



5 May 2026

Ref: DOIA-REQ-0026686 and DOIA-REQ-0026644

Sam Brown

[fyi-request-33448-65fcbdb9@requests.fyi.org.nz](mailto:fyi-request-33448-65fcbdb9@requests.fyi.org.nz)

[fyi-request-33464-d8e2fdda@requests.fyi.org.nz](mailto:fyi-request-33464-d8e2fdda@requests.fyi.org.nz)

Tēnā koe Sam Brown

Thank you for your email of 6 January 2026 to the National Infrastructure Funding and Financing Ltd, requesting, under the Official Information Act 1982 (the Act), the following information:

- 1. Any analysis, business cases, or advice regarding CIP's potential role in supporting community-owned, locally operated, or smaller-scale telecommunications infrastructure providers in rural areas, including whether such support has been considered, proposed, or declined.*
- 2. Any assessment of capital access barriers facing rural telecommunications infrastructure operators, including analysis of whether: - Commercial banks adequately serve infrastructure financing needs in rural telecommunications - Specialised or illiquid assets (such as telecommunications towers, point-to-point links, or rural network equipment) create financing barriers that prevent otherwise viable operators from accessing growth capital - Crown infrastructure financing could address market failures where commercial lenders decline to finance rural telecommunications due to asset liquidity concerns rather than business viability concerns*
- 3. Any advice to Ministers or shareholding Ministers regarding CIP's strategic direction for rural connectivity infrastructure, specifically: - Whether CIP's mandate includes supporting non-incumbent, community-based, or regionally focused connectivity providers - Whether government strategy assumes satellite services adequately address rural connectivity needs, rendering terrestrial infrastructure investment unnecessary - What role, if any, CIP envisions for supporting locally operated alternatives to satellite or incumbent-operated services*
- 4. Any assessment of competitive dynamics where well-capitalised providers (including satellite operators with substantial backing) compete against capital-constrained local operators who cannot access equivalent financing despite potentially offering superior local service, resilience benefits, or community economic outcomes*
- 5. Any analysis of whether Crown investment or financing support for community telecommunications infrastructure would align with: - Regional economic development objectives - Infrastructure resilience and redundancy goals - Retention of technical capability and employment in regions - Competition and consumer choice objectives*
- 6. Any advice on mechanisms through which community infrastructure providers could access Crown financing, co-investment, or credit enhancement, or alternatively, documented reasons why such mechanisms are not considered appropriate or necessary.*

Context:



*There appears to be a structural financing gap where rural telecommunications infrastructure providers cannot access commercial capital due to asset illiquidity concerns, while government has reduced/removed direct infrastructure funding. I am seeking to understand whether Crown entities have assessed this gap and what strategy, if any, exists to support community infrastructure providers in rural connectivity markets.*

On 8 January 2026, you also made a request to Treasury requesting the following under the Act:

1. *Any fiscal analysis, cost projections, or advice to Ministers comparing long-term Crown expenditure under different rural connectivity approaches, including:*
  - *Ongoing service subsidies (e.g., satellite internet subsidies paid annually or per-connection)*
  - *One-time infrastructure capital investment (e.g., terrestrial network deployment)*
  - *Net present value calculations over 10, 20, and 30-year timeframes for different connectivity models*
2. *Any assessment of total Crown fiscal exposure for rural connectivity, including:*
  - *Direct subsidies or payments to connectivity providers*
  - *Tax expenditures or indirect support mechanisms*
  - *Contingent liabilities or ongoing commitments*
  - *Whether current approaches create long-term fiscal dependencies versus time-limited investments*
3. *Any analysis of economic multiplier effects or regional economic impacts comparing:*
  - *Infrastructure investment that creates construction employment and retains technical capability in New Zealand*
  - *Service subsidies paid to providers with limited New Zealand employment or local economic benefit*
  - *Impact on regional GDP, skills retention, and business capability development*
4. *Any advice to Ministers regarding whether current rural connectivity funding approaches represent value for money when assessed over infrastructure lifecycle timeframes rather than single budget cycles.*
5. *Any assessment of fiscal risks associated with policy approaches that may result in:*
  - *Dependence on single provider for essential connectivity services*
  - *Reduced competition, limiting Crown's negotiating position for future service arrangements*
  - *Need for increased future expenditure if initial policy approach proves inadequate or unsustainable*

*I understand that some advice may be withheld under s9(2)(f)(iv) (free and frank advice), but request that factual analysis, cost projections, and comparative assessments be released as these serve clear public interest in understanding value for money in public expenditure.*

*Context: I am seeking to understand whether long-term fiscal implications of different rural 2 connectivity approaches have been rigorously assessed, particularly whether ongoing service subsidies versus infrastructure investment have been compared on a lifecycle cost basis.*

On 28 January 2026, your requests were transferred from National Infrastructure Funding and Financing (NIFF) and the Treasury to MBIE under section 14 of the Act, as the information requested is more closely connected to MBIE's functions.

Both these requests were acknowledged by MBIE on 28 January 2026 and separate reference numbers for these requests were allocated accordingly. Subsequent communications with you refined the timeframe of both requests to be from 1 January 2022 to 28 January 2026.

Upon reviewing these requests, you were advised that the documents that fall within the scope of these requests overlap in relation to briefings to Ministers on this topic. We therefore decided to combine our response to both of these requests.

The timeframe for responding to both these requests was extended by 30 working days, in accordance with section 15A of the Act on 18 February 2026 with the due date for the combined response extended to 1 April 2026.

A subsequent decision letter followed on from the above extension and you were advised on 1 April 2026 that MBIE has decided to grant your request. Due to the breadth and length of your requests, it was not practicable to assess every possible document that might fall within their scope. Instead, we conducted a reasonable search and identified a set of documents that we consider pertains to your request. You were advised that MBIE will release copies of these documents to you, as they represent information relevant to the matters raised. You were advised that it will take some time to prepare this information for release, and a response will be sent to you by 17 April 2026. We apologise that we were unable to send this response by that date.

In response to your requests, please find attached the documents considered in scope of your request, as per the document schedule below.

#### Document Schedule

#	Date	Briefing Identifier	Withholding Grounds applied
1	23 November 2021	2122-1208 Finding strategy for rural connectivity investment	9(2)(a), 9(2)(f)(iv), 9(2)(g)(i), 9(2)(i)
2	13 April 2022	2122-2516 Objectives and design elements of the proposed Remote Users Scheme	9(2)(a), 9(2)(b)(ii), 9(2)(f)(iv), 9(2)(g)(i), 9(2)(i)
3	2 June 2022	2122-4738 Remote Users Scheme design and implementation	9(2)(a), 9(2)(g)(i), 9(2)(i)
4	27 July 2022	2223-0173 Remote Users Scheme policy mandate	9(2)(a), 9(2)(i)
5	20 December 2023	2324-1205 Telecommunications – Government Investment Options	9(2)(a), 9(2)(ba)(i), 9(2)(f)(iv), 9(2)(g)(i), 9(2)(i)
6	11 June 2024	2324-3378 Extending the Marae Digital Connectivity Programme	9(2)(a), 9(2)(g)(i), 9(2)(i)
7	11 July 2024	2425-0130 Briefing: Further advice on options to extend the Marae Digital Connectivity Programme	9(2)(a), 9(2)(g)(i), 9(2)(i)
8	26 September 2024	Briefing-Req-0003179 Confirming Decisions on utilising the Remote Users Scheme Underspend	9(2)(a), 9(2)(g)(i), 9(2)(i)

Please note some information has been withheld under the following sections of the Act, as indicated in the table above:

- 9(2)(a), to protect the privacy of natural persons, including that of deceased natural persons;

- 9(2)(b)(ii), to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;
- 9(2)(ba)(i), the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest;
- 9(2)(f)(iv), the withholding of the information is necessary 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)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty;
- 9(2)(i), the withholding of the information is necessary to enable a Minister of the Crown or any department or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities

I do not consider that the withholding of this information is outweighed by public interest considerations in making the information available.

