PUBLIC

Submission on the Draft National Infrastructure Plan

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CHORUS

Introduction

1. Chorus welcomes the opportunity to comment on the New Zealand Infrastructure Commission's (**Commission**) Draft National Infrastructure Plan (**Draft Plan**), published on 25 June 2025.

2. New Zealand's fibre rollout has been a globally recognised infrastructure success. Since 2011, the Ultrafast Broadband (**UFB**) programme, a public-private partnership between the Crown and four local fibre companies, has delivered fibre access to 87% of the population. This investment has laid the foundation for a digitally enabled economy, ensuring that urban centres and communities are equipped to thrive in a future where high-capacity, high-performance connectivity is increasingly essential for full participation in work, education, healthcare, and commerce.

3. Despite this progress, a significant proportion of New Zealanders in rural and remote communities remain excluded from these opportunities. Many continue to rely on technologies that are slower, less resilient, and more expensive than those in urban areas. As digital connectivity becomes increasingly central to economic and social inclusion, regional development, and climate adaption, the risk of a deepening digital divide grows.

4. Chorus welcomes the Commission's endorsement of our proposal to extend fibre coverage to 95% of the population through the Infrastructure Priorities Programme (**IPP**). We remain committed to working with decision makers to progress this initiative. However, we are concerned by the absence of a coordinated government strategy to address rural connectivity; a gap the Commission itself has identified.[1]

5. To ensure the final National Infrastructure Plan (**Final Plan**) provides meaningful guidance on addressing digital infrastructure challenges, Chorus **recommends** that the Final Plan:

   5.1. Explicitly recognises the strategic importance of telecommunications infrastructure to New Zealand's long-term prosperity

   5.2. Clearly identifies the rural connectivity challenge as a national infrastructure priority, and

   5.3. Signals to government the need to assign priority and resource to develop a strategic response.

6. While not a complete solution, Chorus' proposal to extend fibre coverage to 95% of the population should be acknowledged as a cornerstone of that strategic response. Fibre's scalability, resilience, and future-proofed capability make it uniquely suited to meeting growing connectivity demands. A pathway to bring this connectivity to more New Zealanders should proceed without delay. At the same time, a broader strategy is needed to guide investment in complementary technologies, ensuring all remaining New Zealanders outside the fibre footprint can fully participate in the digital economy and society.

7. New Zealand has the opportunity to lead in digital infrastructure. A strategic, coordinated approach to rural connectivity, underpinned by fibre, will ensure the benefits from that leadership extend to all New Zealanders.

8. We expand on these points below and provide specific feedback on the telecommunications section of the Draft Plan. The **Appendix** includes feedback on the Draft Plan's recommendations. This submission does not contain any commercially sensitive information.

[1] New Zealand Infrastructure Commission "*Assessment – Expanding Fibre Broadband Coverage*" (June 2025) available at https://tewaihanga.govt.nz/our-work/infrastructure-priorities-programme/see-projects-in-the-ipp.

The rural connectivity challenge

9. The growing digital divide is a pressing policy concern across many developed nations.[2] While urban New Zealand is well-positioned for the digital future, rural communities are at risk of being left behind.

10. The Draft Plan notes that "*[m]ost New Zealanders rate the quality of services as good, and few see telecommunications infrastructure as an investment priority*".[3] While this may reflect the experiences of urban populations with fibre access, such generalised statements risk obscuring the realities faced by rural communities and perpetuating policy neglect for the 13% of New Zealanders who live outside the fibre footprint.

11. These New Zealanders face broadband options with lower performance, higher costs, and limited reliability compared to urban areas.[4] This disadvantage will deepen as the next wave of digital transformation driven by technologies such as artificial intelligence, cloud-based collaboration, and the Internet of Things, demands higher-capacity, low-latency connectivity.[5]

12. Staying ahead of growing connectivity demands is critical to ensuring take up of new technologies essential for maintaining our competitiveness as a country, attracting global talent, and delivering the productivity gains our economy needs to thrive.[6] As real-time applications in health, education, and business become increasingly central to daily life, the underlying infrastructure must be capable of delivering them reliably and equitably.

