

# Hon Paul Goldsmith

Minister for Arts, Culture and Heritage  
Minister of Justice  
Minister for Media and Communications  
Minister for State Owned Enterprises  
Minister for Treaty of Waitangi Negotiations



4 November 2024

P Robins

[fyi-request-28647-0407c894@requests.fyi.org.nz](mailto:fyi-request-28647-0407c894@requests.fyi.org.nz)

Ref: OIAPG322

Dear P Robins

Thank you for your email of 4 October 2024 requesting the following under the Official Information Act 1982 (the Act)

*I request a copy of the following MBIE briefings to the Minister for Media and Communications: 2324-3567, 2425-0130, 2324-1920, 2324-3761, 2324-3567.*

Please find attached three briefings you have requested. Please note one briefing has been withheld in full, and that the three briefings have some information withheld, under the following sections of the Act:

- |             |  |
|-------------|--|
| 9(2)(a)     | to protect the privacy of natural persons, including that of deceased natural persons;   |
| 9(2)(f)(iv) | to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials;                        |
| 9(2)(i)     | to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities; and |

In terms of section 9 of the Act, I am satisfied that, in the circumstances, the withholding of this information is not outweighed by other considerations that render it desirable to make the information available in the public interest.


Regarding the attachment in Annex One in the briefing: *Draft Cabinet paper 'Urgent amendment to support continued fibre uptake'* the Cabinet paper and associated minute of the decision have already been released on the Ministry of Business, Innovation and Employment's (MBIE's) website, here:

- <https://www.mbie.govt.nz/dmsdocument/29810-urgent-amendment-to-support-continued-fibre-uptake-proactiverelease-pdf>
- <https://www.mbie.govt.nz/dmsdocument/29811-urgent-amendment-to-support-continued-fibre-uptake-minute-of-decision-proactiverelease-pdf>

As such, this attachment is refused under section 18(d) of the Act.

You have the right to seek investigation and review of my decision by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found at: [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz)

Yours sincerely



Hon Paul Goldsmith  
**Minister for Media and Communications**

## Document schedule

<b>Title</b>	<b>Date</b>	<b>Withholding grounds</b>
<i>Marae Digital Connectivity – Funding Options</i>	14 February 2024	9(2)(a), 9(2)(f)(iv), 9(2)(i)
<i>Meeting with Te Mātāwai regarding 600 MHz</i>	13 June 2024	9(2)(f)(iv)
<i>Draft Cabinet paper ‘Urgent amendment to support continued fibre uptake’</i>	31 July 2024	9(2)(a), 9(2)(f)(iv)
<i>Further advice on options to utilise the Remote Users Scheme underspend</i>	29 August 2024	9(2)(a), 9(2)(f)(iv), 9(2)(i)



## BRIEFING

### Marae Digital Connectivity – Funding Options

<b>Date:</b>	14 February 2024	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2324-1920

Action sought		
	Action sought	Deadline
Hon Melissa Lee <b>Minister for Media and Communications</b>	<b>Agree</b> that Crown Infrastructure Partners use the forecast 2023/24 underspend from the Remote Users Scheme to fund 9(2)(i) [REDACTED] the Marae Digital Connectivity Programme until 9(2)(i) [REDACTED]	28 February 2024

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Deborah Salter	Manager, Communications Policy	9(2)(a) [REDACTED]	✓
Jon Rolfe	Senior Advisor, Communications Policy	[REDACTED]	

The following departments/agencies have been consulted
Crown Infrastructure Partners

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments:



# BRIEFING

## Marae Digital Connectivity – Funding Options

<b>Date:</b>	14 February 2024	<b>Priority:</b>	Medium
<b>Security classification:</b>	<b>In Confidence</b>	<b>Tracking number:</b>	2324-1920

### Purpose

This paper seeks your agreement to use the 9(2)(i) forecast 2023/24 underspend from the Remote Users Scheme to extend 9(2)(i) of the Marae Digital Connectivity Programme until 9(2)(i)

### Executive summary

In January 2024, you agreed in principle to utilise a forecast underspend from the Remote Users Scheme to extend the Marae Digital Connectivity Programme [Briefing 2324-1205 refers]. This paper seeks your agreement to extend 9(2)(i) of the Programme and provides more details on the costs and risks.

