**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI

Communications and Digital Economy – Status Report
Minister of Broadcasting, Communications and Digital Media

Week Ending: 29 June 2018

IN CONFIDENCE

Date _____ / _____ / _____

Seen by Minister Clare Curran
**Minister of Broadcasting, Communications
and Digital Media**

Contact details for urgent enquiries:	
Contact	**Mobile**
Carolyn Tremain	S9(2)(a)
Chris Bunny	S9(2)(a)
James Hartley (Acting GM)	S9(2)(a)
Elisabeth Numan	S9(2)(a)
Kim Connolly-Stone	S9(2)(a)
Osmond Borthwick	S9(2)(a)
Jane Tier	S9(2)(a)
Len Starling	S9(2)(a)

1. Issues requiring your direction

No issues requiring your direction.

2. Work Programme

2.1. Update on the Rugby World Cup 2019 Network Industry Working Group   *Moshika Chandra*

Spark has held sessions with telecommunications industry members since sending out invitations at the beginning of June seeking to establish a Rugby World Cup 2019 (RWC2019) Network Industry Working Group (Group). These sessions were introductory, and the Group is expected to be established in about a month. Spark has indicated that it expects to have two WISPs included within this Group.

Crown Infrastructure Partners were in attendance at one of the introduction sessions and provided feedback. Key points from the session included:

> S9(2)(b)

- a platform to deliver RWC2019 content has not yet been determined, but once this has been decided Spark will start technical work with the Group. An announcement on Spark's RWC2019 streaming partner can be expected in July.

In our recent discussions with Spark, Spark has indicated that in addition to technical streaming matters, the Group will take a cross-industry approach to fibre orders and installations as it expects RWC2019 to drive fibre uptake.

We have also started discussions with both Sport New Zealand and the Ministry for Culture and Heritage on the RWC2019. This group of agencies has set up a meeting with Spark next week; will keep you informed on any developments.

3. Digital Economy: Project Status Update

Project	Updates	Next major milestones
Digital Economy and Digital Inclusion Advisory Group *(joint project with DIA)*	A successful Zoom call was held on 19 June, with sub-groups providing updates. Actions included: • Work on future states to be locked down by 29 June. • Disruption/adaption group to test its future state with the wider network, using Polis (we are currently negotiating access with Polis). • Group to provide early advice on procurement issues and what could be done (done) • Chair to collate Group views on the R&D tax credit proposal (done). • Digital inclusion sub-group to provide advice on what it thinks is an achievable goal for 2020. • You will talk to Minister Nash about the idea of a session with the business uptake sub-group.	All day working session agreed for 31 July. This will, among other things, synthesise the ideas of the five working groups.

Project	Updates	Next major milestones
	• MBIE to progress the community manager idea. You have since asked us to follow up on some additional issues with the Group, including: the idea of regional connectivity summits. DIA is working with the group to clarify the specifications for the platform.	
S9(2)(f)(iv)		
Productivity Commission inquiry into technological change, disruption and the future of work	The Digital Economy and Digital Inclusion Ministerial Advisory Group have provided you with comments on the current scope of the TOR for the Productivity Commission Study (we have also provided these to Treasury). S9(2)(f)(i) S9(2)(f)(i)	S9(2)(f)(i)
Response to Artificial Intelligence report	As requested, we recently provided a briefing on the recommendations and next steps, and look forward to discussing this with you. Discussions with the AI forum suggest that their working groups would be a useful way for government agencies and industry to work together on implementing the recommendations. MBIE has recently joined the AI Forum Executive Council. This will provide a useful opportunity for us to keep you informed of developments. Engagement with key agencies on report recommendations is progressing.	Meeting with representatives of the AI Forum on 5 July. Advice to you on the more detailed implementation plan in July. Broader ministerial agreement to implementation plan in August. S9(2)(f)(iv)
Business uptake of ICT pilot (tourism, arable farming, and construction)	We continue to finalise our 'package' of resources with PWC and Digital Journey to support 'trusted intermediaries' (such as business advisers and economic development agencies). We have been meeting with NZ Trade and Enterprise and Callaghan Innovation to ensure our package complements existing programmes. We have started planning for a number of sessions in late July to provide intermediaries with package of resources and let them run with it. We are supporting the SME Advisory Group in doing a high level scan of the current services offered to small businesses by government that aim to increase digital	Discussion with you on 9 July (briefing to be provided the week prior). Joint session with Minister Nash and business uptake sub-group (TBD). Finalised programme content will be available to economic development agencies in July. We will then provide advice to you and Minister Nash on the evaluation of the pilots and next steps for business uptake of ICT.