13. This is not just about connectivity; it is about ensuring that rural New Zealand has access to the same foundational infrastructure that underpins economic growth and social wellbeing in urban areas.

A strategic response is needed

14. The Commission acknowledges the rural connectivity challenge through its endorsement of Chorus' proposal to extend fibre to 95% of the population. Reaching an additional 160,000 premises across more than 1,000 communities, the proposal is estimated to cost between $2.5 and $3b and deliver approximately $17b in economic benefit over the next decade.[7] The return on investment is compelling at around six times the initial cost, with broader societal benefits, including improved access to education, healthcare, and employment, equally significant.

15. The commercial case for rural fibre expansion is constrained by lower population density and high deployment costs. Private capital alone cannot deliver this build. Government investment is essential to unlock the social and economic potential of rural communities and to future-proof New Zealand's digital infrastructure.

[2] OECD "Closing Broadband Connectivity Divides for All – From Evidence to Practice" (July 2025) https://www.oecd.org/en/publications/closing-broadband-connectivity-divides-for-all_d5ea99b2-en.html.
[3] New Zealand Infrastructure Commission "*Draft National Infrastructure Plan*" (June 2025) https://tewaihanga.govt.nz/draft-national-infrastructure-plan at 7.5.4.
[4] See for example Commerce Commission "2024 Telecommunications Monitoring Report" (June 2025) https://comcom.govt.nz/__data/assets/pdf_file/0025/367054/Telecommunications-Monitoring-Report-30-June-2025.pdf at page 170.
[5] See European Commission "Europe's Digital Decade: digital targets for 2030" (2024) https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/europes-digital-decade-digital-targets-2030_en and Deloitte Access Economics "*Unleashing fibre – The future of digital infrastructure in New Zealand*" (October 2024) https://www.deloitte.com/content/dam/assets-zone1/nz/en/docs/services/financial-advisory/2024/deloitte-unleashing-fibre-future-of-digital-fibre-infrastructure.pdf at page 34.
[6] See Ministry of Business, Innovation and Employment "*New Zealand's Strategy for Artificial Intelligence: Investing with Confidence*" (July 2025) https://www.mbie.govt.nz/assets/new-zealands-strategy-for-artificial-intelligence.pdf at page 2.
[7] Deloitte Access Economics "*Unleashing fibre – The future of digital infrastructure in New Zealand*" at page 6.

16. While the Commission's endorsement is encouraging, the proposal has not progressed through remaining IPP stages, citing a lack of evidence that a wide range of options (including low-cost and non-built alternatives) had been fully considered.[8] In other words, why fibre versus existing or alternative options?

17. Chorus believes the case for extending fibre to rural communities is compelling, and the Draft Plan's strategic direction strongly supports it. In particular, the Draft Plan:

    17.1. calls for better long-term planning and prioritisation of infrastructure that delivers enduring value. Fibre is a long-lived, low-maintenance asset that supports a wide range of public outcomes and is designed to scale with future demand. Fibre connectivity is not only fast and reliable[9] – it is inherently scalable, resilient, and environmentally sustainable. It supports symmetrical upload and download speeds, low latency, and virtually unlimited capacity upgrades through endpoint equipment changes

    17.2. highlights the need to improve infrastructure resilience. Fibre is highly reliable, with fault rates significantly lower than (for example) legacy copper networks. It also enables real-time data infrastructure that supports emergency response, climate adaptation, and service continuity

    17.3. emphasises the importance of regional infrastructure investment to unlock economic potential. Fibre enables remote work, smart farming, digital exports, and access to global markets – particularly for rural businesses, and

    17.4. calls for infrastructure that supports inclusion and wellbeing. Fibre provides open access to over 100 retail service providers, ensuring competition, affordability, and choice for consumers. It is the only technology capable of delivering urban-level connectivity to rural communities at scale.