Crown Infrastructure Partners forecasts that there is 9(2)(i) from existing Marae Digital Connectivity funding and an underspend of 9(2)(i) for the 2023/24 financial year from the Remote Users Scheme. 9(2)(i)

[Redacted text block]

9(2)(f)(iv) [Redacted text block]

9(2)(i) [Redacted text block]

9(2)(i) [Redacted text block]

There are risks associated with extending a 9(2)(i) of the Marae Digital Connectivity Programme. These risks are outlined below, alongside mitigating factors:

- It may set an expectation for marae trustees and iwi/hapu that this support will continue, and there is currently no sustainable funding source. 9(2)(f)(iv), 9(2)(i)

[Redacted text block]

Released under the Official Information Act 1982

9(2)(i)

Your decision is needed by the end of February 2024 because contracts start to expire from 27 March 2024. Crown Infrastructure Partners and Te Puni Kōkiri will communicate your decision with marae and suppliers.

### Recommended action

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The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** that on 3 January 2024, you agreed in principle to utilise a forecast 2023/24 underspend from the Remote Users Scheme to fund Marae Digital Connectivity contract extensions.

*Noted*

- b **Agree** to utilise the forecast underspend of 9(2)(i) from the Remote Users Scheme for the 23/24 financial year to fund 9(2)(i) to the Marae Digital Connectivity Programme until 9(2)(i)

*Agree / Disagree*

c 9(2)(i)

c

*Agree / Disagree*

d 9(2)(i)

d

*Noted*

e 9(2)(f)(iv)

e

*Noted*

- f **Note** that funding Marae Digital Connectivity contract extensions is already within the scope of Crown Infrastructure Partners' existing policy mandate and the scope of the Rural Connectivity appropriation.

*Noted*



Deborah Salter  
**Manager, Communications Policy**  
Building, Resource and Markets, MBIE  
14 / 02 / 2024

Hon Melissa Lee  
**Minister for Media and Communications**  
..... / ..... / .....

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## Background

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### Expiry of Marae Digital Connectivity Programme contracts from March 2024

1. The Marae Digital Connectivity Programme commenced in 2019. A total of 9(2)(i) has been allocated under the Programme to cover the costs of installing the fastest available broadband connection for eligible marae. It has also funded five-years of broadband subscriptions, the cost of purchasing and installing hardware related to connectivity, service desk support, and basic training on how to use the hardware.
2. As of 13 February 2024, 650 out of 888 eligible marae have been connected and there has been a total of 694 applications. Crown Infrastructure Partners forecasts a total of 690 marae will be connected and receive support from the Marae Connectivity Programme by the end of the 2024 calendar year.
3. The contracts with suppliers for the support provided through the Programme will start to expire from March 2024. While there has been no commitment by the Government to extend these contracts, we understand marae have an expectation that this support (or a scaled version of the support) will continue.

### Agreement in principle to use funds from the Remote Users Scheme underspend

4. On 3 January 2024, you agreed in principle to utilise an underspend from the Remote Users Scheme to fund Marae Digital Connectivity contract extensions [Briefing 2324-1205 refers]. There is a forecast underspend of at least 9(2)(i) for the 2023/24 financial year from the Remote Users Scheme. When combined with the remaining 9(2)(i) for the Marae Digital Connectivity Programme, there is 9(2)(i) available for contract renewals.
5. This briefing provides advice on detailed options and costings for funding contract extensions, including scaling and timing. Your decision on a final approach to funding contract extensions is needed before the end of February 2024 to provide certainty to marae and suppliers before contracts start to expire (from 27 March 2024).

9(2)(i)

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[Redacted]

[Redacted] 9(2)(f)(iv)

9(2)(i)

[Redacted] 9(2)(f)(iv)



9(2)(f)(iv)

9(2)(i)

### **No changes to the existing Crown Infrastructure Partners' mandate are required**

14. No changes to Crown Infrastructure Partners' mandate, nor the scope of the Budget 2022 appropriation are required to implement either of the options provided above. Funding Marae Digital Connectivity contract extensions is also already within the scope of Crown Infrastructure Partners' existing policy mandate as amended in December 2022.
15. The forecast 9(2)(i) in available Remote Users Scheme 2023/24 funding is also within the same Rural Connectivity appropriation that has been used to fund the Marae Digital Connectivity Programme.