Material marked as 'out of scope' does not relate to the subject matter or timeframe specified in the request, the material removed in this instance can be both administrative material and/or material that does not pertain to the information you are seeking.

I also refer you to information that is publicly available, pertaining to your request, here: [Request for briefings - a Official Information Act request to Paul Goldsmith - FYI](#).

In addition, you may wish to review information that is already publicly available, including the list of Ministerial documents by portfolio published on the MBIE website, [Lists of Ministerial documents by portfolio](#), as well as the Ministry's [Document library](#). I trust the documents provided will assist you with the information that you are seeking.

If you wish to discuss any aspect of your request or this response, or if you require any further assistance, please contact [OIA@mbie.govt.nz](mailto:OIA@mbie.govt.nz).

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

Nāku noa, nā



Deborah Crawford  
**Manager Communications Policy**  
Communications, Infrastructure and Trade



## BRIEFING

### Funding strategy for rural connectivity investment

<b>Date:</b>	23 November 2021	<b>Priority:</b>	High
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2122-1208

Action sought		
	Action sought	Deadline
<b>Hon Dr David Clark</b> Minister for the Digital Economy and Communications	<b>Note</b> the funding options identified for rural connectivity investment outlined in this paper. s 9(2)(i)	26 November 2021

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Susan Hall	Manager, Communications Policy	04 896 5304	s 9(2)(a)	✓
Lita Katia	Policy Advisor, Communications Policy	04 916 6081		
Kester Gordon	Senior Policy Advisor, Communications Policy	04 742 2655	s 9(2)(a)	

The following departments/agencies have been consulted (if required)
N/A

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments:



# BRIEFING

## Funding strategy for rural connectivity investment

<b>Date:</b>	23 November 2021	<b>Priority:</b>	High
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2122-1208

### Purpose

To seek your agreement to a proposed funding strategy for rural connectivity investment implemented s 9(2)(g)(i)

The proposed strategy builds on the outcome of previous discussions with you on the future of connectivity work.

### Executive Summary

1. The funding strategy proposed in this paper is designed to progress Part 2 of the Future of Connectivity work programme focusing on rural connectivity, and to fulfil the manifesto commitments for rural connectivity. We have been guided by the objective of ensuring all rural New Zealanders are able to access suitable broadband service for their home or business, irrespective of where they live.
2. s 9(2)(f)(iv) and s9(2)(g)(i) there is limited opportunity to progress the Future of Connectivity work programme. In particular, investment is needed to improve broadband and mobile networks where their service performance is no longer meeting the expectations of users.
3. s 9(2)(f)(iv) and s9(2)(g)(i) . It is expected that the funding proposed in this paper would be supplemented by any implicit funding for network development that is secured through the planned spectrum allocation arrangements for 5G cellular. Therefore network deployment commitments gained in this way would notionally increase the overall amount available to deliver on our rural connectivity objective.
4. To date the Government's connectivity infrastructure investments have focused on the geographic availability of broadband services, which has led to a significant extension of broadband network coverage throughout New Zealand. By their nature, these have been discrete network investments to establish coverage, through a mix of both Crown funding and revenue from the TDL.
5. As a result of technological evolution and the ongoing increase to data capacity demand, areas that once received adequate service performance and no longer do due to capacity constraints on networks. Furthermore, an increased reliance on technology through changing work and social engagement patterns brought on by COVID-19 have exacerbated and placed more pressure on already impacted networks. Anecdotal evidence suggests that this is particularly apparent in some rural areas where service performance levels have deteriorated further.
6. With data demand projected to grow at approximately 35 per cent per annum, the Government needs to ensure that our telecommunications infrastructure is robust and future proofed against evolving consumer demand for contemporary connectivity services and changing technology. s 9(2)(g)(i)

s 9(2)(g)(i)

. This includes establishing a funding pathway that recognises and aligns the long term need for ongoing infrastructure investments with evolving technology and growing consumer demand.

7. s 9(2)(g)(i) now provide an opportunity for the Government to establish a funding pathway that incorporates a more strategic and long-term outlook to infrastructure investment, while also securing investment certainty in the short to medium term.
8. s 9(2)(f)(iv) and s9(2)(g)(i) to address rural connectivity investment needs in the short and medium term through s 9(2)(f)(iv) and s9(2)(g)(i)

## Recommended action

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

- a **Note** that this briefing builds on proposals that were outlined in Part 2 of the Future of Connectivity work programme, described in briefing 2122-0939.

*Noted*

s 9(2)(g)(i)

*Noted*

- c **Note** the scaled funding options identified in this paper for future investment in rural connectivity s 9(2)(g)(i)

*Noted*

s 9(2)(i)

g **Indicate** your preferred s 9(2)(g)(i)

s 9(2)(g)(i)

s 9(2)(g)(i)



s 9(2)(g)(i)



Susan Hall  
**Manager, Communications Policy**

23 November 2021

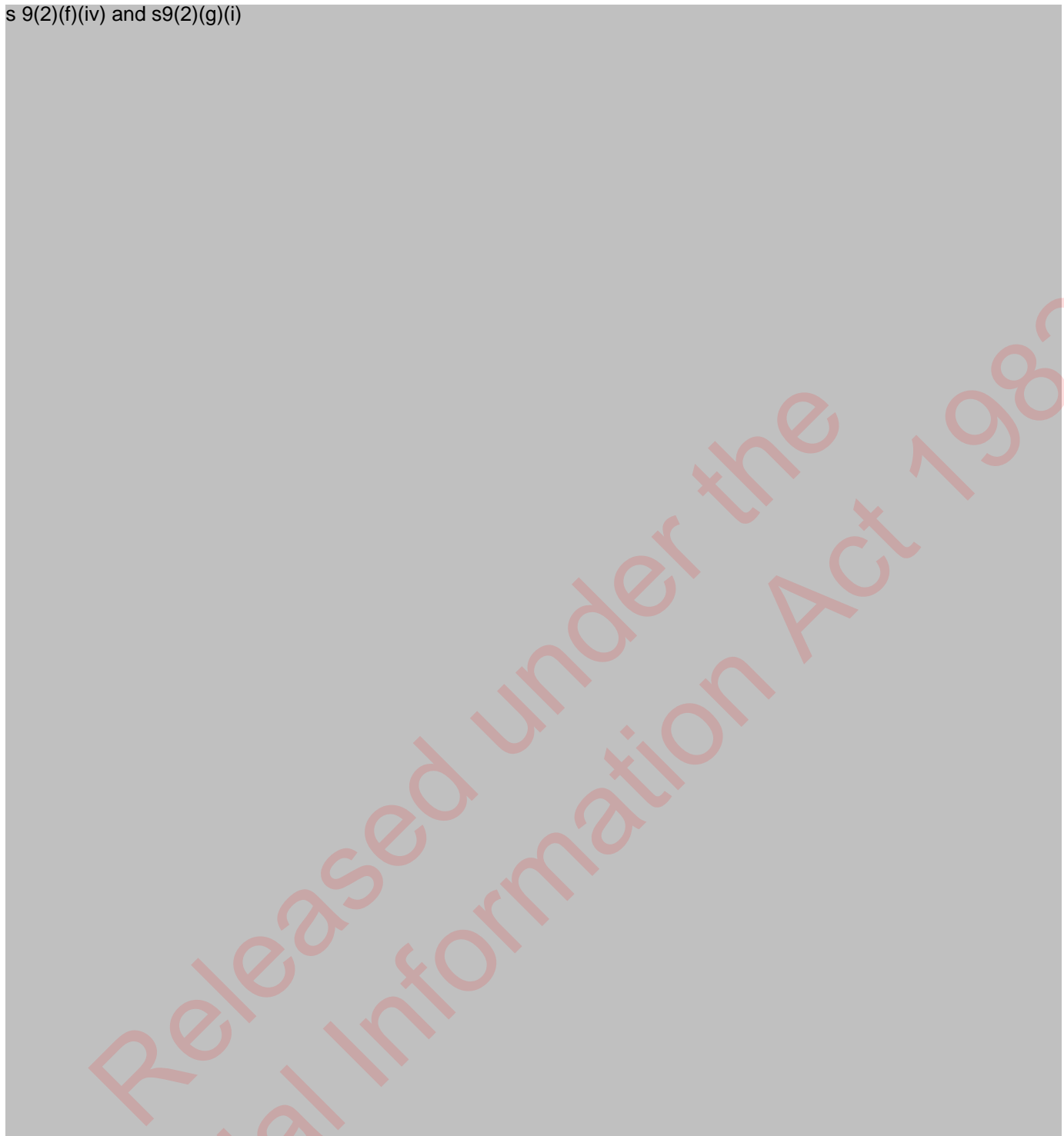
Hon Dr David Clark  
**Minister for the Digital Economy and  
Communications**

