Title: **Testing our thinking - Developing an enduring National Infrastructure Plan**

Organisation: **New Zealand Telecommunications Forum**

Reference: **NIPC24-0003093** | Submitted: **10/12/2024 04:55 pm** | Submitted by:

Summary of information submitted

Page 1 - Introduction

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We're seeking feedback

Our Discussion Document, Testing our thinking: Developing an enduring National Infrastructure Plan, sets out our thinking as we begin work to develop a National Infrastructure Plan. The Discussion Document sets out what we expect the Plan will cover and the problem it's trying to solve, as well as the approach we're proposing to take to develop it.

We're sharing this now to test our thinking and give you the chance to share your thoughts. Let us know if we've got it right or if there are issues you think we've missed.

We'll use your feedback as we develop the Plan. We'll be sharing our thinking by presenting at events around the country, hosting workshops and webinars, and sharing updates through our website, newsletter, and social media. We'll also seek feedback on a draft Plan before publishing the final Plan in December 2025.

Submission overview

You'll find 17 main questions that cover the topics found in the Discussion Document. You can answer as many questions as you like and can provide links to material within your responses. On the final page (6. Next steps) you can provide any other comments or suggestions that you would like us to consider as we develop the National Infrastructure Plan. Submissions are welcomed from both individuals and organisations.

A few things to note:

- You can save progress using the button at the top right of this form.
- A red asterisk (*) denotes a mandatory field that must be completed before the form can be submitted.
- We expect organisations to provide a single submission reflecting the views of their organisation. Collaboration within your organisation and internal review of your submission (before final submission), is supported through our Information Supply Platform. You'll need to be registered with an Infrastructure Hub account, and be affiliated with your organisation to utilise these advanced features. Many organisations will already have a '*Principal respondent*' who can manage submissions and assign users at your organisation with access to the draft responses.
- Submissions will be published on our website after the closing date. The names and details of organisations that submit will be published, but all personal and any commercial sensitive information will be removed.

Further assistance

Each submission that is started is provided a unique reference identifier. These identifiers are shown in the top right of each application page. Use this identifier when seeking further assistance or communicating with us about this submission by using one of the following methods.

- Use info@tewaihanga.govt.nz to contact us with any questions relating to our Discussion Document and consultation.
- Use inform@tewaihanga.govt.nz for help managing roles and permissions of user accounts affiliated with your organisation in the Information Supply Platform (ISP).

Submission method

Our preferred method is to receive responses through this form. However, we anticipate some submitters will wish to upload a pdf document, especially where their submission is complex or long. If this submission method is necessary, please use this word template and save as a pdf. We ask that you retain the structure and headings provided in the template as this will support our processing of responses.

Select a submission method

To continue, select the method you will be using.

Online form

Page 2 - Context for the Plan

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Testing our thinking

The Discussion Document includes five sections. Below we're seeking feedback on why we need a National Infrastructure Plan. We also want to test our thinking on our long-term needs and make sure we have a clear view of what investment is already planned.

Section one: Why we need a National Infrastructure Plan

A National Infrastructure Plan can provide information that can help improve certainty, while retaining enough flexibility to cancel or amend projects as circumstances or priorities change.

1. What are the most critical infrastructure challenges that the National Infrastructure Plan needs to address over the next 30 years?

1. *We recommend Te Waihanga consider the following challenges (and opportunities) in the development of the National Infrastructure Plan and its advice to the Government:*

- *The need for clarity on government expectations for infrastructure resiliency and other requirements*
- *Interdependencies between critical infrastructure sectors*
- *Including infrastructure operators early in policy and planning processes*
- *The lack of nationally consistent and publicly accessible data sets and modelling about hazards*
- *Constraints in the resource management system*
- *The role of the private sector as providers and operators of infrastructure.*

The need for clarity on government expectations for infrastructure resiliency and other requirements

2. *Uncertainty delays investment and reduces the quality of the investment. For example, there has been a lot of talk about resilience across government, with various work streams underway, opaque proposals and changing requirements. But it's still not clear what the strategy is and what the whole-of-government expectations are. In the telecommunications sector we are facing calls for more resilience, but with no real clarity on what the Government means.*

3. *Climate adaptation policy is another example. Infrastructure owners and councils need certainty on how issues such as managed or voluntary retreat will be handled. This lack of certainty will hamper investment in network expansion and upgrades, because there are risks that infrastructure will not be protected or will need to be moved, at significant cost.*

4. *Te Waihanga can play a critical role in facilitating a whole-of-government view on requirements, which will help enable the conversations about projects and funding to take place.*

Critical infrastructure interdependencies

5. *The discussion document rightly highlights (on page 19) that the complexity of the infrastructure system makes it hard for infrastructure organisations to coordinate*

and work together. A key issue we have identified is how to work across critical infrastructure sectors. At present there is no central government process to bring critical infrastructure sectors together to discuss their interdependencies and how to address them. This is not just important for emergency management, but to inform future investments in network build, for resilience and to prepare for climate adaptation. To provide a recent example, having prepared our sector level climate change scenarios (which raise interdependencies) we are struggling to find a forum to discuss these with other sectors.