18. Chorus acknowledges that, as a provider of wholesale fibre services, any assessment or proposal originating from us may not be perceived as independent. While we believe we have a scalable and future-proofed solution to a large part of the rural connectivity challenge, we recognise that validating it against other options requires an impartial process. A government-led strategy is needed that evaluates fibre and other technologies against key criteria, including total cost of ownership, scalability, performance, and ability to meet uncertain but inevitable future connectivity demands.

19. Chorus believes that any well-considered strategy would recognise fibre as a central component of the solution. Fibre offers unmatched scalability, reliability, and long-term value, making it uniquely positioned to meet growing connectivity demands of rural communities and deliver substantial economic and social returns. Accelerating its deployment to more New Zealanders should be a priority. This initiative represents a high-impact investment that delivers enduring benefits and should not be overlooked in favour of more visible but less transformative alternatives.

20. At the same time, we acknowledge that fibre alone is unlikely to fully address the rural connectivity challenge. A comprehensive strategy must also assess the role of alternative technologies in areas where fibre deployment is unlikely to be feasible. Evaluating these options through a technology-neutral, outcome-focused lens presents a significant opportunity for New Zealand to close the digital divide and ensure equitable access to digital infrastructure for all communities.

21. The Final Plan has an important role in clearly articulating this infrastructure challenge and signalling it as a priority for government. In particular, the Final Plan should:

[8] New Zealand Infrastructure Commission "*Assessment – Expanding Fibre Broadband Coverage*".
[9] Refer, for example, to Commerce Commission "*Measuring Broadband New Zealand – Report 24*" (June 2025) https://comcom.govt.nz/__data/assets/pdf_file/0037/366886/Measuring-Broadband-New-Zealand-Report-24-June-2025.pdf.

21.1. explicitly recognise the strategic importance of telecommunications infrastructure to New Zealand's long-term prosperity

21.2. clearly identify the rural connectivity challenge as a national infrastructure priority, and

21.3. signal to government the need to assign priority and resource to develop a strategic response.

22. This could be achieved by amending the telecommunications section of the Draft Plan. We propose specific amendments below.

Draft Plan	Chorus feedback
7.5.4 Community perceptions and expectations • *Most New Zealanders rate the quality of services as good, and few see telecommunications infrastructure as an investment priority*	Amend to reflect the differing experiences and expectations of rural communities. Current framing risks masking disparities and undermines the Commission's own finding that there is a problem to be addressed for the 13% of the population outside the fibre footprint. While the statement may reflect the experience of urban populations with fibre access, generalised statements of this nature obscure the realities faced by rural communities and risk perpetuating policy neglect.
7.5.5 Current state of network • *Over the past 10 years, New Zealand has spent a larger share of GDP on telecommunications infrastructure than most comparator countries* • *New Zealand's fixed broadband network is comparable to our comparator countries in terms of network coverage, subscriptions, and quality (connection speeds).*	Amend to emphasise the benefits of this investment in digital infrastructure over the past 10 years, highlighting: • Modern reliance on telecommunications infrastructure to fully participate in the economy and society • The success of the UFB programme in delivering access to fibre connectivity to 87% of the population on time and under budget, with the network having contributed over $31b in economic value to New Zealand between 2012 and 2023[10] • Fibre consumers are using over 15x more data today than a decade ago (44GB in 2014 to 670GB today) proving the scalability and performance attributes of fibre infrastructure to handle demand increases[11] • New Zealand currently ranks 10th in the OECD for fibre uptake.[12] However, our global position has declined since the completion of the UFB programme, as other OECD countries continue to invest in expanding their fibre networks, and • Comparator countries and countries with similar ambitions for digital equity and economic transformation continue to invest heavily in digital infrastructure - some having already overtaken New Zealand in fibre coverage. Notably, Iceland's fibre network reaches 91% of households, and Spain's covers 92% as at 2023.[13] Japan's fibre network now reaches

