications Amendment Bill and Telecommunications and Other Matters Amendment Bill: Approval for Introduction	Office of the Minister for Media and Communications
16 October 2025	Telecommunications Amendment Bill and Telecommunications and Other Matters Amendment Bill: Approval for Introduction LEG-25-MIN-0205 Minute	Cabinet Office

Information redacted **YES** / **NO** *(please select)*

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Some information has been withheld for the reason of Constitutional conventions.

In Confidence

Office of the Minister for Media and Communications

Cabinet Legislation Committee

Telecommunications Amendment Bill and Telecommunications and Other Matters Amendment Bill: Approval for Introduction

Proposal

1 This paper seeks approval for introduction of the Telecommunications Amendment Bill and the Telecommunications and Other Matters Amendment Bill.

Policy

2 In December 2024, Cabinet agreed to targeted amendments to the telecommunications regulatory regime to ensure it continues to support a well-functioning telecommunications market and promotes productivity [**CBC-24-MIN-0124**].

3 To give effect to Cabinet's decisions, I am seeking to introduce two Bills: a Telecommunications Amendment Bill and an omnibus Bill. These Bills amend the Telecommunications Act 2001, the Telecommunications (Civil Infringement Notice) Regulations 2007, the Telecommunications (Interception Capability and Security) Act 2013 and the Radiocommunications Act 1989. I am bringing these Bills to the Committee together as they give effect to one set of policy decisions and have linkages that are helpful to consider together.

4 I am also seeking Cabinet's agreement to additional legislative changes to support the decisions made in December. These have been included in the Telecommunications Amendment Bill attached to this paper.

Summary of key changes in the Telecommunications Amendment Bill

5 The Telecommunications Amendment Bill will support continued fibre uptake by making permanent the provisions that allow providers access to shared property to install fibre. Further amendments will also allow the provisions to be invoked in more scenarios, while maintaining the protective mechanisms for affected persons.

6 It will also enable a more flexible response to connectivity challenges by creating a regulation making power to allow the Telecommunications Development Levy amount to be set in regulations, rather than the Telecommunications Act 2001 (**the Telecommunications Act**).

7 This Bill makes industry dispute resolution scheme membership mandatory for telecommunications retailers earning over $50 million in revenue from retail telecommunications services annually and supports the emergence of new dispute resolution schemes. This will improve consumer outcomes while ensuring there is still

a low barrier of entry into New Zealand's telecommunications market to support competition and innovation.

8 This Bill also makes technical amendments to the Telecommunications Act and updates the Telecommunications (Civil Infringement Notifications) Regulations to reflect that the Commerce Commission can no longer accept cheques.

Summary of key changes in the Telecommunications and Other Matters Amendment Bill

9 This omnibus Bill will ensure that offshore telecommunications providers are explicitly subject to relevant parts of the telecommunications' regulatory regime. This will support competition in the market as all providers will be on an even playing field.

10 It will also create a mechanism to address non-compliance by using radio spectrum licensing. In cases where existing enforcement mechanisms are not practical, the Secretary of the Ministry for Business, Innovation and Employment (**MBIE**) will have the ability to restrict or revoke licences that a breaching telecommunications provider relies on. Information sharing between government agencies to support this new enforcement mechanism is consistent with the Privacy Act 2020.

Seeking additional policy approvals to support Cabinet's initial decisions

11 The Telecommunications Amendment Bill, as drafted, includes amendments for which I am seeking Cabinet approval. These changes align with the intent of existing Cabinet decisions [CBC-24-MIN-0124]. These are outlined below.

Decisions to support implementation of new obligation to join a dispute resolution scheme

12 Cabinet initially agreed to set the threshold for when a telecommunications provider must join an industry dispute resolution scheme at $10 million in annual retail telecommunications revenue. On further reflection, I consider a threshold of $50 million per year would better meet our policy objectives. The Telecommunications Amendment Bill attached reflects this change. A higher threshold reduces the risk of negatively impacting medium sized businesses while still ensuring large providers, with a high number of customers, join an industry dispute resolution scheme.

13 This Bill amends the Telecommunications Act to create an information gathering power allowing the Commerce Commission (**the Commission)** to determine whether a company meets the $50 million threshold for mandatory scheme participation. Without this power, the Commission will be unable to identify non-compliant providers or determine if it should undertake enforcement action, which would undermine Cabinet's agreed policy intent.

14 This Bill also amends the Telecommunications Act to create an associated offence for not complying with the new information gathering power (linking to an existing offence in the Commerce Act 1986 applying to other Commission notices), for which courts may impose a fine of up to $100,000 for individuals or up to $300,000 for non-individuals, on conviction.