6. *The OECD talks about the importance of multi-sectoral coordination in its policy toolkit on critical infrastructure resilience. It identifies understanding complex interdependencies and vulnerabilities across infrastructure systems as a key challenge. The toolkit also recommends establishing information-sharing platforms with operators of critical infrastructure (we pick up on this issue further below), and the government partnering with critical infrastructure operators from the public and private sectors to agree on a common resilience vision. It recommends establishing partnerships between governments and operators (public and private) to encourage dialogue.*

7. *We think multi-sector dialogue needs to be part of the process for developing and executing the plan. Te Waihanga could play a role in filling the current gap on such dialogue.*

Including infrastructure early in policy and planning processes

8. *Infrastructure needs to be engaged early and fully in policy and planning processes at central and local government levels. Privately owned infrastructure such as telecommunications is often an afterthought and this drives poor planning and increased costs.*

9. *Much of the conversation (including in this discussion document) is about publicly owned infrastructure, with little consideration of issues and requirements for privately owned and operated infrastructure. We appreciate the opportunity to be able to raise this at the "testing our thinking" phase.*

10. *This issue also plays out at the local government level where telecommunications is often not considered in district or regional plans and council decisions about developments and major projects. This leads to significantly higher costs to install infrastructure after the fact, and to reduced service or choice for consumers. This issue can in part be addressed through the resource management reforms with the introduction of requirements for spatial planning that include engagement with critical infrastructure.*

Nationally consistent and publicly available data

11. *Critical infrastructure owners, councils and central government need access to data and modelling about natural hazards. This information is needed by infrastructure owners to make decisions about the placement of infrastructure. Councils need it for zoning and hazard plans.*

12. *At the moment New Zealand does not have nationally consistent and publicly accessible data or modeling about natural hazards. Councils and others are commissioning or using data in different formats, and some are doing without data*

and research because they can't afford to pay for it. NIWA is leading by example with its recent decision to make its climate data freely available.

13. *National databases with hazard information would enable long term collaborative planning about hazards and the placement of infrastructure. Without nationally consistent data and modelling (available in a format that can be used by councils and infrastructure operators) we will continue to have inefficient regional inconsistency. National consistency is essential for maintaining and expanding national networks. We expand on this point in the following section on resource management issues.*

Resource management - regulatory constraints

14. *The resource management system contains regulatory barriers that make it difficult to build and maintain critical infrastructure. A key issue for telecommunications is the lack of up to date national standards for routine installation and upgrade work that takes place across the country. Without national standards more resource consents are needed and it takes longer and is more expensive to build and upgrade infrastructure. It can also mean that vital network improvements are not made.*

15. *The telecommunications sector is working with MBIE at the moment on proposals to update the National Environmental Standards for Telecommunications Facilities (NESTF). We also support Te Waihanga's work on a national policy statement for infrastructure and national standards for network utilities. However, it will be essential to work through potential conflicts between national standards to get the intended benefits.*

16. *Not treating roads as shared infrastructure corridors is another resource management barrier to infrastructure build. Current RMA rules on designations are being used as a tool to exclude other infrastructure from designated corridors. An example of this is where councils designate all roads, as has been done in Auckland by Auckland Transport. This adds more regulatory control and excludes other infrastructure providers. The preferred approach is to go back to basics and change the mindset with designations. The concept should be one of infrastructure corridors that provide for all sectors that need to put infrastructure in or on the road. This will enable more infrastructure to be deployed more quickly and with less cost.*

17. *The failure to engage critical infrastructure early in council planning and decisions about developments is another resource management constraint on infrastructure build and investment (discussed earlier in this submission).*

18. *We see these resource management reforms as critical to meeting New Zealand's infrastructure needs.*

Industry economics and privately owned critical infrastructure

19. *Much of the discussion document considers the challenges with government owned infrastructure where there has been years of underinvestment. For privately owned infrastructure the challenges are different and complex industry economics are at play.*

20. *The telecommunications sector invests around $1.62 billion per year in fibre access, mobile, core and backhaul networks, and the IT systems needed to make all this*

work. As Te Waihanga notes in its State of Play report, the telecommunications sector is well placed in terms of the services that New Zealanders can access, compares favourably with other countries in the OECD, and performs strongly relative to other infrastructure sectors. The "testing our thinking" consultation document cites the sector as a good example of a sector that has changed, leading to improvements in the quality, choice and affordability of services.