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s 9(2)(f)(iv) and s9(2)(g)(i)



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23. s 9(2)(i)  
s 9(2)(g)(i)

24. s 9(2)(i)  
s 9(2)(g)(i)

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s 9(2)(f)(iv) and s9(2)(g)(i)



s 9(2)(g)(i)

s 9(2)(g)(i)

26. s 9(2)(i)

27. s 9(2)(i)

s 9(2)(i)

Released under the  
Official Information Act 1982

s 9(2)(i)

s 9(2)(f)(iv) and s9(2)(g)(i)

39. s 9(2)(i)



### Planned investment categories

45. To address the rural connectivity needs identified in the future of connectivity briefing [ref: 2122-0939] we propose three investment categories to prioritise rural connectivity improvements. These categories have also been formulated to align with the scope of the \$60 million election manifesto commitment.
- a. **Category 1 (network infrastructure for capacity expansion):** deployment of network capabilities to enhance service performance and deliver services to more users in existing coverage areas.
  - b. **Category 2 (network infrastructure for coverage extension):** deployment of network capabilities to deliver service at locations in new coverage areas.

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<sup>2</sup> These regions were identified as Gisborne, Manawatu-Whanganui, Auckland rural areas, Otago, Hawkes Bay, West Coast, rural Wellington, Wairarapa and Southland.

<sup>3</sup> [Labour will boost rural connectivity - NZ Labour Party](#)

- c. **Category 3 (complementary initiatives):** This investment category is for projects and initiatives that are targeted at particular types of user groups (such as remote users and marae communities), and which can combine both capacity and coverage aspects of connectivity).

*Category 1: Network infrastructure for capacity expansion*

- 46. This investment category is for the deployment of terrestrial network infrastructure (fixed line and wireless) to expand the capacity available to serve existing users and enable new connections in existing coverage areas, given the following considerations:
  - a. There is significant persistent network congestion for which the present \$48 million Rural Capacity Upgrade initiative (RCU) provides partial, temporary relief.
  - b. Capacity expansion for wireless broadband assumes continued strong use in data over the four-year period, and that the more towers that are built (the number of which is increasing), the more upgrades (possibly including to 5G) will be needed over the four-year period such that the cumulative total of towers requiring upgrades will grow over the period as older towers require upgrades or replacement.
  - c. s 9(2)(f)(iv) and s9(2)(g)(i)

- 47. The investment requirements for capacity expansion have been determined based on the following considerations:

s 9(2)(i)

- c. s 9(2)(f)(iv) and s9(2)(g)(i)

- 48. Therefore based on the above considerations, we would recommend that infrastructure investment for capacity expansion include more fibre backhaul routes, as well as upgrading cell tower equipment (additional antennas and potentially new in-fill sites) where it may be more optimal to do so. We note that, at this stage, we are unable to provide more certainty on the range of solutions or technology. These will become clearer once decisions on the Future of Connectivity work are made.

*Category 2: Network infrastructure for coverage extension*

- 49. This investment category is for the deployment of terrestrial network infrastructure (fixed line or wireless) to extend the geographic availability of broadband and mobile services. Considerations for further 'coverage extension' can include:
  - a. Incremental fibre-to-the-premise (FTTP) expansions to areas and/or hamlets just outside existing fibre networks.

- b. WiFi and cellular network infrastructure to extend fixed wireless broadband coverage geographically.
  - c. Cellular network infrastructure to extend mobile coverage geographically, such as additional main roads or tourist destinations that are currently black spots for coverage.
50. When considering the rationale for further investment in coverage extension we have made the assumption that 100% land area coverage via terrestrial modes is not economically realistic, and that remote areas without terrestrial networks will primarily need to be served through Low Earth Orbit satellites or similar technologies (see remote user scheme).
51. Extra coverage extension is therefore expected to drop away over time to become largely a programme of assisting with incremental fibre to the premises extension in areas just outside of existing UFB areas and incremental infilling of mobile blackspots along important routes. Specificity around solutions and investment amounts will be determined by Future of Connectivity decisions.

*Category 3: Complementary Initiatives (including remote user scheme)*

52. A remote user scheme is proposed as part of the overall investment plan. This is expected to take the form of a rebate scheme that makes grants available to subsidise installation of individual broadband connections in remote areas where there is no terrestrial network coverage. Grants are expected to be allocated on a per dwelling basis to part fund installing access connections.
53. The grant would be technology neutral and uses could include funding the cost of:
- a. installing a satellite connection
  - b. installing signal booster/repeater apparatus, such as a roof antenna to extend WiFi or cellular coverage for a fixed wireless broadband connection
  - c. installing fibre cable over private property to connect dwellings within the same property.
54. We are developing eligibility criteria for the proposed scheme, but suggest that they be kept simple to reduce administrative costs. Officials will come back to you with more advice around the possible design of the scheme and proposed implementation process.
55. Other initiatives that could be funded through this category can include:
- a. Provision for further marae to be connected.
  - b. Renewal of assets to prolong the life of network infrastructure.
  - c. Other digital inclusion initiatives falling within the scope and process under section 90(1)(d) of the Act, as described in paragraph nine of this paper.
56. An exemplar for how the Government could allocate funding across each investment category, including category 3 is outlined in **Annex Two**. We note that these are indicative only at this stage and will be determined by decisions around the Future of Connectivity.

## **Funding arrangement considerations**

*Grant funding, loan funding, or a combination of both*

57. To ensure an optimum mix of connectivity technologies, both grant funding and loan funding arrangements will need to be considered. The appropriate funding arrangements will be dependent on the solution technology, and the economies of the areas that are being proposed for investment. For example, in areas that present a favourable long term commercial case for operators to operate infrastructure once it is deployed, we consider it may be optimal to utilise the soft loan funding model. In areas that do not present a strong ongoing commercial case, it may be more suitable to utilise a grant funding model.
58. Similarly, there may be certain cases where a mix of both funding models would be most suitable. As such, we consider that it would be best to determine an optimum funding arrangement once the technological solution and areas for further investment have been identified through the Future of Connectivity work programme.

s 9(2)(g)(i)

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Official Information Act 1982

Released under the  
Official Information Act 1982

s 9(2)(f)(iv) and s9(2)(g)(i)

s 9(2)(f)(iv) and s9(2)(g)(i)

s 9(2)(g)(i)

Released under the  
Official Information Act 1982

s 9(2)(f)(iv) and s9(2)(g)(i)

s 9(2)(i)