### **Risks**

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16. Should you agree to fund 9(2)(i) for the Marae Digital Connectivity Programme, then it is worth noting the following risks:
  - a. **Funding contract extensions sets an expectation of continued ongoing support** – Marae trustees and the iwi/hapu that access connectivity on the marae are likely to expect this support to be ongoing. This will make any future decisions on whether to continue funding this initiative 9(2)(i) more difficult.

b. 9(2)(i)



9(2)(i)



18. 9(2)(f)(iv)



### Next steps

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19. Your decision on extending the Marae Digital Connectivity Programme contracts is needed by the end of February 2024 so there is sufficient lead-in time to extend contracts that start to expire from 27 March 2024. We will communicate your decision with Crown Infrastructure Partners.
20. In turn, Crown Infrastructure Partners and Te Puni Kōkiri will communicate your decision with marae and suppliers. Crown Infrastructure Partners will also arrange any necessary changes to supplier contracts.
21. MBIE officials will work with your office on developing any intended communications from your office (i.e., a press release) and provide reactive Q&As should you receive any questions from the media, marae, or other interested parties.



**BRIEFING**

**Draft Cabinet paper 'Urgent amendment to support continued fibre uptake'**

<b>Date:</b>	31 July 2024	<b>Priority:</b>	Urgent
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2324-3761

Action sought		
	Action sought	Deadline
Hon Paul Goldsmith <b>Minister for Media and Communications</b>	<b>Agree</b> to lodge the final version of the attached draft Cabinet paper by 8 August for consideration by the Cabinet Business Committee on 12 August.	8 August 2024

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Deb Salter	Manager, Communications Policy	04 901 0786	9(2)(a)	✓
Edde Harris	Policy Advisor, Communications Policy	04 978 3273		

The following departments/agencies have been consulted		
Officials from the Ministry for Regulation, the Ministry of Justice, and Treasury have been consulted on the proposals in the draft Cabinet paper. The Department of the Prime Minister and Cabinet has been informed.		
<b>Minister's office to complete:</b>	<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
	<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
	<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by Events
	<input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Withdrawn

**Comments**

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## BRIEFING

### Draft Cabinet paper 'Urgent amendments to support continued fibre uptake'

<b>Date:</b>	31 July 2024	<b>Priority:</b>	Urgent
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2324-3761

#### Purpose

To provide you with a draft Cabinet paper for your feedback and for Ministerial consultation, and to seek your agreement to lodge the final version of the Cabinet paper by 8 August for consideration at the Cabinet Business Committee meeting on 12 August.

#### Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** that you directed officials to progress urgent legislative changes to temporarily continue the provisions enabling access to shared property for fibre installation in the Telecommunications Act 2001, which are set to expire on 1 January 2025.  
*Noted*
- b **Note** that this briefing provides you with a draft Cabinet paper to seek policy approvals for the above changes to be progressed through the Regulatory Systems (Economic Development) Amendment Bill.  
*Noted*
- c **Agree** to lodge the final version of the Cabinet paper, taking into account feedback from you and from Ministerial consultation on 8 August, for consideration at the Cabinet Business Committee meeting on 12 August 2024.  
*Agree / Disagree*

Deb Salter  
**Manager, Communications Policy**  
Building, Resources and Markets, MBIE

Hon Paul Goldsmith  
**Minister for Media and Communications**

31 July 2024

..... / ..... / 2024

## Background

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1. You have directed officials to urgently progress work on an interim legislative solution to continue the provisions enabling access to shared property for fibre installation in the Telecommunications Act 2001. The provisions are due to expire on 1 January 2025. There continues to be a need for these provisions as fibre uptake sits at 75 per cent across the existing fibre footprint, and the demand for fibre installations is ongoing.
2. The long-term operation and scope of the shared property provisions are being considered in a separate work programme. MBIE will advise you on this shortly, following analysis of submissions received during consultation on the discussion document *Enhancing telecommunications regulatory and funding frameworks*.
3. The provisions give fibre providers rights to access shared property to install fibre where consent of all affected persons is not obtained. The provisions were created to support fibre uptake. The provisions also include protective measures that balance the impact on property rights. Protective measures include the ability for affected persons to reasonably object to an installation and require fibre providers using the provisions to be a member of the prescribed dispute resolution scheme.
4. A draft Cabinet paper seeking to continue the shared property access provisions for three years is attached as **Annex One**. The draft Cabinet paper also proposes to extend the disputes resolution scheme membership requirement for three years, so that it will remain for one year after the new expiry date for the access rights. This is to ensure there is enough time for addressing any residual disputes before the fibre provider exits the disputes scheme.