21. *While the sector continues to invest to improve service performance and resiliency, it is often not commercially viable for telecommunications companies to extend connectivity into remote regions with complex geography and low end user numbers. Consumers are generally not prepared to pay for this but do generally expect continuous and high quality connectivity no matter where they are. Digital equity issues arise for New Zealanders in some rural areas who do not have the same access to connectivity as people in cities.*

22. *Industry economics influence the investments the sector can make and the services it offers. If the Government wants the sector to make uneconomic investments (for rural connectivity, gold plated resilience or to provide internet access to New Zealanders experiencing income poverty) then the infrastructure plan will need to factor in government co-investment.*

23. *With privately owned and operated infrastructure sectors getting some better infrastructure outcomes, we suggest that Te Waihanga give further thought to how private sector providers and owners of infrastructure might play more of a role in addressing New Zealand's infrastructure challenges.*

2. How can te ao Māori perspectives and principles be used to strengthen the National Infrastructure Plan's approach to long-term infrastructure planning?

No response provided

Section two: Our long-term needs

The National Infrastructure Plan will reflect on what New Zealanders value and expect from infrastructure. To do this, the Plan needs to consider New Zealanders' long-term aspirations and how these could be impacted over the next 30 years.

3. What are the main sources of uncertainty in infrastructure planning, and how could they be addressed when considering new capital investments?

No response provided

Section three: What investment is already planned

We already gather and share data on current or planned infrastructure projects through the National Infrastructure Pipeline. This data, alongside other information gathered by the Treasury or published by infrastructure providers, helps to paint a picture of investment intentions.

4. How can the National Infrastructure Pipeline be used to better support infrastructure planning and delivery across New Zealand?

No response provided

Section four: Changing the approach

We have used our research and publicly available information on infrastructure investment challenges to identify key areas for change. The next question and the following three pages seek further detail on the three themes in section four of our paper. Within each of the three themes, we explore some topics in more detail, outlining the evidence, discussing the current 'state of play', and asking questions about where more work is needed.

5. Are we focusing on the right problems, and are there others we should consider?

No response provided

Page 3 - Capability to plan and build

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Changing the approach — Capability to plan and build

Section four looks at changes that we can make to our infrastructure system to get us better results. We've broken these changes down into three themes: capability to plan and build, taking care of what we have, and getting the settings right.

For the first theme, we look at three key areas:

- Investment management: Stability, consistency, and future focus
- Workforce and project leadership: Building capability is essential
- Project costs: Escalation means less infrastructure services.

Investment management: Stability, consistency, and future focus

We're interested in your views on how we can address the challenges with government infrastructure planning and decision-making.

6. What changes would enable better infrastructure investment decisions by central and local government?

No response provided

7. How should we think about balancing competing investment needs when there is not enough money to build everything?

No response provided

Workforce and project leadership: Building capability is essential

We're interested in your views on how we can build capability in the infrastructure workforce.

8. How can we improve leadership in public infrastructure projects to make sure they're well planned and delivered? What's stopping us from doing this?

No response provided

9. How can we build a more capable and diverse infrastructure workforce that draws on all of New Zealand's talent?

No response provided

Project costs: Escalation means less infrastructure services

We're interested in your views on further opportunities to improve our ability to deliver good infrastructure at an affordable cost.

10. What approaches could be used to get better value from our infrastructure dollar? What's stopping us from doing this?

No response provided

Changing the approach — Taking care of what we've got

The second theme in section four looks at how we can get better at taking care of what we have. It looks at three areas:

- Asset management: Managing what we already have is the biggest task
- Resilience: Preparing for greater disruption
- Decarbonisation: A different kind of challenge.

Asset management: Managing what we already have is the biggest task

Asset management means looking after our infrastructure. We are interested in your views on how we can improve planning for this.

11. What strategies would encourage a better long-term view of asset management and how could asset management planning be improved? What's stopping us from doing this?

No response provided

Resilience: Preparing for greater disruption

We are interested in your views on how we can better understand the risks that natural hazards pose for our infrastructure.

12. How can we improve the way we understand and manage risks to infrastructure? What's stopping us from doing this?

No response provided

Decarbonisation: A different kind of challenge

We're interested in your views on how we can improve understanding of the decarbonisation challenge facing infrastructure.