Project	Updates	Next major milestones
	capability, and current data sources that shed light on how SMEs are using technology. Minister Nash has recently established a Small Business Advisory Council. It has been suggested that the small business sub-group of your Advisory Group could work with the Council to bring digital expertise.	We will engage with the Advisory Group before providing advice.
Gaming sector	We recently provided your office with a briefing on the interactive media research report. The briefing notes how you can contribute to the more detailed terms of reference, and also asked if you would like to meet the team producing the report. Stephen Knightly, the author of the report and a board member of the New Zealand Game Developers Association has also offered to meet with you in early July when he is in Wellington. Officials continue to work closely with the Innovation Policy team at MBIE (part of the Research Science and Innovation portfolio) on the development of the Centre of Digital Excellence (CODE). You will be receiving fortnightly updates from Minister Woods' office about the progress of CODE.	Update on research expected in August. Report published in December.
GovTech *(joint project with DIA)*	At the meeting with Minister Parker on 27 June it was agreed that we would provide a 2 pager, which would be used to make a decision on whether to proceed with a joint Cabinet paper. S9(2)(f)(iv)	Two-pager for discussion with Minister Parker
Augmented and Virtual Reality report	We are expecting a draft of the second part of the AR/VR report soon. We will provide you with an initial impression of the recommendations in the draft report. Last week's report provided information on the first report, and hard copy was provided to your office.	Launch of second part of AR/VR report, *Going Next Level,* in July. We will provide advice on the recommendations in the report, and whether the AR/VR sub-sector could play a key part in your goal to grow the tech sector to become the second biggest contributor to the economy by 2025.
The Internet of Things (IoT) Response to Accelerating a Connected New Zealand	We will shortly provide a briefing on the IoT Alliance report Accelerating a Connected New Zealand published June 2017. The report was largely an awareness raising exercise for this technology. However, it also contains several high level recommendations that could be addressed in the new digital strategy. We have flagged this report in briefings on the digital economy work programme. However with the timing of the CTO appointment we think it would be useful to discuss this with you soon.	Briefing on IoT report and follow up discussion.

Project	Updates	Next major milestones
Return to IT programme	S9(2)(a) S9(2)(ba) S9(2)(ba) The ToolKit has been sent out to the employers aligned to the scheme for their feedback. To date two employers have responded with feedback.	Publication of a "how to" guide in July showing employers how to run return to work programmes for women who have taken a career break from the digital technology workforce. We would also like to discuss the broader issue of women in the tech sector with you, and what future work in this area might comprise.
Investor's Guide to the New Zealand Tech Sector	The TIN Network has approached MBIE about funding a further iteration of the Investors Guide to the New Zealand Tech Sector. We will be discussing that further with the TIN Network in due course. S9(2)(f)(iv) S9(2)(f)(iv)	Make updated version of the Investor Guide available widely. Consider the proposal from TIN 100 to fund an extended version of the Investor's Guide in 2019. You have asked for a fuller briefing on the Investors Guide, and this is being prepared.
Digital Inclusion baseline research	We are following up on some of the suggestions made at the workshop on 20th June, including suggested data sources and looking at what data is currently collected versus what we should be measuring to get a better view on digital inclusion. We expect that there will be issues in being able to produce a meaningful baseline on digital inclusion currently due to the availability of enough robust data. We have connected this piece of work with the measurement work that the Digital Inclusion Advisory Sub Group is keen to progress in their optimal future thinking, and the work of DIA on the wider digital inclusion work programme. This project is also connected to the wider work of the Statistics NZ Domain Plan.	Research underway as of 1 June. Initial results expected early July. You have asked for fuller briefing on the digital inclusion research, and this is being prepared.
Techweek (19 – 27 May)	Techweek 2018 was a huge success, with over 500 events taking place around the country and lots of media attention. The MBIE run (DIA supported) workshops, *Co-create the Aotearoa NZ Digital Strategy*, in Auckland, Wellington and Christchurch, were very well received with participants wanting to stay involved. The workshops were an opportunity for attendees to contribute ideas for the development of the new Digital Strategy. This ideas bank will be a resource for the DEDIMAG and the CTO. A number of DEDIMAG members attended the sessions. You participated in a number of successful Techweek events: ShadowTech, Createch, and the High Tech Awards.	We will provide you with a list of the ideas generated at the Co-Create a Digital Strategy events. Further events to be run to cater for demand from participants. This will include the TUANZ FLINT (youth) network. Negotiate funding contract for Techweek 2019 (we will engage with you on this first). Briefing on the outcomes of Techweek 2019 (currently being prepared).