### *Legislative vehicle – Regulatory Systems (Economic Policy) Amendment Bill*


5. You are seeking to progress these amendments through the Regulatory Systems (Economic Policy) Amendment Bill (**RSAB**). RSAB has been referred to the Economic Development, Science and Innovation Select Committee (**EDSI**).
6. The Business Committee has agreed to authorise the EDSI Committee to consider the amendments you have proposed. This is provided that the amendments are made available to the EDSI Committee on an Amendment Paper, and that Committee takes submissions on it. EDSI has called for submissions on the RSAB, submissions close on 5 September 2024.
7. MBIE has had initial engagement with the Parliamentary Counsel Office (**PCO**) on the drafting of the Amendment Paper. PCO has indicated the amendments can be drafted quickly to allow the Amendment Paper to be sent to EDSI Committee by the end of August.

## Risks and Communications

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8. The proposal to continue the rights at short notice via the RSAB may garner some interest from media and property owners. This risk is medium and can be mitigated with clear communications that this proposal is a temporary continuation, with no new elements, while the long-term future of the rights is under consideration following your recent consultation.

9. 9(2)(f)(iv)



## Consultation

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10. The Ministry for Regulation, Ministry of Justice, and the Treasury have been consulted on the proposals in the draft Cabinet paper and have raised no concerns with the amendments proposed.
11. This proposal has also received a Regulatory Impact Statement exemption, as the amendments are a temporary continuation of existing provisions. The Department of the Prime Minister and Cabinet has been informed.


## Next steps

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12. We have set out expected next steps and indicative timelines in the table below:

Date	Action
7 August	Minister to provide feedback to MBIE (including from Ministerial consultation) on draft Cabinet paper
8 August	MBIE to provide final version of Cabinet Paper to your office for lodging
12 August	Cabinet Business Committee
19 August	Cabinet confirmation Parliamentary Counsel Office drafts amendments.
Week of 26 August	Amendment Paper sent to EDSI Committee

9(2)(f)(iv)



## Annexes

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Annex One: Draft Cabinet paper 'Urgent amendment to support continued fibre uptake'.



## BRIEFING

### Further advice on options to utilise the Remote Users Scheme underspend

<b>Date:</b>	29 August 2024	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2425-0410

Action sought		
	Action sought	Deadline
Hon Paul Goldsmith <b>Minister for Media and Communications</b>	<p><b>Agree</b> to utilise the Remote Users Scheme underspend to enhance resilience and/or fund an extension to the Marae Digital Connectivity Programme.</p> <p><b>Agree</b> to close new applications through the Marae Digital Connectivity Programme and the Remote Users Scheme on 31 December 2024.</p>	6 September 2024
Jenny Marcroft MP <b>Parliamentary Under-Secretary to the Minister for Media and Communications</b>	For your information.	

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Deborah Salter	Manager, Communications Policy	9(2)(a)	✓
Jon Rolfe	Senior Policy Advisor, Communications Policy		

The following departments/agencies have been consulted
Crown Infrastructure Partners

**Minister's office to complete:**

- |   |  |
|---|--|
| <input type="checkbox"/> Approved             | <input type="checkbox"/> Declined            |
| <input type="checkbox"/> Noted                | <input type="checkbox"/> Needs change        |
| <input type="checkbox"/> Seen                 | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn           |

**Comments**

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# BRIEFING

## Further advice on options to utilise the Remote Users Scheme underspend

<b>Date:</b>	29 August 2024	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2425-0410

### Purpose

To provide you advice on options to utilise a forecast underspend from the Remote Users Scheme (estimated at 9(2)(i) ) and seek your agreement to close new applications for the Marae Digital Connectivity Programme and the Remote Users Scheme.

### Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** that Briefings 2324-3378 and 2425-0130 sought your agreement to utilise 9(2)(i) of the forecast Remote Users Scheme underspend (total underspend estimated to be 9(2)(i) ) to extend the Marae Digital Connectivity Programme.