13. How can we lower carbon emissions from providing and using infrastructure? What's stopping us from doing this?

1. *Sector collaboration will be needed to meet the challenge of getting to net zero. However, the regulatory environment arguably limits what is possible in terms of collaboration. The Commerce Commission has published* Collaboration and Sustainability Guidelines *for assessing collaboration between competing businesses for sustainability objectives. The guidelines suggest that industry commitments to sustainability-related standards could be at risk of breaching the Commerce Act.*

2. *We suggest the question of sector collaboration be considered as part of the work on the infrastructure plan.*

Page 5 - Getting the settings right

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Changing the approach — Getting the settings right

The third theme in section four looks at how we can get our settings right to get better results from our infrastructure system. It looks at three areas:

- Institutions: Setting the rules of the game
- Network pricing: How we price infrastructure services impacts what we think we need
- Regulation: Charting a more enabling path.

Institutions: Setting the rules of the game

We're interested in your views on what changes to our infrastructure institutions would make the biggest difference in giving us the infrastructure we need at an affordable cost.

14. Are any changes needed to our infrastructure institutions and systems and if so, what would make the biggest difference?

No response provided

Network pricing: How we price infrastructure services impacts what we think we need

We're interested in your views on further opportunities to improve network infrastructure pricing.

15. How can best practice network pricing be used to provide better infrastructure outcomes?

No response provided

Regulation: Charting a more enabling path

We're interested in your views on further opportunities to improve regulation affecting infrastructure delivery.

16. What regulatory settings need to change to enable better infrastructure outcomes?

1. *We have three comments to make on the regulation section. These concern:*
    - *Challenging the assumption that more regulation is inevitable*
    - *The need to keep industry specific regulation up to date*
    - *Regulatory barriers and emissions reduction.*
2. *The points we made earlier about the challenges with the resource management regulatory system (re question 1) are also relevant to question 16. Please consider those points here.*

Challenging the assumption that the amount of regulation should grow

3. *We think Te Waihanga should challenge the assumption (on page 74) that we should expect the amount of regulation affecting infrastructure to grow. As noted (on page 73) New Zealand used to perform strongly in OECD rankings of how much burden our regulations create, but now has a higher-than-average regulatory burden for market entry and competition.*

4. *Reaching for a regulatory lever to solve infrastructure problems is rarely the best way to bring about change. In areas such as resilience (discussed earlier in this submission) regulation is more likely to undermine the collaboration and certainty that is needed. Instead start with clear strategy and expectations about requirements.*

Industry regulation

5. *Industry specific regulations need to be reviewed regularly. The telecommunications industry and associated markets change quickly. New technology, or expansion of existing technology, can change market dynamics and impact competition. New technology can also bring benefits to consumers in terms of coverage, resilience and choice.*

6. *It is critical that telecommunications regulation keeps up with market and technology changes. Existing regulation needs to be dynamically reviewed and,*

where no-longer fit for purpose, amended or removed. Keeping regulation in place longer than necessary will inhibit innovation, constrain investment and distort the market, bringing negative impacts for consumers.

7. *Ensuring there is regular review of outdated industry regulation needs to be part of the infrastructure plan.*

Regulatory barriers to emissions reduction

8. *Question 13 asks how we can lower carbon emissions from providing and using infrastructure? And what's stopping us from doing this?*

9. *Sector collaboration will be needed to meet the challenge of getting to net zero. However, the regulatory environment arguably limits what is possible in terms of collaboration. The Commerce Commission has published* Collaboration and Sustainability Guidelines *for assessing collaboration between competing businesses for sustainability objectives. The guidelines suggest that industry commitments to sustainability-related standards could be at risk of breaching the Commerce Act.*

10. *We suggest the question of sector collaboration be considered as part of the work on the infrastructure plan.*

Page 6 - What happens next?

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Additional information to support our development of the Plan

Section five in the Discussion Document is on the next steps. In this section, we're asking you for any additional comments, suggestions, or supporting documentation that we should consider in our development of the National Infrastructure Plan.

17. Do you have any additional comments or suggestions that you would like us to consider as we develop the National Infrastructure Plan?

Click 'Add another' to add multiple suggestions or comments.

Item 1

No response provided

18. Attach any documents that support your submission

Click 'Add another' to add multiple attachments in PDF format.

Document 1

No attachment

Thank you for your response

Thank you for providing feedback on our Discussion Document. We'll use your comments as we continue to develop the Plan. This will not be the only opportunity for you to provide feedback, but it is an important way to test our emerging thinking on the development of an enduring National Infrastructure Plan.

If you have prepared a submission on behalf of an organisation, you'll need to be an authorised *respondent* to make the final submission. If you entered a new organisation during sign-up, or your organisation does not already have a *Principal respondent* assigned, you will have been asked to nominate yourself or someone else for this role as you started this submission. Our team will have worked to verify these accounts allowing *Principal respondents* to manage access and assignment of requests for information to people within your organisation.

If you require any assistance please reach out to our team at inform@tewaihanga.govt.nz.