Released under the  
Official Information Act 1982



**Annexes**

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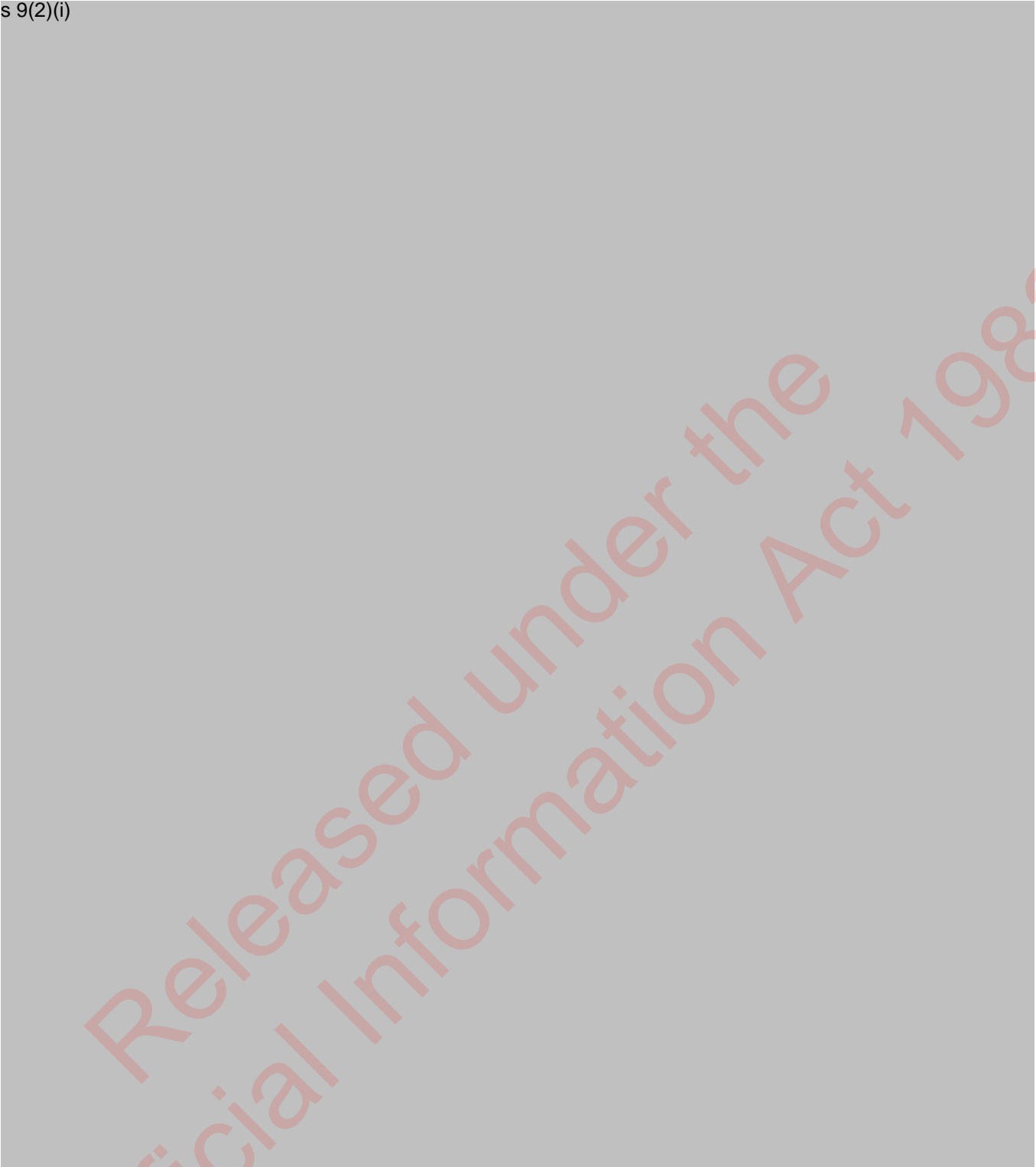
**Annex One:** s 9(2)(i)

**Annex Two:** s 9(2)(i)

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## BRIEFING

### Objectives and design elements of the proposed Remote Users Scheme

<b>Date:</b>	13 April 2022	<b>Priority:</b>	Medium
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2122-2516

Action sought		
	Action sought	Deadline
<b>Hon Dr David Clark</b> Minister for the Digital Economy and Communications	<p><b>Agree</b> that the Remote Users Scheme should proceed</p> <p><b>Note</b> that, subject to your agreement, officials will advance further design work on the Remote User Scheme</p> <p><b>Agree</b> to forward a copy of this briefing to the Minister for Rural Communities</p>	20 April 2022

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Susan Hall	Manager, Communications Policy	04 896 5304	s 9(2)(a)	
Nicola Brown	Senior Advisor Communications Policy	04 830 7325	N/A	✓

The following departments/agencies have been consulted (if required)
Ministry of Primary Industries (Office for Rural Communities)

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



# BRIEFING

## Objectives and design elements of the proposed Remote Users Scheme

<b>Date:</b>	13 April 2022	<b>Priority:</b>	Medium
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2122-2516

### Purpose

The purpose of this briefing is to:

- update you on the purpose and approach for a proposed Remote Users Scheme (RUS) to assist rural New Zealanders without access to good connectivity and
- seek your agreement to advance further work on the RUS, including working with key stakeholders on more detailed elements of its design.

### Executive summary

1. As part of the Future of Connectivity work programme, we have proposed the concept of a Remote Users Scheme (RUS). This briefing contains options for how this scheme would be designed and implemented. Your direction is sought on key features of this scheme, should you wish to go ahead with it. This scheme could be announced in the public-facing document, intended to be released at the TUANZ Rural Connectivity Symposium in June 2022.
2. At least 5,200 remote and rural households will have no access to connectivity where they live at the completion of current government investment. However, there are emerging telecommunications technologies (such as Low Earth Orbit Satellites and wireless extenders) that may provide new opportunities for those hardest to reach by terrestrial options such as fibre.
3. The RUS would provide grants to enable users with no connectivity or very poor connectivity to pay for technology neutral bespoke solutions suited to their connectivity needs. Officials have provided information on how the scheme could fund satellite connections, extend rural wireless coverage, or provide access to wifi boosting and meshing equipment.
4. Providing a pathway for rural and remote New Zealanders to access connectivity infrastructure through the RUS is intended to:
  - a. reach New Zealanders who have not been connected or benefited through previous government investment through the UFB and RBI rollouts
  - b. inform and motivate rural and remote New Zealanders about new technology options that could work for them, and
  - c. result in more connected New Zealanders, who are able to access the economic, social and cultural benefits of connectivity.

5. Officials are seeking your confirmation that you would like to take forward the RUS and your feedback on the following elements of it:
  - a. Who should be eligible for RUS grants
  - b. Who should the grant be provided to and on what basis, and
  - c. How the RUS should be administered, and by what agency.
6. Based on your feedback, officials will revise the approach and begin detailed service design in collaboration with key delivery partners, including Crown Infrastructure Partners, WISPA and RSPs as appropriate.