*Noted*

- b **Agree** to utilise the Remote Users Scheme underspend to progress the following options (noting there is insufficient available funding to progress all three):

<b>Option 1:</b> Enhancing the resilience of rural mobile network infrastructure by grant funding battery upgrades in rural areas, at an <b>estimated cost of</b> 9(2)(i)	<i>Agree / Disagree</i>
<b>Option 2:</b> Enhancing the resilience of rural and/or urban mobile network infrastructure by establishing a contestable fund for a range of upgrades. <b>Either the full 9(2)(i) could be utilised or this option can be scaled to accompany Option 1.</b> We do not recommend scaling this option to accompany Option 3 as Crown Infrastructure Partners has advised that the administrative costs of a contestable fund would mean an amount below 9(2)(i) would not be advisable.	<i>Agree / Disagree</i>
<b>Option 3:</b> Extend the Marae Digital Connectivity Programme to cover some ongoing connectivity costs for marae connected under the Programme 9(2)(i) from the forecast Remote User Scheme underspend (subject to updated quotes) and 9(2)(i) of existing funding at a total estimated cost of 9(2)(i)	<i>Agree / Disagree</i>

- c **Note** that if you agree to utilise the underspend for resilience enhancements and funding was provided for non-rural telecommunications infrastructure (option 2), you will need to seek the Minister of Finance's approval (as this would not be in scope of the current Rural Connectivity appropriation from which the underspend is sourced).



Noted

- d **Agree** for Crown Infrastructure Partners to close new applications for the Marae Digital Connectivity Programme and the Remote Users Scheme on 31 December 2024.

Agree / Disagree



Deborah Salter  
**Manager, Communications Policy**  
Building, Resource and Markets, MBIE  
29 / August / 2024

Hon Paul Goldsmith  
**Minister for Media and Communications**  
..... / ..... / 2024

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## Background

1. We provided you with advice on options to extend the Marae Digital Connectivity Programme [Briefings 2324-3378 and 2425-0130 refer]. As part of this, we recommended utilising [redacted] out of the forecast Remote Users Scheme underspend to extend the Marae Digital Connectivity Programme. The funding would be used to pay for 9(2)(i) [redacted]  
[redacted]  
[redacted]
  - [redacted]
  - [redacted]
  - [redacted]
2. Crown Infrastructure Partners (CIP) had previously estimated the total forecast Remote Users Scheme underspend to be 9(2)(i) [redacted] but now estimates it to be closer to 9(2)(i) [redacted]

## Other options for Remote Users Scheme Underspend: resilience upgrades

3. You have requested further advice on options to utilise this forecast underspend. We consider the most viable alternative option to utilise 9(2)(i) [redacted] to enhance the resilience of mobile network infrastructure. **Annex One** provides a summary of other options we considered, but do not recommend progressing.
4. The 9(2)(i) [redacted] could be targeted at improving back-up power capacity on mobile sites, for example, longer-life batteries and new generators, and/or the provision of temporary telecommunications infrastructure. This could be in the form of grant funding for rural mobile sites operated by the Rural Connectivity Group (RCG) or co-funding for mobile sites operated by individual mobile network operators in either rural or urban areas. RCG towers are those delivered under the Rural Broadband Initiatives and Mobile Blackspot Funds.

## Cell tower resilience upgrades would support improved public health and safety outcomes

5. Batteries on most cell sites in New Zealand are generally designed to last between four to eight hours. This prevents network disruptions in the event of short-term power outages.
6. From a health and safety perspective, the first few days after a natural disaster are often the most critical. On this basis, there may be a case for government investment to support resilience upgrades for mobile infrastructure. This would:
  - a. provide more time for people to contact emergency services
  - b. support the emergency response after a natural disaster
  - c. support mobile network operators to deploy generators or temporary infrastructure to manage the impact of prolonged power outages.

## Approach to enhancing resilience on cell towers

7. There are broadly two options when considering an approach to enhancing resilience on cell towers:
  - a. grant funding battery upgrades in rural areas, and/or

- b. establishing a contestable fund for a range of upgrades in rural and/or urban areas (for example, battery upgrades, generators and temporary telecommunications facilities)
8. We have provided further detail about these options below. The table in **Annex Two** provides a summary of these options alongside the option to extend the Marae Digital Connectivity Programme.

