

5 August 2025

Infrastructure Commission  
Level 7, The Todd Building  
95 Customhouse Quay  
Wellington 6011

Submitted via the online portal

Tēnā koutou,

**Enable submission to the Draft National Infrastructure Plan: Telecommunications section**

Enable welcomes the opportunity to comment on the Draft National Infrastructure Plan (the Draft Plan). This is an excellent piece of analysis and policy development, and we support the approach the Commission has taken and its general recommendations.

Our submission only concerns a matter raised in the “Issues and Opportunities” section of the Telecommunications chapter (section 7.5.8 on page 147).

The second paragraph states:

***“Governance and regulation: OECD surveys into regulation in the sector have highlighted potential gaps related to competition in the sector, scope of regulation (only Chorus is price/quality regulated, while LFCs are subject to information disclosure), and the potential for government decisions to directly impact the Commerce Commission.”***

No references are given, so we assume the OECD reference is to the latest OECD Economic Survey of New Zealand, dated May 2024<sup>1</sup>.

We can find no reference to the 2024 OECD survey highlighting a gap related to the scope of regulation, where Chorus is price/quality regulated, and LFCs are not. The report states this as a fact, but does not raise it as an issue.

*“This split was a condition for Chorus’ participation in the Government’s ‘Ultra-Fast Broadband’ fibre network development. Chorus won about 70% of tenders for this public-private partnership, along with three local fibre companies. The rollout of the fibre network is subsidised by concessional financing from the Crown. **Chorus is subject to price-quality regulations and information disclosures, while local fibre companies are subject to information disclosure only.** This strong and successful government push towards optic fibre (OECD, 2022a) has allowed New Zealand to become a leader in the fibre coverage ratio (Figure 3.9) without duplicating costs as some other countries have done. This is an example where a well-regulated public-private partnership has not only delivered good prices and services on existing infrastructure (the copper network), but also enabled a strategic push towards innovation. The automatic deregulation and eventual decommissioning of the copper network once optic fibre is rolled out has been key to spurring consumers and businesses towards the superior alternative. This is also a case of a successful vertical breakup delivering efficiency and competition.” [Emphasis added]*

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<sup>1</sup> [https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/05/oecd-economic-surveys-new-zealand-2024\\_42678d02/603809f2-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/05/oecd-economic-surveys-new-zealand-2024_42678d02/603809f2-en.pdf)

In fact, later in the report, the OECD state that information disclosure has been effective in the airports sector:

*“The three major airports (Auckland, Christchurch and Wellington) are subject to regulation by the Commerce Commission, through “information disclosure” on pricing and spending decisions. Overall, the threat of additional regulation in case of excessive returns has exerted effective discipline.”<sup>2</sup> [Emphasis added]*

We note that in New Zealand regulated companies across electricity, gas, airports and fibre sector are much smaller than those in the UK, Europe, Canada and Australia. In New Zealand information disclosure has been developed as an effective proportionate regulatory response. This is demonstrated by the fact that it has been used for 13 consumer-owned electricity lines businesses for over 16 years, three airports for over 14 years, and three non-Chorus LFCs. Shortly it will also apply to at least 38 water entities.

**Recommendation:** The current drafting could be read as the OECD recommending that non-Chorus LFCs be placed under price-quality regulation. We can find no reference to the OECD referencing this, so request that the wording is either removed, referenced or clarified. E.g. the Commission may mean that Chorus should be subject to less regulation to align with non-Chorus LFCs.

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<sup>2</sup> Ibid 1., page 62