[10] Deloitte Access Economics "*Unleashing fibre – The future of digital infrastructure in New Zealand*" at page 3.
[11] See Chorus "Investor Day 2024" (December 2024) https://assets.ctfassets.net/7urik9yedtqc/7CX3EHrHpsiftuUux1dkok/19a917f066ee91faf05b0430e7f4c2f1/chorus-investor-day-2024-presentation.pdf and Chorus "*Q4 FY25 Connections Update*" (July 2025) https://www.nzx.com/announcements/454893.
[12] Making up ~70% of all broadband connections. OECD "Broadband statistics" (June 2024) https://www.oecd.org/en/topics/sub-issues/broadband-statistics.html.
[13] FTTH Council Europe "*2024 FTTH Market Panorama – Report by Country*" (June 2024) available at https://www.ftthcouncil.eu/committees/market-intelligence/2154/2024-ftth-market-panorama-report-by-country.

	over 99% of the population, and South Korea has near-universal coverage.[14]

7.5.6 Forward guidance for capital investment demand
• *The telecommunications sector is characterised by technological innovations leading to rapid deployments of new networks and retirement of existing technologies. This rapid technological progress makes forecasting investment demand challenging.*
• *Innovations in artificial intelligence and mobile phone technologies suggest that technology will continue to drive elevated investment in the sector*
	Provide additional detail on future demand drivers of digital infrastructure and its strategic importance to New Zealand's long-term prosperity. While forecasting is challenging, key indicators should be incorporated to help guide future capital investment, including:
	• forecast trends and strategies likely to drive future infrastructure demand. For example:
	  ○ Adoption of digital tools and digital transformation, including AI[15]
	  ○ Forecast data usage and network requirements (14% annual growth over the next decade, ~1TB monthly usage by 2029)[16]
	• the strategic importance of those technological drivers across agriculture, health, education, and business,[17] and the growing risk of digital exclusion from those drivers
	• the ability of existing infrastructure to cope or scale with those technological drivers, and
	• the expected economic and social benefits of additional infrastructure investment, with reference to current or identifiable investment opportunities – including Chorus' IPP proposal.

7.5.8 Key issues and opportunities • ***Rural telecommunications access:*** *13% of homes are not connected to fibre broadband. With the eventual withdrawal of Chorus' rural copper network, a mix of fibre, wireless, and satellite technologies will be needed to provide modern telecommunications services to customers not currently served by the fibre network*	Clearly articulate the rural connectivity challenge as a national infrastructure priority, and signal to government the need to assign priority and resource to develop a strategic response to address it. In particular, this section should: • Describe the rural connectivity challenge in more detail (reflecting paragraphs 9 to 13) • Call for a prioritised strategic response to addressing the challenge (reflecting paragraphs 14 to 21), and • Note growing consensus in the need to address the challenge and improve digital equity being echoed across the sector: by those within the industry;[18] regulators;[19]

[14] Fiber Network Council *"History of the Deployment Policy of Fiber Optics in Japan and Future Plan"* (December 2023) https://fibernetworkap.org/history-of-the-deployment-policy-of-fiber-optics-in-japan-and-future-plan-by-mic/.
[15] Deloitte Access Economics *"Unleashing fibre – The future of digital infrastructure in New Zealand"* and Ministry of Business, Innovation and Employment *"New Zealand's Strategy for Artificial Intelligence: Investing with Confidence"* (July 2025).
[16] Chorus "Investor Day 2024" (December 2024).
[17] Ministry of Business, Innovation and Employment *"New Zealand's Strategy for Artificial Intelligence: Investing with Confidence"* (July 2025).
[18] New Zealand Telecommunications Forum *"TCF submission to Te Waihanga on the draft National Infrastructure Plan"* (August 2025 https://www.tcf.org.nz/news/category/submissions.
[19] Commerce Commission "2024 Telecommunications Monitoring Report" (June 2025) at page 263.