*Grant funding battery upgrades in rural areas*

9. CIP already has work underway to upgrade batteries on 44 RCG mobile towers and six mobile network operator hub sites in regions most impacted by weather events over the last year. Most of these upgrades are in the Hawke's Bay and Gisborne regions, with other upgrades in Northland, Marlborough Sounds, West Coast, Waikato (Coromandel), and Manawatū.
10. The upgrades are designed to keep mobile sites operational for approximately 24 hours in the event of main power outage. CIP has budgeted 9(2)(i) per battery upgrade at a total cost of 9(2)(i) for all 50 towers.
11. CIP has identified a further 58 vulnerable rural mobile towers for future upgrades in these regions at an estimated cost of an additional 9(2)(i) 9(2)(g)(i)
- CIP could also consider extending the regions eligible for battery upgrades through this programme. Utilising the funding for battery upgrades on RCG sites would be within scope of the Rural Connectivity appropriation.

*Establishing a contestable fund for mobile resilience upgrades in rural and/or urban areas*

12. The remaining funding 9(2)(i) dependant on scope of grant funded RCG upgrades) could then be utilised to develop a contestable fund with criteria to improve the resilience of mobile network infrastructure. This would enable industry to submit applications to co-invest in a range of telecommunications resilience enhancements in both rural and non-rural areas. A similar approach was taken by Australia after the 2019–2020 bush fires through their Mobile Network Hardening Program.
13. Note that we would need engage with the Treasury on any necessary changes to the appropriation as resilience upgrades for non-rural areas would be outside of the scope of the Rural Connectivity appropriation. Our initial view is that the appropriation could be amended with only the Minister of Finance's approval, but we will confirm whether a Cabinet decision may also be needed with the Treasury.

**Risks**

9(2)(g)(i)

## Closing new applications for the Remote Users Scheme and the Marae Digital Connectivity Programme

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16. We previously sought your decision on closing new applications for the Remote Users Scheme and the Marae Digital Connectivity Programme [Briefing 2324-3378 refers]. No end date was set for applications to these programmes, as the intention was to end applications when funding was fully allocated.
17. There is now very limited uptake for new connections for these programmes. In the June 2024 quarter, CIP received only 20 eligible applications from individuals for funding through the Remote Users Scheme and connected one new marae through the Marae Digital Connectivity Programme. More than three-quarters of eligible marae are now connected under the marae programme and the remaining are unlikely to seek connection for a variety of reasons. Therefore, CIP and MBIE recommend closing them to new applications on 31 December 2024. This will provide sufficient time for CIP to communicate this publicly.

### Next steps

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#### *Resilience enhancements*

18. If you agree to progress further work on funding resilience upgrades to rural mobile infrastructure, we will develop a policy mandate for you to send to CIP, asking them to undertake this work.
19. Should you agree to development of a co-investment fund for rural and non-rural resilience enhancements to mobile infrastructure, we will engage with the Treasury on the processes required to amend the scope of the appropriation.

#### *Marae Connectivity*

20. If you agree to extend the Marae Digital Connectivity Programme, then we will seek updated quotes from Spark. We will provide you with a further update if these renewed quotes mean the funding is not sufficient to cover the proposed renewal timeframe.
21. If you decide not to progress further work to extend the Programme, then we will work with CIP and Te Puni Kōkiri to develop transition arrangements and communicate end dates to marae.

## **Annex One – Other investment options considered but not recommended**

### **Fibre expansion**

- We considered the establishment of a contestable fund to support some small-scale, targeted expansions of fibre backhaul to help address capacity restraints on fixed wireless networks. However, we do not recommend progressing this option given:
  - a. the significant costs involved in expanding fibre further mean that 9(2)(i) would only have a small impact 9(2)(f)(iv)
  - b. rural households and businesses on congested networks now have the option of high-speed internet through low earth orbit satellite, and
  - c. there are existing commercial incentives on the industry to expand fibre further.

### **Fibre resilience**

- We also considered utilising the underspend for fibre resilience upgrades, such as an additional fibre loop to an area prone to natural hazards (such as severe weather and slips). For example, CIP indicated that the underspend could help to fund a new fibre route in the Coromandel (on Tapu Coroglen Road), closing a ring in the area for resilience. This would also enable the provision of additional RCG mobile towers and connect additional end users in remote areas currently without terrestrial broadband or mobile coverage.
- 9(2)(f)(iv), 9(2)(i) While the investment could have a significant impact for a particular community, this may not deliver the greatest net benefit to New Zealanders. CIP has previously identified 18 different options across New Zealand for improving resilience by extending fibre and building fibre rings, at varying costs.