## Recommended action

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

- a. **Agree** that the Remote Users Scheme should proceed  
*Agree/Disagree*
- b. **Note** that, subject to your agreement and feedback on this briefing, officials will commence design work on the Remote User Scheme  
*Noted*
- c. **Note** that, in order to inform further advice and content for the proposed document for release at the TUANZ Rural Connectivity symposium, officials request your feedback on this briefing by 20 April 2022  
*Noted*
- d. **Agree** to forward a copy of this briefing to the Minister for Rural Communities  
*Agree/Disagree*



Susan Hall  
**Manager, Communications Policy**

13 April 2022

Hon Dr David Clark  
**Minister for the Digital Economy and Communications**

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## Background

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### As part of the Future of Connectivity work programme, we have proposed the concept of a Remote Users Scheme

7. On 20 October 2021, you met with officials to discuss the recommendations set out in our Future of Connectivity briefing paper [MBIE Briefing 2122-0939 refers]. You agreed to officials advancing a three-part approach for this work programme.
8. Under Part 2 (next) of the Future of Connectivity programme, officials proposed developing a Remote Users Scheme (RUS), to enable users with no connectivity or very poor connectivity, to receive grants that will help pay for technology neutral bespoke solutions suited to their connectivity needs. As outlined in the October briefing it was envisaged that the RUS would include:
  - a. the ability for rural and remote users in poorly served locations able to apply for a grant which they can use to pay for their own bespoke connectivity solution (e.g. wireless or satellite connection hardware)
  - b. an option for pooling grants for a collective bespoke connectivity solution at small community level
  - c. provision for the education of consumers on what products are available for them and what products suit their connectivity needs.

s 9(2)(g)(i)

s 9(2)(f)(iv) and s9(2)(g)(i)

## The purpose of the RUS is to provide a pathway to connectivity for more New Zealanders

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### The case for the RUS is centred on connecting rural and remote users that the market is unlikely to service

14. Crown Infrastructure Partners note that 99.8% per cent of the population will be able to access improved broadband by 2023, at the conclusion of the Rural Broadband (RBI1 and RBI2), Ultra-Fast Broadband (UFB) and Mobile Blackspot Fund (MBSF) initiatives. However, the proportion of the land area covered by existing terrestrially-based telecommunications networks capable of providing internet access is likely to remain at around 50 per cent once the current initiatives conclude.
15. There will be a population remaining who are living in rural or remote areas and do not have access to good telecommunications infrastructure. Because of low population densities, difficult terrain and greater distances from existing infrastructure, these users are not seen by local fibre companies and mobile network operators as economically viable to provide services to without substantial government assistance. By way of example:
  - a. s 9(2)(b)(ii) [Redacted]
16. This lack of coverage creates a digital divide. People who live in areas without access to reliable internet are disadvantaged when compared to those with good broadband coverage and access. As demonstrated by the COVID pandemic, the lack of quality connectivity can leave people vulnerable, lacking the ability to maintain social connections, access services such as telehealth and remote education, take advantage of the social inclusion digital connection enables with family and communities, or connect efficiently to the outside world to allow their work/business operations to benefit from and contribute to the digital economy.
17. Crown Infrastructure Partners (CIP) have estimated that there are approximately 5,200 remote households and businesses in New Zealand that will still have no, or very poor, connectivity options available to them. The 5,200 are seen as comprising:
  - a. ~400 unable to access any terrestrially-based connectivity infrastructure for a realistic price
  - b. ~1600 being in close enough proximity to each other (e.g. 15 houses within a square kilometre) that suggests they could be well served by a wireless solution
  - c. ~3200 currently have an older style 3G service (not suitable for streaming) who would benefit from upgrades to at least 4G technology.

18 s 9(2)(g)(i) [Redacted]

## **The RUS is an opportunity for the Government to support remote users through a range of technological solutions**

19. Fibre to the premises (FTTP) remains the fastest and most reliable mode of connectivity, and other modes such as mobile and fixed wireless offer real choice to consumers. However, these terrestrial options require backhaul and may not be economical or effective for reaching remote areas with difficult terrain.
20. Alternative connectivity technology is rapidly improving, but uptake and awareness is generally low. Rural and remote New Zealanders may not be aware of the advances in rural connectivity options available to them. Providing clear and targeted information about what is possible where they live could improve connectivity issues by shifting people to the use of effective, existing technological solutions.
21. For example, satellite connectivity has emerged as a viable alternative option for remote users, with at least five providers either already operating in New Zealand (Starlink) or looking to operate here [briefing 2122-3234 refers]. In addition, Wireless Internet Service Providers (WISPs) operate in rural communities to provide bespoke wireless options for many New Zealanders and often operate beyond the service areas of large Mobile Network Operators (MNO).

## **The RUS will encourage and support more remote and rural New Zealanders to access bespoke solutions that meet their need**

22. The RUS is expected to enable remote users to develop and access cost-effective, bespoke technology solutions to meet their particular connectivity needs. Rural and remote users without access to internet connections or in poorly served locations, would be able to apply for a grant which they can use to pay for initial up-front connection costs.
23. The purpose of this funding is twofold:
  - a. ensuring rural and remote users have more equitable access to infrastructure investment from government, as other New Zealanders have benefited from through RBI and UFB roll outs.
  - b. assisting in closing one element of the digital divide by supporting access to connectivity options for those who are not currently able to connect to New Zealand's telecommunications network.
24. It is proposed that the RUS initially be run as trial scheme. There would be the option to expand upon the scheme, once the scale and nature of the issues facing rural and remote New Zealanders is better understood, and the best solutions for meeting their ongoing needs are able to be determined. Advice on this would be provided through the future of connectivity work programme.

## Officials see the RUS as being guided by four outcomes


25. The RUS could deliver:
- a. **A fair go for rural and remote New Zealanders.** Remote users who have not yet benefited from Government investment in connectivity infrastructure will be provided grant funding to address this gap.
  - b. **An engaged community who is motivated to be connected.** The remote and rural community will be motivated and engaged to learn about and take advantage of the modern connectivity options now available to them.
  - c. **Improved wellbeing for newly connected New Zealanders.** More remote and rural households will be connected, or have improved connectivity solutions, and realise improved wellbeing benefits.
  - d. **Evidence to inform the future of connectivity.** We will have valuable data about where remaining unconnected users are living and working in Aotearoa New Zealand, which will enable better targeted investment in the future.

## The RUS is not designed to address affordability, rather it will inform about the technological options available to get households connected

26. It is important to note that the RUS will not address service affordability issues. The proposed scheme would target the cost of the hardware needed to enable a household to connect to the internet. It is not intended to cover the ongoing service cost for recipients. As you are aware, one of the main barriers to connectivity is often not so much the initial connection cost, but the ongoing monthly connection fees charged by service providers. Such fees tend to be significantly higher in rural and remote areas than in cities. For example, there will be some rural and remote households that may not be able to take up the scheme because they cannot afford the ongoing monthly service charges.
27. These broader affordability challenges will be addressed in the joint DIA/MBIE briefing on options for closing the digital divide, which is coming to you in May.
28. The benefit of the RUS, however, is that it should encourage more rural and remote New Zealanders to access the alternative connectivity options available to them.

## Connectivity technology options for the RUS

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29. The primary application of the RUS would be to fund user equipment or infrastructure to serve end users. s 9(2)(i)
- 

## Possible technology options for eligible households

30. Officials have proposed that the RUS be a flexible, user centred grant scheme to allow people to find bespoke connectivity options that meet their needs, without favouring any access mode. Table 1 sets out the three existing access modes that would be most suitable for rural and remote New Zealanders, their associated costs, benefits and trade-offs for each technology.

Table 1. Summary of indicative costs for rural and remote connectivity access options

	Satellite Internet	Wi-fi mesh and / wireless booster	Wireless extensions through WISPs
<b>Result for end user</b>	Satellite internet speeds comparable to fixed wireless or fibre available anywhere in New Zealand.  Monthly costs higher than urban equivalent (Starlink's service is \$159 per month)	Wifi broadband coverage extended beyond an existing connection point, enabling Internet access and wifi calling. Must have a connection to the property via another mode.  Unlikely to incur additional monthly cost	Rural wireless, comparable to fixed wireless, available in certain areas depending on access to backhaul.  Monthly costs higher than urban equivalent (often around \$150 a month with data caps)
<b>Hardware costs</b>	\$1040 for satellite dish and receiver (current Starlink costs as one example)	\$710 to \$2,200 for booster to improve mobile or wireless signals from elsewhere depending on model	[Custom costs depending on location, terrain, and population density subsidised through the RUS up to \$2000 per household reached]
<b>Install costs</b>	\$200-300 (estimate) for assistance with installation (based on technician travel times of 1 hour)	\$200-300 (estimate) for assistance with installation (based on technician travel times of 1 hour)	
<b>Other costing assumptions</b>	\$125 shipping		
<b>TOTAL</b>	<b>Up to \$1,500 per end user</b>	<b>Between \$710 and \$2,500 per end user</b>	<b>Up to \$2000 per end user to subsidise wireless projects for clustered users</b>

*Satellite broadband*

31. Low Earth Orbit (LEO) satellite connectivity is quickly becoming a viable option for remote and rural households. Currently Starlink is the only provider of LEO connectivity in New Zealand, but we are aware of more providers considering entering the market.
32. The benefits of LEO satellite are:
  - a. End users in New Zealand can currently get speeds of around 150Mbps, which is comparable to fibre.
  - b. No terrestrial backhaul is required, so it can be used by the most remote households.