4. Enhancing Rural Connectivity: Project Status Update

Enhancing Rural Connectivity		
• The project comprises the set of work streams addressing rural connectivity (both fixed broadband and mobile). • This status update reports areas of progress, identifies new issues that are relevant to the scope of the work streams or that have a significant impact on their progress.		
Work stream	**Progress update**	**Comment**
RBI2/MBSF Expansion Policy ($105 million) (Infrastructure Portfolio)	You and Minister Jones met recently with CIP and MBIE to be briefed on the outcomes of the expansion bids received and the level of coverage achievable. S9(2)(f)(iv) Decisions, in principle, were also made on other small policy matters. CIP was given its mandate to begin negotiations with respondents, S9(2)(b)(ii)	CIP and MBIE are working on providing you and Minister Jones further advice (including maps) on some additional coverage opportunities as discussed in the 19 June meeting. S9(2)(f)(iv)
Marae connectivity (Infrastructure Portfolio/ Broadcasting, Communications and Digital Media Portfolio)	S9(2)(b)(ii) S9(2)(f)(iv)	S9(2)(b)(ii)
Responding to Community Concerns (Communications and Digital Media Portfolio)		
Tararua: Seeking improved broadband and greater mobile coverage	You met with Connect Tararua, Ron Mark MP and the Mayor of Tararua on 24 May to discuss progress on the project. S9(2)(b)(ii) On Monday 11 June, MBIE and CIP met with Connect Tararua and the Mayor of Tararua to discuss expected coverage by the RBI2 and MBSF programmes in Tararua. CIP will provide Connect Tararua with more detailed maps to show coverage in the district.	Connect Tararua gave a 5 minute presentation 'Vignette 1 – Regional Connectivity' at the TUANZ Rural Connectivity Symposium on Tuesday 26 June at 1.30pm; this was immediately followed by the Rural Connectivity Group's presentation. We understand that a productive discussion between these two parties followed their presentations.

Haast Pass: build of second cell tower	A new cell tower and emergency call box has been erected at Pleasant Flat campsite, on the West Coast side of Haast Pass, providing coverage on Spark, Vodafone and 2degrees' networks. The new cell tower provides a small coverage area, with users requiring to stop in the campsite area to connect to the network. This is signposted on the State highway.	This is the second cell tower to be built in the Haast area, with the build completed by the New Zealand Transport Agency.

5. Sector News/Other issues you should know about this week

5.1. Chile considering taxing OTT firms

Chilean lawmakers are considering introducing legislation to levy taxes on digital service providers that have no physical presence in the country. The goal is for online companies – such as over-the-top (OTT) firms – to start paying tax on their earnings in Chile unless their country of origin has a free trade agreement with Chile. The move targets companies such as Netflix and Spotify, Uber and Airbnb but the Finance Minister acknowledged that it was a 'challenge' to find a way to tax such companies, with potential methods including an indirect transaction tax or a surtax charged to credit cards used for their services.

This initiative is in line with similar actions from other South American countries, such as Argentina (in force since early this year), Uruguay and Brazil.

5.2. Enable Special Offer - withdrawn

The weekly report of 22 June included an item about an Enable special offer. The communications material accompanying the offer stated that the promotion would not be available to "RSPs that sell alternate competing technologies inside the target promotional area during the promotional period".

Vodafone then wrote to Enable saying that its offer breached the terms of Enable's Open Access Deed and the Commerce Act.

Dr Ross Patterson, on behalf of Enable, has since written to Vodafone to say that Enable has withdrawn the promotional offer – as a gesture of good faith, without any admission as breaches of its Deed or the Commerce Act. It said that Enable's communications material had "wrongly stated" the conditions of the offer.

This is a good outcome, as before the withdrawal it seemed Enable was preparing to push the boundaries of the regime.

5.3. The Domain Name Commission sues DomainTools in the United States District Court

The Domain Name Commission (DNC) has recently brought a law suit in the United States District Court (Western District of Washington at Seattle) against DomainTools from misusing .nz domain name registration information in violation of the terms of use for such information and applicable law (and from infringing the privacy of the individuals who register .nz domain names).

DomainTools is a Seattle, Washington based American company that provides domain name system research tools. It uses a database of domain name, IP address, and WHOIS data (a widely used internet record listing that identifies who owns a domain and how to get in contact with them). These tools are used for brand protection, domain monitoring, domain valuation and cybercrime investigation.

The Domain Name Commission (DNC) is a non-profit organisation based in New Zealand which has been appointed by InternetNZ to develop and monitor a competitive registrar market, as well as create a fair environment for the registration and management of.nz domain names.