### **Extending terrestrial mobile coverage**

- CIP advised that it is continuing to receive some requests from communities for new RCG mobile sites in areas with poor terrestrial mobile coverage. Some of these sites are being assessed as part of the RCG towers funded through the allocation of 3.5GHz spectrum. However, there will still be some areas without terrestrial mobile coverage, particularly more remote parts of the country, where communities still consider there is a need for further government investment.
- We do not recommend further investment in extending terrestrial mobile coverage at this time. The number of households likely to be captured by further extensions of terrestrial mobile coverage beyond existing government-funded programmes would in the 10s, not 100s, and so the estimated 9(2)(i) cost per mobile tower is unlikely to justify the benefits. Mobile network operators also plan to introduce satellite to mobile services in the coming years, which shows promise in helping to address terrestrial mobile black spots from a public health and safety perspective.

**Annex Two – Overview of options to utilise the Remote Users Scheme underspend**

Option description	Summary of benefits	Expected costs	Next steps
<p><b>Option 1: Grant funding battery upgrades in rural areas (particularly RCG or rural hub sites)</b></p>	<p>Provide more time for people in rural areas to contact emergency services in the event of main power outage. Rural areas often experience longer power outages after a natural disaster, as the priority of lines companies is to restore power to urban or densely populated areas first.</p> <p>Support the emergency response after a natural disaster.</p> <p>Support mobile network operators to deploy generators or temporary infrastructure to manage the impact of prolonged power outages.</p>	<p>CIP has budgeted 9(2)(i) per battery upgrade. If they were to upgrade the batteries on the 58 vulnerable rural mobile towers they have identified that are not currently receiving upgrades, the estimated cost would be 9(2)(i)</p>	<p>We can provide you with an updated policy mandate to authorise utilise a portion of the Remote Users Scheme underspend to fund these upgrades, which would be rolled out over 24/25 financial year. This would not require changes to the scope of the existing appropriation.</p>
<p><b>Option 2: Contestable fund for a range of resilience upgrades for mobile infrastructure in rural and non-rural areas</b> (for example, battery upgrades, generators and temporary telecommunications facilities)</p>	<p>Health and safety benefits for Option 2 are similar to Option 1, dependent on the mix of investments and particular criteria developed for the contestable fund.</p> <p>A competitive tender approach would help to ensure we get the right mix of investment into resilience enhancements, allowing an assessment of the highest net benefit.</p> <p>A co-investment approach (ie on 1:1 basis) also helps to ensure value for money, resulting in more investment into resilience upgrades. It also helps to ensure industry has a voice in investment decisions, given network operators are best placed to help establish the right mix of investments.</p>	<p><b>Either the 9(2)(i) could be utilised or this option can be scaled to accompany Option 1.</b> We do not recommend scaling this option to accompany Option 3 as Crown Infrastructure Partners has advised that the administrative costs of a contestable fund would mean an amount below \$5 million would not be advisable.</p>	<p>We would engage with the Treasury on the processes required to amend the scope of the appropriation to establish this fund. Our initial view is that the appropriation could be amended with only the Minister of Finance’s approval, but we will confirm whether a Cabinet decision may also be needed with the Treasury.</p>
<p><b>Option 3: Marae Digital Connectivity Programme</b></p> <p>9(2)(i)</p>	<p>Provides digital inclusion and resilience benefits to communities, iwi and hapū across New Zealand. Many marae also act as hubs for rural and remote communities.</p> <p>Data provided by Spark shows the connections at marae are being well utilised.</p>	<p>9(2)(i) from the forecast Remote User Scheme underspend (subject to updated quotes) and 9(2)(i) of existing funding at a total estimated cost of 9(2)(i)</p>	<p>We will seek updated quotes from Spark. We will provide you with a further update if these renewed quotes mean the funding is not sufficient to cover the proposed renewal timeframe.</p> <p>CIP would communicate with marae connected under the Programme to inform them of your decision and action the extension of services.</p>