34. There are also several GEO (geostationary) satellite services available in New Zealand. Speeds experienced are more comparable to fixed wireless, peaking at around 30Mbps in good conditions. Monthly costs vary, and are often dependent on data caps, but are often around \$159 per month.

*Rural wireless extensions*

35. Outside of the UFB footprint, many New Zealanders can access connectivity options through fixed wireless, which leverages the MNOs' 4g networks, or rural wireless. This is generally provisioned through setting up a series of fixed wireless receivers on hilltops to extend coverage to remote and rural areas.

37. While the RUS grant may not cover the entire cost for extending wireless coverage to these households, it may incentivise telecommunications providers or households themselves to contribute to the overall cost. Supporting telecommunications providers to extend their networks to more remote and rural households would increase the broadband coverage for New Zealanders overall.

*Wifi mesh and booster technology*

38. Many rural and remote properties may be able to benefit from wifi mesh or booster equipment to extend a broadband connection out to additional buildings on a property (ie, a shed, office, or additional accommodation), or provide wireless coverage over paddocks.
39. This technology is becoming more accessible and usable, but many rural and remote communities may not know about the opportunities these boosters could provide.

*Officials advise that the scheme should take a technology neutral approach*

40. Based on the analysis of the three technologies above, satellite, rural wireless, and wifi mesh and boosters, officials support a technology neutral approach. However, officials note the reality that for the identified 5,200 rural households, satellite connectivity will be the only suitable option in most situations. There will be some locations where rural or fixed wireless options are available, but these solutions will be more expensive and require partnership with WISPs and MNOs.
41. Nevertheless, there wider advantages to promoting the use of wireless solutions through the scheme because this will have the added benefit of encouraging WISPs and MNOs to reach as many households with terrestrial connectivity options as possible.

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Official Information Act 1982

48. You may wish to consider a phased approach to eligibility, so the most remote users can access the RUS in the first year, and the criteria is broadened in outyears depending on uptake in year one, and to ensure money is distributed effectively.

s 9(2)(i)

49. s 9(2)(g)(i)

### Who the grant should be provided to and on what basis

50. The RUS is envisaged as a grant fund, rather than a rebate scheme. This is to ensure accessibility to the scheme for low income households and reduce barriers to access. s 9(2)(f)(iv) and s9(2)(g)(i)

51. The preferred approach does not need to be determined yet. If you agree to proceed to with the RUS, we will start discussions with potential providers to determine preferred options for implementation.

### Administration of the RUS

52. The RUS would be funded through MBIE appropriations and would have a delegated administrator. s 9(2)(g)(i)

- 53.

- 54.

s 9(2)(g)(i)

55.

56.

### Consultation

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57. s 9(2)(i)

58.

### Communications and risks

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s 9(2)(g)(i)

### Risks and considerations

s 9(2)(g)(i)

## Next steps

s 9(2)(g)(i)



## Annexes

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Annex One: International approaches

Annex Two: s 9(2)(f)(iv) and s9(2)(g)(i)

## Annex One: International approaches

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### Scotland Broadband Voucher Scheme

[Scottish Broadband Voucher Scheme | Digital Scotland Superfast Broadband](#)

Scotland's scheme is comparable to the Remote Users Scheme. Eligible applicants can access a 'one off' voucher worth up to £5,000 to help deliver a permanent broadband connection to those properties for which there is no roll-out of superfast broadband planned. It is targeted towards the hardest to reach premises. In Scotland there are about 83,000 eligible households, and they expect to reach 10-20% of these with the voucher scheme.

There are a number of technology types which a voucher can be used for, subject to availability in the user's area:

1. Full Fibre (Fibre to the Premises/ Home [FTTP/H])
2. Fixed Wireless
3. Fixed mobile or cellular broadband (e.g. 4G and 5G)
4. Satellite

This voucher scheme can sometimes be used in conjunction with the wider UK Gigabit voucher scheme.

### United Kingdom

[Gigabit Vouchers \(culture.gov.uk\)](#)

The Gigabit Voucher model allows suppliers or the community to start gathering support to pool vouchers to subsidise the infrastructure install in areas it would otherwise not be commercially viable to do so.

There does not appear to be an option for funding alternative non-terrestrial modes.

They promote the initiative through case studies, showing the impact the programme has had on people: [Case Studies – Gigabit Vouchers \(culture.gov.uk\)](#)

### Canada

[Universal Broadband Fund: Application guide - Get connected](#)

This Fund is for community network projects, and supports organisations, indigenous entities and joint ventures to design, build and operate their own broadband networks.

Community network models are not often used in the New Zealand context, due to our specific market environment and regulatory settings.

s 9(2)(f)(iv) and s9(2)(g)(i)

s 9(2)(f)(iv) and s9(2)(g)(i)

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# BRIEFING

## Remote Users Scheme design and implementation

<b>Date:</b>	2 June 2022	<b>Priority:</b>	Medium
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2122-4738

Action sought		
	Action sought	Deadline
<b>Hon Dr David Clark</b> Minister for Digital Economy and Communications	Agree to the design and implementation approach of the Remote Users Scheme.	8 June 2022

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Deborah Salter	Manager, Communications Policy	04 901 0786	s 9(2)(a)	
Nicola Brown	Senior Policy Advisor	04 830 7325		✓

The following departments/agencies have been consulted (if required)

**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

## Remote Users Scheme design and implementation

<b>Date:</b>	2 June 2022	<b>Priority:</b>	Medium
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2122-4738

### Purpose

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To seek your agreement to the design and implementation of the Remote Users Scheme.

### Recommended action

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

- a **Agree** to the proposed design and implementation of the Remote Users Scheme

*Agree / Disagree*

- b **Note** officials will provide talking points for announcing the Remote Users Scheme at the TUANZ Rural Connectivity Symposium

*Noted*



Deborah Salter  
**Manager, Communications Policy**

2 June 2022

Hon Dr David Clark  
**Minister for the Digital Economy and Communications**

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## Background

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1. As you are aware, \$60 million has been allocated in Budget 2022 to rural connectivity. As part of the \$60 million funding, we have provided advice that up to \$15 million should be spent on a Remote Users Scheme (RUS) [briefing 2122-3332 and 2122-2516 refer]. Crown Infrastructure Partners (CIP) report that there are approximately 5,200 end user locations (EULs) that will remain without access to broadband at the completion of current connectivity initiatives. These 5,200 EULs are distributed nationwide and can be found in every region. **Annex One** contains a map showing where these 5,200 EULs are. Engagement with telecommunications providers has indicated that these EULs are highly unlikely to be served by future commercial investment.
2. The objectives of the RUS are to provide assistance for these 5,200 households in remote areas that are the hardest to reach. Funding will be used to provide:
  - a. rural and remote households with one-off \$2,000 grants which contribute to the set-up costs for bespoke connectivity solutions that meet their needs, or
  - b. an alternate connectivity delivery option of providing coverage (such as a wireless solution) where remote households are in 'clusters'.
3. Based on your feedback, further engagement with CIP about the potential coverage options available to target eligible households, and our subsequent analysis, we have progressed with the proposed design of the scheme. We now seek your agreement to the high-level design of the scheme. These high-level details will form the basis of your announcement at TUANZ:
  - Structure and approach to funding (\$2,000 grant with scope, but with scope in the scheme for procuring alternative coverage solutions for 'clusters' of households).
  - Administration (application process and connectivity solution assessment, promotion of the scheme, and timeframes for opening the scheme).
  - High level eligibility details for the scheme.
  - That the scheme is technology neutral (noting that these are remote and rural areas and so lend themselves to satellite or wireless solutions).