Decisions to support emergence of new industry dispute resolution schemes

15 The Telecommunications Act includes a contingency (Part 4B) allowing the Minister to establish a mandatory complaints system if the current industry dispute resolution scheme is unfit for purpose. However, one of Cabinet's key policy decisions in December 2024 was to amend the Act to encourage the emergence of new schemes beyond the current single scheme. If multiple schemes existed, activating Part 4B would affect all schemes, including those operating effectively. I propose amending the Telecommunications Act so the Minister can take targeted action under Part 4B that applies only to certain underperforming schemes. This clarification will allow Part 4B to operate concurrently with the industry-led dispute resolution regime in the Act and will mitigate the risk of unintended regulatory overreach.

16 Currently, industry dispute resolution schemes can address complaints under the Commission's codes and retail service quality codes made by the Telecommunications Forum (the industry representative group). However, a new scheme may not use Telecommunications Forum codes. To ensure that schemes do not have to rule on codes they are not party to, and to ensure schemes can consider the likely array of consumer complaints, the Bill expands the scope of matters that schemes can address. In addition to considering complaints relating to Commission codes and any industry codes a provider has signed up to, they may consider any complaints about retail service quality matters.

17 The Bill also amends the Telecommunications Act to clarify that dispute resolution schemes are not required to contract third parties to provide their dispute services, as currently implied in the Act. This enables providers of schemes to either deliver dispute resolution activities themselves or to contract out. This removes ambiguity and supports flexibility in future scheme design by reducing unnecessary bureaucracy.

Expanding the statutory role of the Commerce Commission to undertake roles given to it in local fibre company constitutions

18 Cabinet agreed to expand permitted business activities for the three local fibre companies established to deliver the Ultrafast Broadband initiative. These three companies are Enable Networks, Tuatahi First Fibre, and Northpower Fibre. These changes will align the three providers' permitted business activities with Chorus' permitted business activities (New Zealand's largest fibre provider company).

19 To give effect to Cabinet's decisions, this Bill creates a statutory function that allows the Commission to undertake roles it is given under the local fibre constitutions, if agreed by the Government Shareholder (the Minister for Finance). This will enable the Commission to lawfully carry out these roles and to recover its costs as part of the Telecommunications Commerce Commission Costs Levy.

20 The roles include operating a register of non-retail users and issuing exemptions to certain restrictions in the constitutions, which are roles the Commission already undertakes under the Telecommunications Act in relation to Chorus only. This amendment is necessary to give effect to Cabinet's existing policy decision to expand the permitted business activities of Enable Networks, Northpower Fibre, and Tuatahi First Fibre, in line with Chorus.

Parallel work on telecommunications – Ministry for Regulation review

21 The Ministry for Regulation is currently undertaking a review of the telecommunications regulatory environment, with a focus on broader system-level settings. To ensure alignment and avoid duplication, officials from MBIE and the Ministry for Regulations are actively coordinating across both work programmes to avoid duplication.

Impact analysis

22 A Regulatory Impact Statement was prepared in accordance with the necessary requirements and was submitted at the time that policy decisions were sought from Cabinet [CBC-24-MIN-0124]. MBIE considers that the additional policy decisions sought in this paper are covered by the regulatory impact assessment submitted for the original policy decisions.

23 A Climate Implications of Policy Assessment was not required for the policy proposals contained in these Bills, as the threshold for significance was not met.

Compliance

24 The Telecommunications Amendment Bill and the Telecommunications and Other Matters Amendment Bill complies with:

24.1 the principles of the Treaty of Waitangi;

24.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;

24.3 the disclosure statement requirements – disclosure statements have been prepared and are attached to the paper;

24.4 the principles and guidelines set out in the Privacy Act 2020;

24.5 relevant international standards and obligations;

24.6 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

Consultation

25 Following Cabinet approval in May 2024 [**EXP-24-MIN-0020**], MBIE publicly consulted on telecommunications regulatory matters and options for a period of six weeks. MBIE received 28 submissions from telecommunications stakeholders and relevant advocacy groups. MBIE further engaged with some stakeholders during the consultation period.

26 MBIE consulted with the Commerce Commission, the Treasury, the Government Communications Security Bureau, NZ Police, Ministry of Justice, the New Zealand Security Intelligence Service, the Office of the Privacy Commissioner, the Ministry for Primary Industries, and the Ministry for Regulation on these Bills, Cabinet paper, and policy development, and with Te Puni Kōkiri during policy development.

27 Ministerial and coalition party consultation has been completed.

Binding on the Crown

28 The Telecommunications Act 2001, the Telecommunications (Interception Capability and Security) Act 2013 and the Radiocommunications Act 1989 bind the Crown. The Bills do not change this.

Creating new agencies or amending law relating to existing agencies

29 The Bills do not create a new agency.

Allocation of decision-making powers

30 The Bills do not provide for allocation of decision-making powers between the executive, the courts, and tribunals.

Associated regulations

31 The Telecommunications Amendment Bill amends the Telecommunications (Civil Infringement Notices) Regulations 2007 to remove the option to pay by cheque, to reflect the Commerce Commission's decision to no longer accept cheques.

