



COVERSHEET

Minister	Hon Paul Goldsmith	Portfolio	Media and Communications
Title of Cabinet paper	Improving Telecommunications Regulatory and Funding Frameworks	Date to be published	20 March 2025

List of documents that have been proactively released		
Date	Title	Author
December 2024	Improving Telecommunications Regulatory and Funding Frameworks	Office of the Minister for Media and Communications
2 December 2024	Improving Telecommunications Regulatory and Funding Frameworks CBC-24-MIN-0124 Minute	Cabinet Office
20 November 2024	Regulatory Impact Statement Improving Telecommunications Regulatory and Funding Frameworks	MBIE

Information redacted

YES /-NO (please select)

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.

Some information has been withheld for the reasons of Confidential information entrusted to the Government, Commercial information and Confidential advice to Government.



Cabinet Business Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Improving Telecommunications Regulatory and Funding Frameworks

Portfolio **Media and Communications**

On 2 December 2024, the Cabinet Business Committee:

Background

1 **noted** that:

- 1.1 in April 2024, the Cabinet Expenditure and Regulatory Review Committee approved the release of a discussion document on proposed changes to modernise and streamline the telecommunications regulatory and funding frameworks [EXP-24-MIN-0020];
- 1.2 feedback from consultation has informed the decisions outlined below;

Amendments to other local fibre company constitutions

2 **agreed** that the Minister of Finance, acting on behalf of the Crown, may give consent to amend the company constitutions of Enable Networks, Tuatahi First Fibre, and Northpower Fibre to expand their permitted activities, in line with the permitted activities for Chorus in the Telecommunications Act 2001 (the Telecommunications Act);

Proposed changes

- 3 **agreed** to amend the Telecommunications Act to permanently reinstate the rights that allow fibre providers to access shared property to install fibre in certain circumstances and maintain the protection mechanisms for affected persons;
- 4 **agreed** to the following two policy changes so that the rights to access shared property to install fibre can be invoked in a greater range of situations:
 - 4.1 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 8m and a maximum area of 5m²;
 - 4.2 amend the Telecommunications Act to allow for the rights to be invoked when a fibre installation order is placed directly with a fibre provider;
- 5 **agreed** to amend the Telecommunications Act to mandate membership in an industry dispute resolution scheme for retail telecommunications service providers with an annual telecommunications revenue over \$10 million;

- 6 **agreed** that enforcement options in section 156B of the Telecommunications Act apply where a telecommunications provider in scope of the requirement referred to in paragraph 5 above fails to join a scheme after six months of becoming liable to do so;
- 7 **agreed** to amend the Telecommunications Act to ensure industry dispute resolution schemes can emerge from outside the telecommunications industry, if they serve the telecommunications industry and have notified the Commerce Commission of their operation for the purposes of its review under the Telecommunications Act;
- 8 **agreed** that:
- 8.1 further industry consultation be undertaken to determine if there is a need to make amendments to ensure consistency between industry dispute resolution schemes (particularly in relation to industry codes) if more industry dispute resolution schemes emerge;
- 8.2 any changes in relation to paragraph 8.1 above will be reported to Cabinet when seeking approval to introduce the bill to give effect to the decisions under CBC-24-MIN-0124;
- 9 **agreed** to amend the Telecommunications Act to create a new regulation-making power that would enable the Telecommunications Development Levy amount to be set in regulations via an Order in Council, following the recommendation of the relevant Minister under the Telecommunications Act;
- 10 **noted** that the intention is to carry forward the current amount of the Telecommunications Development Levy into the first set of regulations, giving effect to the decision in paragraph 9 above;
- 11 **agreed** that the first set of regulations to give effect to the decision in paragraph 9 above will exclude a consultation requirement if the amount is set at the same level as in the Telecommunications Act, but that the making of any regulations to increase the levy amount will require consultation with levy payers;
- 12 **agreed** to amend the Telecommunications Act and Telecommunications (Interception Capability and Security) Act 2013 so that offshore telecommunications providers are explicitly subject to relevant parts of these Acts, including:
- 12.1 liability for the Telecommunications Development Levy and Telecommunications Regulatory Levy (where the provider meets the test in the Telecommunications Act);
- 12.2 Part 7 of the Telecommunications Act, relating to the provision of services by retail service providers to consumers (including proposed mandatory dispute resolution services);
- 12.3 regulations made under Part 5 of the Telecommunications Act;
- 12.4 Part 2 of the Telecommunications Act, relating to designated and specified services;
- 12.5 network operator obligations in the Telecommunications (Interception Capability and Security) Act;

- 13 **agreed** to create a new enforcement regime in legislation so that a party's ability to hold or use radio spectrum licences can be prohibited or restricted in the event that:
- 13.1 the party does not comply with relevant New Zealand telecommunications law; and
- 13.2 existing enforcement mechanisms are exhausted or not feasible (including through New Zealand courts);
- 14 **agreed** to make the minor amendments to legislation and regulations described in paragraphs 31 and 32 of the paper under CBC-24-SUB-0124, and to mitigate any unintended consequences;

Legislative implications

- 15 **noted** that the above decisions will be given effect through a Telecommunications Amendment Bill and a Telecommunications Omnibus Bill, permitted under Standing Order 267(1)(a);
- 16 Confidential advice to Government
- 17 **noted** that following the passage of the legislative amendments, the Minister for Media and Communications will seek to make regulations to give effect to the decisions in paragraphs 4.1, 9, and 10 above;
- 18 **invited** the Minister for Media and Communications to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs;
- 19 **authorised** the Minister for Media and Communications to approve the release of an exposure draft of the legislation, if the Minister considers it appropriate to do so;
- 20 **authorised** the Minister for Media and Communications to make further decisions on minor and technical matters that are in line with the Cabinet's decisions where necessary;

Broader telecommunications regulatory reform work programme

- 21 Confidential advice to Government

Jenny Vickers
Committee Secretary

Attendance: (see over)

Present:

Rt Hon Christopher Luxon (Chair)
Rt Hon Winston Peters
Hon David Seymour
Hon Nicola Willis
Hon Chris Bishop
Hon Brooke van Velden
Hon Shane Jones
Hon Dr Shane Reti
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Judith Collins KC
Hon Todd McClay
Hon Matt Doocey
Hon Simon Watts

Officials present from:

Department of the Prime Minister and Cabinet