	technology leaders;[20] rural consumer groups;[21] and economic and industry commentators.[22] We also recommend removing or reframing the reference to the withdrawal of the copper network. As currently framed, it may incorrectly suggest that the withdrawal process will contribute to the rural connectivity challenge. In reality, superior alternatives to copper are already widely available in rural areas.[23] The core issue is that those alternatives lack the high-capacity, high-performance connectivity that urban New Zealanders enjoy and that is essential to full participation in the country's digital future. Finally, we recommend this section includes digital equity as an additional challenge to be met with a strategic response. Access to connectivity is not only about making digital infrastructure available; it is also about ensuring New Zealanders can effectively use the services the infrastructure supports. ~9.9% of New Zealand homes do not have a fixed broadband connection for reasons including affordability.[24] Noting the increasing importance of digital connectivity, this is an additional challenge in need of response.

[20] See for example TUANZ "*Connecting Aotearoa 2025 Report: Pushing for 100% Digital Connectivity*" (July 2025) https://tuanz.org.nz/wp-content/uploads/2025/07/TUANZ-Connecting-Aotearoa-Summit-2025-Report-v3-final-website.pdf and DECA "*Barriers to Digital Equity*" https://www.digitalequity.nz/.

[21] See for example Dairy News "*Fibre broadband expansion to 95% of NZ gets green light – a win for rural connectivity*" (2025) https://www.ruralnewsgroup.co.nz/dairy-news/dairy-general-news/chorus-fibre-expansion-infrastructure-commission-2025.

[22] For example, NZIER "*Rural connectivity: Economic benefits of closing the rural digital divide"* (November 2022) https://www.nzier.org.nz/hubfs/Public%20Publications/Client%20reports/Rural%20connectivity%20FINAL.pdf and *Deloitte* Access Economics "*Unleashing fibre – The future of digital infrastructure in New Zealand*".

[23] 97% of premises in rural copper areas are in coverage of three alternative (to copper) broadband technologies. ~100% have access to two. See Commerce Commission "*Copper Services Investigation under section 69AH of the Telecommunications Act – Draft Report*" https://comcom.govt.nz/__data/assets/pdf_file/0036/364788/Copper-Services-Investigation-Draft-recommendation-report-12-March-2025.pdf at Table 3.2.

[24] Commerce Commission "2024 Telecommunications Monitoring Report" (June 2025) at page 263.

Appendix: Feedback on the Infrastructure Commission's recommendations

Feedback on specific recommendations applicable to Chorus, and which are not otherwise provided in the body of this submission, are set out in the table below.

	Infrastructure Commission recommendation	Chorus feedback
Establish affordable and sustainable funding	**Keep useful information up to date** Regularly update 'forward guidance' - long-term information about what New Zealanders need and where, which projects can best meet those needs in the most affordable way, and what infrastructure is in progress in the national 'pipeline' - so that decision makers have what they need to make well informed decisions	Agree. Provision of forward-looking advice identifying current and upcoming infrastructure challenges, and the best way(s) to solve them, is critical to making well informed decisions.
	Invest based on real needs and independent advice Use independent advice from the Infrastructure Commission to guide long-term budgeting, so that decisions about how much we can spend in the future are based on evidence of what New Zealand needs, to ensure we can invest the right amount in the right places, at the right time.	Agree. It is critical that New Zealand's infrastructure requirements are assessed on a forward-looking need-basis.
	Reward good planning Allow government agencies that plan and perform well to get funding that covers multiple years, so they can better deliver infrastructure	Agree. It is critical that agencies have certainty in their ability to fund and deliver infrastructure.
	Smarter ways to pay - Funding pathways Take a more consistent approach to the way New Zealanders pay for network infrastructure (like roads and water) by making sure charges to users and those who benefit cover the costs. This means we'll have more money from general taxation for social infrastructure (like hospitals).	Establishing affordable and sustainable funding for infrastructure is a priority for New Zealand. This includes ensuring we can effectively consider and decide who pays, when, and how much, while making sure essential services remain affordable. However, it is important that funding frameworks are designed with sufficient flexibility to accommodate a range of investment scenarios. A one-size-fits-all approach may not be appropriate. For example, where a pure user-pays model would not deliver a normal return or would render necessary infrastructure unaffordable, it may be appropriate to consider tax-based funding to support the investment. Such flexibility is particularly important where the infrastructure delivers broader social value or is a key enabler of other social infrastructure.