In that capacity, DNC is responsible for, among other things:

- authorising and de-authorising .nz domain registrars;
- administering the .nz Dispute Resolution Service; and
- enforcing .nz policies and regulating use of the .nz WHOIS service.

DNZ and InternetNZ provides these services subject to specific terms of use which are designed to:

- protect the privacy of the registrants who license .nz domains;
- provide individual registrants with control over their own registration information; and
- protect the integrity and accessibility of the .nz WHOIS servers.

Since November 2017, DNC has offered individual registrants who do not conduct significant trade using their .nz domain names the opportunity to withhold their detailed contact information from the public through the .nz WHOIS service. It is understood that thousands of individuals have taken this opportunity to protect their privacy.

DNC alleges that:

- DomainTool's activities undermine the protections that DNCL promises to provide to .nz registrants and violate the terms of use governing use of the .nz WHOIS service;
- the products and services that DomainTools offers to its customers are built on practices that infringe .nz registrants' privacy rights and expectations by:
    - harvesting their registration information in bulk from the registry where it is maintained;
    - using high-volume queries and technical measures designed to evade the restrictions that protect .nz WHOIS servers against that form of abuse; and
- storing and retaining registrant data, including detailed personal contact information, even after the registrant has chosen to withhold data from the registry.

Finally, DNC alleges that these activities cause irreparable harm to DNC's reputation and integrity, divert resources from DNC's mission, interfere with its contractual relationships with .nz domain name registrars, and harm the goodwill DNC receive from individual registrants of .nz domain names.

The law suit is ongoing and officials will provide further information, once a decision is reached.

6. Briefings (received and upcoming)

6.1 Briefings sent to the Minister's office

Sent to Minister's Office	Title of Paper	Comment or Purpose	Minister's Sign-off	Key Officials
29/05/2018	Developing indicators for the Digital Economy; 2267 17-18	To seek feedback on the economic activities you wish to monitor in order to measure the contribution of the digital economy to New Zealand's economic growth.	04/06/2018	Kim Connolly-Stone
14/06/2018	Digi-X Panel Discussion; 3714 17-18	Event note.	21/06/2018	Katherine Silvester
15/06/2018	Enhancing Rural Connectivity – progressing RBI2/MBSF expansion; 3551 17-18	Briefing	19/06/2018	Janelle Whittleston
19/06/2018	Interactive Media research report; 3688 17-18	Provide a briefing on the gaming sector study.	30/06/2018	Stevie Jepson
20/06/2018	Variation to the Telecommunications Services Obligations (TSO) Deed for Telecommunications Relay Services (TRS); 3852 17-18	Short briefing	29/06/2018	Andrew Burns
22/06/2018	Proposal to amend certain directory assistance obligations; 3479 17-18	Briefing on the proposal from Yellow Pages Group Limited to amend certain directory assistance obligations.	13/07//2018	Filomena Antunes
22/06/2018	GovTech meeting of Ministers; 3527 17-18	Brief and talking points.	22/06/2018	Katherine Silvester
25/06/2018	Meeting with Clive Elliot QC; 3686 17-18	Meeting note.	27/06/2018	Abbe Marks
25/06/2018	CERT NZ – Engagement with Netsafe	Aide Memoire to provide an overview of the work CERT NZ is doing with Netsafe	N/A	Jamison Johnson
27/06/2018	Creative HQ: Lightning Lab GovTech launch; 3928 17-18	Event briefing	03/07/2018	Katherine Silvester
27/06/2018	Meeting with Hon Iain Lees-Galloway on Future of Work Ministerial Group; 3957 17-18	Event briefing	28/06/2018	Francis Powley
29/06/2018	Implementation of 5G technology: single versus multiple networks; 3808 17-18	For decision.	13/07/2018	Tony Booth