## Design details for the Remote Users Scheme

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### Eligibility assessment

4. Anyone will be able to apply to the RUS, and have their eligibility assessed by CIP. Households (defined as a person or group of people living in a dwelling) will be eligible for the RUS if they live in a fixed, occupied dwelling that has no access to broadband services (or access to only very poor broadband services) and are not due to receive improved broadband services through any CIP investment as of September 2022. CIP will undertake analysis to determine which households will not receive broadband services via announced programmes as of September 2022.

5. s 9(2)(i)

s 9(2)(i)

## Solution assessment

6. Eligible EULs/households will be assessed by CIP to determine the best approach under the RUS.
  - a. **Direct RUS grant** – households that have no future options to access connectivity infrastructure (as validated by CIP) are eligible for a grant to fund initial connectivity connection costs for a bespoke solution of their choice, ie. satellite connection and installation, bespoke wireless broadband or wireless boosters.
  - b. **Rural connectivity expansion (RCE) alternative option** - in some areas households may be located in clusters of 15 or more, and a coverage extension may be appropriate. CIP will work with applicants whose EULs are in clusters to provide coverage through a WISP or MNO solution (where a WISP and MNO has also indicated its interest in providing a service to that area). This may involve a procurement process by CIP.

Table. Summary of eligibility and solution assessments

Category	Eligibility	Process	Connectivity grant
Direct grant	EUL is eligible, no option for WISP or MNO infrastructure or future connectivity roll-out	Once eligibility confirmed, CIP provides \$2000 grant	Satellite equipment (or other wireless equipment) and installation costs covered up to \$2000
RCE	EUL is eligible, and is identified as being in a cluster, or best served by new infrastructure	CIP checks viability of cluster and coordinates/procures a connectivity solution from providers (WISPs or MNOs)	Funding equivalent to \$2000 per eligible household, coordinated through CIP and service providers

7. The funding is for an initial grant to pay for infrastructure investment, not to cover ongoing subscription or maintenance costs. The total amount of funding available through the RUS is expected to be \$15 million over 3 years, with an evaluation of the scheme in the third year.
8. At the current funding level of \$15 million over 3 years, the RUS is intended to target 5,200 households through a mix of direct RUS grants and RCE subsidies. However, the number of households served will be dependent on the number of applications received, individual circumstances and the technology able to be deployed.

### Uses of the direct grant

9. The grant is to be spent on hardware, set up, and installation for custom connectivity solutions. The scheme is technology neutral, but in most instances, GEO or LEO satellite, or custom wireless extensions arranged by a WISP will be the most appropriate solution.

### Administration and promotion of the Remote Users Scheme

10. CIP will run the RUS, including administering the direct RUS grants, and identifying and partnering with WISPs and MNOs to serve clusters that are feasibly served through a terrestrial wireless solution
11. In order to promote the scheme to remote and rural users, CIP and MBIE will work with intermediary brokers who already have trusted relationships in communities. Intermediary brokers may include schools, iwi and preapproved NGOs (for example, Rural Women, Federated Farmers, Whānau Ora providers). CIP would support these bodies with information so they can reach out to households.

## Timing of the roll-out

12. We have discussed the potential timeframe for launching the RUS with CIP. We intend applications for the RUS grant will open in October 2022, and the specific launch date and further details of how the scheme will operate will be announced with the publication of *Lifting Connectivity in Aotearoa* in September.
13. CIP will evaluate the feasibility of clusters being served by a terrestrial wireless solution in the fourth quarter of 2022 and check the level of interest from MNOs and WISPs in providing infrastructure and services to those clusters.
14. Should a cluster be feasible to serve, and there are sufficient interests from an MNO or WISP, CIP may procure infrastructure and services to connect the cluster in 2023.

## Risks and mitigations

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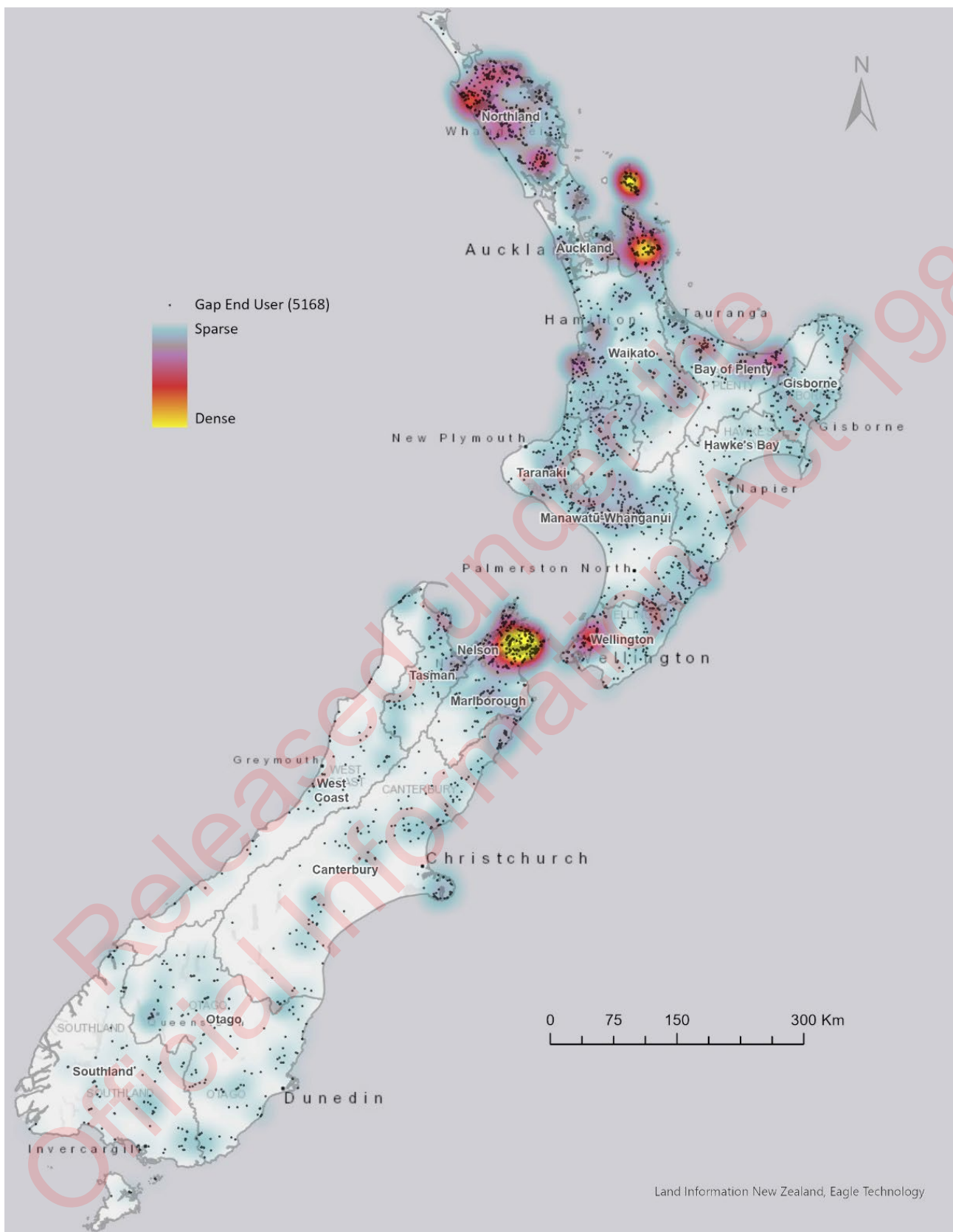
s 9(2)(g)(i)

## Next steps

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19. We anticipate the following next steps:
  - a. Further to your agreement, you will announce the RUS as a part of the \$60 million rural connectivity package at the TUANZ Rural Connectivity Symposium on 15 June.
  - b. Officials will progress work, alongside CIP, to implement the RUS with a proposed launch date of October 2022.