32 Cabinet also agreed to amend the Telecommunications (Property Access) Regulations 2017 to expand the scope of the 'medium impact' category, permitting impacts on hard surfaces to have a maximum length of 8 meters and a maximum area of 5 square meters. I intend to begin the process to amend these regulations once the Telecommunications Amendment Bill is enacted.

33 The Telecommunications Amendment Bill creates a regulation-making power to enable the Telecommunications Development Levy amount to be set in regulations.

Other instruments

34 The Bill does not include any provision empowering the making of other instruments that are deemed to be legislative instruments or disallowable instruments.

Definition of Minister/department

35 The Bills do not contain a definition of Minister, department (or equivalent government agency), or chief executive of a department (or equivalent position).

Commencement of legislation

36 Most changes in the Bills will come into force on the day after the date of Royal assent. However, some matters have different commencement dates for policy reasons.

36.1 The obligation for certain telecommunications providers to join a disputes resolution scheme will come into force at the beginning of the full financial year after enactment, making it easier to accurately assess the $50 million revenue threshold, while also giving providers ample opportunity to consider their options and prepare for compliance;

36.2 The current annual amount of the Telecommunications Development Levy will be repealed on a future date by Order in Council, which I expect to align with commencement of the first set of regulations setting the Levy. If no Order in Council were made, repeal would occur on 30 June 2028. This approach avoids unnecessary use of House time, as there is currently no urgency to amend the levy amount;

36.3 The extraterritorial effect of the obligations on telecommunications providers in the Telecommunications (Interception Capability and Security) Act will come into effect six months after Royal assent, to provide a suitable window for newly captured providers to comply with the regime.

37 I am seeking authority to update the dates in the commencement clauses in both Bills as necessary prior to introduction. This will ensure that if there are delays at subsequent Parliamentary stages the Bills can still be introduced with dates that accurately reflect the intended timing of commencement.

Constitutional conventions

[redacted]

Proactive Release

40 I intend to proactively release this paper, subject to any redactions consistent with the Official information Act 1982, within 30 business days following its introduction to the House.

Recommendations

I recommend that the Cabinet Legislative Committee:

Constitutional conventions

[redacted]

2 **note** that amendments will be made to the Telecommunications Act 2001, the Telecommunications (Civil Infringement Notice) Regulations 2007, the Telecommunications (Interception Capability and Security) Act 2013 and the

Radiocommunications Act 1989 to ensure the telecommunications regulatory regime continues to support a well-functioning telecommunications market, improves productivity and supports economic growth;

3 **note** that Cabinet previously agreed to mandate membership in an industry dispute resolution scheme for retail telecommunications service providers with an annual telecommunications revenue over $10 million [CBC-24-MIN-0124 refers];

4 **note** that the Minister for Media and Communications considers that policy objectives would be better met by setting a higher revenue threshold for when a telecommunications provider must join an industry dispute resolution scheme;

5 **agree** to recommend that Cabinet rescind the reference to the $10 million annual revenue threshold in recommendation 5 of CBC-24-MIN-0124;

6 **agree** to mandate membership in an industry dispute resolution scheme for retail telecommunications service providers with an annual telecommunications revenue of over $50 million;

7 **agree** to amend the Telecommunications Act 2001 to create an information gathering power for the Commerce Commission, so it may determine whether a company meets the $50 million threshold for mandatory dispute resolution scheme participation;

8 **agree** to amend the Telecommunications Act 2001 to create an associated offence for not complying with new information gathering powers, which enables the courts to impose a fine of up to $100,00 for individuals and up to $300,000 for non-individuals on conviction;

9 **agree** to amend the Telecommunications Act 2001 to ensure that any action taken by the Minister under Part 4B can apply to under-performing industry dispute resolution schemes only, to account for the potential of multiple schemes;

10 **agree** to amend the Telecommunications Act 2001 to expand the matters that can be heard by an industry dispute resolution scheme, enabling complaints about Commission codes, industry retail service quality codes a provider has signed up to, and general retail service quality matters, to support the emergence of new schemes;

11 **agree** to amend the Telecommunications Act 2001 to clarify that having a contracted third-party dispute resolution provider is optional, to support the emergence of new schemes;

12 **agree** to amend the Telecommunications Act 2001 to add a statutory function for the Commerce Commission to allow it to undertake roles given to it under local fibre company constitutions that have been approved by the Government Shareholder;

Next steps

13 **approve** the Telecommunications Amendment Bill and the Telecommunications and Other Matters Amendment Bill for introduction, subject to the final approval of the Government caucus and sufficient support in the House of Representatives;

Constitutional conventions

15 **authorise** the Minister for Media and Communications to change dates in the commencement clauses of the Bills as necessary prior to introduction.

16 **note** that the Minister for Media and Communications intends to seek agreement from the Parliamentary Business Committee for the Bills to be associated under Standing Order 274(1);

Authorised for lodgement

Hon Paul Goldsmith

Minister for Media and Communications