Clear the way for infrastructure	**Use existing infrastructure better** Make sure planning rules support more people to use the infrastructure we already have and that we plan to build.	Agree. This principle should be reflected in telecommunications policy settings and planning rules to require the installation of telecommunications infrastructure, particularly fibre infrastructure where practicable, alongside other essential services like water, wastewater and electricity in new property developments. Failing to embed this requirement risks undermining the significant progress made through substantial public and private investment in delivering world-class connectivity. Another example of the importance of having appropriate and enduring rules is the statutory rights of access regime under Part 4, Subpart 3 of the Telecommunications Act. Ensuring those provisions are right-sized and enduring will improve access to fibre infrastructure, particularly in situations where consent is required from multiple parties with an interest in shared property, such as a shared driveway subject to a right of way.
	Keep policy stable Set clear and stable policies so infrastructure investors can plan ahead with confidence – especially in key sectors like electricity	Agree. Certainty and predictability in policy and regulatory settings are essential to enable confident investment and execution of business cases. Equally important, however, is the regular review of existing policies and regulatory settings to ensure they remain fit for purpose and do not inadvertently impede competition or innovation. This is particularly important in fast-moving sectors like telecommunications, where cumulative policy initiatives and regulatory interventions may persist without sufficient reassessment. Regulatory costs should be proportionate to the benefits they deliver, and outdated or redundant settings should be amended or removed to support a dynamic and competitive market.
	Enable good projects Make sure the resource management and planning rules enable important infrastructure projects — while still protecting the environment and managing interactions with surrounding communities.	The efficient and effective deployment of fixed-line telecommunications infrastructure is generally well-supported by the Resource Management Act, particularly through the National Environmental Standards for Telecommunications Facilities. However, the Heritage New Zealand Pouhere Taonga Act can, in some cases, present challenges to timely delivery – particularly in previously modified environments such as road corridors. To better support modern infrastructure needs while continuing to uphold heritage values, there is an opportunity to align the Heritage Act more closely with the enabling approach of the Resource Management Act. This would help to ensure that heritage considerations do not inadvertently constrain essential infrastructure development.
	One map for growth Use long-term regional growth plans — known as spatial plans — to align where new homes,	Spatial Plans are generally supported by the telecommunications industry because they offer insight into where growth is expected, thereby facilitating network planning. However, not all

	roads, and other infrastructure will go. These plans bring together land use, infrastructure, and funding decisions in one place, so that growth happens where infrastructure is already planned, affordable, and easier to deliver.	infrastructure can be addressed within these plans, as certain types - telecommunications, for example - must be responsive to demand, regardless of whether that demand is reflected in a strategic planning document. Furthermore, it is crucial that smaller-scale infrastructure which may not be included in a Spatial Plan, is not disadvantaged by this exclusion and the policies and funding decisions derived from it.
	Grow the infrastructure workforce Plan how we train and grow the infrastructure workforce based on a longer-term view of New Zealand's infrastructure needs, beyond current projects, to ensure we have the right skills, in the right places, at the right time.	Agree.
	Make performance visible Require infrastructure providers to publish clear and transparent information about their performance, to ensure that the interests of the people who use and pay for infrastructure are protected.	Chorus publishes significant information on its assets in accordance with its price quality and information disclosure regulatory requirements. We agree with the Commission at 7.5.8 that there is an opportunity to understand more about mobile and other assets.