6.2 Briefings due to the Minister's office
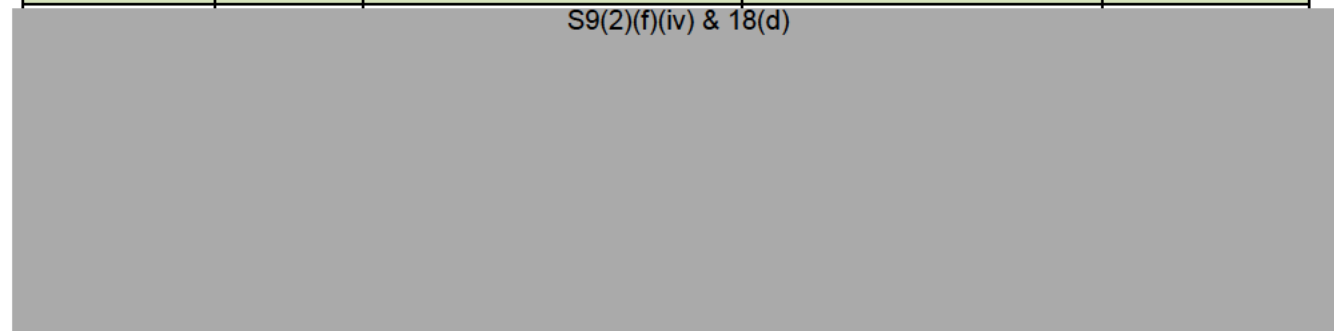
S9(2)(f)(iv) & 18(d)

S9(2)(f)(iv) & 18(d)

7. Cabinet Papers (received and upcoming)

Committee and Date	Date Sent	Title of Paper	Comment or Purpose	Key Officials
RECEIVED				
N/A				
UPCOMING				
Committee and Date	Date Due	Title of Paper	Comment or Purpose	Key Officials

S9(2)(f)(iv) & 18(d)

Secondary advice provided on cabinet papers (i.e. telco aspect)

Other OIAs consulted on

8. Meetings – (scheduled and proposed)

Subject	Meeting date	Confirmed / To be scheduled
MBIE Officials Meeting	Monday 2 July, 10.00am to 10.45am	Confirmed
Future of Work Ministerial Group Meeting 02 July 2018.	Monday 2 July, 6.00pm	Confirmed
Meeting with Stu Christie, Chair AI forum and Ben Reid, Exec Dir of the forum and Brigitte Morten, NZ Tech Govt Relations Manager.	Tuesday 3 July, 3.15pm to 3.45pm	Confirmed
Meeting with Institute of Directors- Kirsten Patterson, Chief Executive	Wednesday 4 July, 8.30am to 9.00am	Confirmed
Stewart Sherriff 2 Degrees CEO	Wednesday 4 July, 3.30pm to 4.00pm	Confirmed
MBIE Officials Meeting	Monday 9 July, 9.45am to 10.30am	Confirmed
MBIE Officials Meeting	Monday 23 July, 9.00am to 9.45am	Confirmed
Rocket Lab CEO, Peter Beck	Thursday 26 July, 8.30am to 9.15am	Confirmed
Spark CEO, Simon Moutter	Thursday 26 July, 10.00am to 10.45am	Confirmed
MBIE Officials Meeting	Monday 30 July, 9.00am to 9.45am	Confirmed
Rural Women NZ	Tuesday 31 July, 4.00pm to 4.30pm	Confirmed
First pre-set meeting for Hon Clare Curran, Hon Shane Jones, Simon Allen, Chair CIP and Graham Mitchell CEO CIP.	Thursday 13 September, 9.15am to 9.45am	Confirmed
Next Generation Critical Communication Ministerial Oversight Group' meeting.	Tuesday 6 November, 6.00pm to 7.00pm	Confirmed
Second pre-set meeting for Hon Clare Curran, Hon Shane Jones, Simon Allen, Chair CIP and Graham Mitchell, CEO CIP.	Monday 3 December, 5.00pm to 5.30pm	Confirmed

9. Communications activity (media, speeches, events, etc)

Date	Due to Minister's Office	Topic	Description	Communications approach	Market sensitive	Key contact
6 July, 9am	29 June	University of Otago Research Bazar (ResBaz)	Launch of conversation around digital skills communities of practice	Brief and speech notes.	No	Kim Connolly-Stone
3 July, 6.20pm	27 June	Lightning Lab GovTech Launch [Minister speaking at 6.20pm]	You have agreed to speak for 5 mins at this event.	Brief and speech notes.	No	Kim Connolly-Stone
TBC	TBC	S9(2) (f)(iv)	S9(2)(f)(iv)	Press release (TBC)	No	Renee Duffell Jane Tier Jo Williams

10. OIAs and Ministerials

10.1 OIAs

Reference	Name	Topic	Date of letter	Date due Minister's Office	Status
OIA18-86	S9(2)(a)	Request for documents	8- June-18	27-Jul-18	Information being gathered
DOIA1718-1768	S9(2)(a)	All information re decision to cease the Kordia DAB radio trial on 30 June	10-Jun-18	Due to requestor: 6-Jul-18 Notification of decision: to be advised	Information being gathered

10.2 Ministerials

Reference	Name	Topic	Date of letter	Date due Minister's Office	Status
For update please contact Ministerial Services					