# Annex One: Remote and rural users without access to internet connectivity where they live – December 2021





# BRIEFING

## Remote Users Scheme policy mandate

<b>Date:</b>	27 July 2022	<b>Priority:</b>	Medium
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2223-0173

Action sought		
	Action sought	Deadline
<b>Hon Dr David Clark</b> Minister for the Digital Economy and Communications	Agree to the policy mandate and further design details for the Remote Users Scheme.	3 August 2022

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Deborah Salter	Manager, Communications Policy	04 901 0786	s 9(2)(a)	
Nicola Brown	Senior Policy Advisor	04 830 7325		✓

The following departments/agencies have been consulted (if required)
Crown Infrastructure Partners

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments:

Official Information Act 1982

# BRIEFING

## Remote Users Scheme policy mandate

<b>Date:</b>	27 July 2022	<b>Priority:</b>	Medium
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2223-0173

### Purpose

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To seek your agreement to the proposed timeline, further design details and policy mandate for the Remote Users Scheme, and your agreement to sign and send a letter conveying this information to Crown Infrastructure Partners.

### Recommended action

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

- a **Agree** to the proposed policy mandate for the Remote Users Scheme.

*Agree / Disagree*

- b **Agree** to an amendment to the policy settings for the Rural Capacity Upgrade programme to expand the definition of Regional Operator exempt from open access obligations.

*Agree / Disagree*

- c **Agree** to sign and send the Policy Mandate letter to Crown Infrastructure Partners, attached as Annex One.

*Agree / Disagree*



Deborah Salter  
Manager, Communications Policy

27 July 2022

Hon Dr David Clark  
Minister for the Digital Economy and  
Communications

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## Background

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1. You recently agreed to the proposed design and implementation plan for the Remote Users Scheme (RUS) [briefing 2122-4728 refers]. The Remote Users Scheme is an initiative under part two of the Future of Connectivity work programme.
2. You provided feedback to officials that the scheme should target principal residences. s [redacted]  
[redacted] 9(2)  
[redacted] (i)  
[redacted]
3. Based on this feedback, and further discussion with Crown Infrastructure Partners (CIP) in preparation for handing the scheme over to CIP for administration, officials have provided an updated timeline and policy mandate for the RUS. This policy mandate will provide CIP with the information and mandate required to implement the RUS.
4. To progress the implementation of the RUS, you will need to send a letter to the chairperson of CIP to inform it of this policy mandate and request that CIP implement the scheme in accordance with the agreed mandate and timetable (this is covered in more detail below).

### Implementation of the \$60 million funding package for improving rural connectivity

5. We have attached a draft Policy Mandate letter as **Annex One** for your approval which provides guidance for CIP to deliver the \$60 million package for improving rural connectivity, made up of:
  - a. \$43 million to expand the Rural Capacity Upgrade programme
  - b. \$15 million for the RUS, and
  - c. \$2 million to extend the marae digital connectivity programme.
6. This briefing also provides advice to support a proposed amendment to a clause in the existing policy settings for the Infrastructure Reference Group Digital Connectivity package, which will support the rollout of the expansion of the RCU. Subject to your agreement, confirmation of this amendment is also included in the draft Policy Mandate letter.

## Refining the policy approach for the Remote Users Scheme

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### The RUS will cover both new or upgraded infrastructure and one-off rebates for bespoke connectivity

7. As you are aware, terrestrial infrastructure such as fibre and fixed wireless has many benefits. s 9(2)(i)  
[redacted]  
[redacted]  
[redacted]
8. s 9(2)(i)  
[redacted]  
[redacted]  
[redacted]

s 9(2)(i) [Redacted]

9. s 9(2)(i) [Redacted]

*One-off rebates will be limited to principal residences*

10. Anyone will be able to submit an application for the RUS and have their eligibility assessed by CIP. s 9(2)(i) [Redacted]

11. To be eligible the principal residence must have no current operational broadband connection available or in use that exceeds 10Mbps download speeds, and not be in an area due to receive improved broadband services through any other government investment scheduled (as at the completion of the RUS procurement process - likely February 2023).

12. s 9(2)(i) [Redacted] Following further discussion with rural stakeholders including Federated Farmers and Rural Women NZ we have refined the eligibility criteria for the RUS and the definition of a principal residence for the purpose of the scheme. The criteria are flexible to consider unique rural living situations. We propose that principal residences for the purposes of the RUS are:

- a. Owner occupied dwellings
- b. Multiple households occupying a single dwelling (where a single grant for the one principal residence would be given and not multiple grants for each household within the dwelling)
- c. Tenanted dwellings
- d. Several dwellings on a single plot of land (such as farmhouses occupied by farm station workers under a "right to reside" or "licence to occupy" arrangement)
- e. Occupied dwellings on Māori land.

s 9(2)(i) [Redacted]

13. s 9(2)(i) [Redacted]

14. s 9(2)(i) [Redacted]

## Policy mandate for CIP's implementation of the RUS

15. In response to your feedback and after further analysis, we have based the proposed updated policy mandate on the following criteria:

- a. The \$15 million Remote Users Scheme is to target the 5,200 EUL gap that CIP has estimated still exists. As a policy goal, all principal residences within this 5,200 are intended to either receive s 9(2)(i)

While CIP has done some initial modelling of the number of households that are without connectivity or cannot access speeds of more than 10Mbps download, we do not know how many of the 5,200 EULs are principal residences. Stage one of the RUS (detailed below) will involve a call for applications, which will help CIP determine the number of eligible principal residences, where they are, and if the residents are interested in receiving broadband coverage.

- b. s 9(2)(i)

- c. s 9(2)(i)

- d. s 9(2)(i)

## Proposed implementation approach and timeline

### Crown Infrastructure Partners will administer and promote the Remote Users Scheme

16. CIP will administer the RUS, s 9(2)(i)

17. CIP will be responsible for publishing information on a website that describes the remote user scheme, s 9(2)(i) and application procedure, specifies the scheme rules (including rights and obligations of users), and identifies the potential technology solutions available for a remote broadband connection.

18. To promote the scheme to remote and rural users, CIP will develop marketing collateral and offline application forms to be made available to community organisations who already have

trusted relationships in communities. These organisations may include, but are not limited to schools, iwi and NGOs (for example, Rural Women, Federated Farmers, Whānau Ora providers).

19. CIP and MBIE have previously advised that this scheme would be launched in October. Given that CIP's priority is currently executing the arrangements for the \$43m RCU extension, resourcing constraints mean that the RUS procurement cannot be run concurrently. Once this is concluded a new procurement process for the RUS will begin. What will be launched in October is a request for applications from remote and rural households for the RUS. Further detail on this is provided below.

### A three-stage process for reaching remote end users most effectively

20. Based on your feedback and ongoing collaboration with CIP, officials are proposing a three-stage process for implementing the RUS: a call for application, a procurement process for network infrastructure targeting clusters of dwellings, followed by the launch of the grant (via a rebate system) for targeting individual dwellings that remain unserved. This process is outlined further below:

- a. **Stage One – Public call for applications (beginning October 2022):** The RUS details would be announced in conjunction with the launch of a call for applications through the CIP website (and parallel offline channel). This call would target rural communities and encourage end users with no or poor connectivity where they live to apply to CIP to be a RUS household. The applicant would provide information about the location of their principal residence and their experience of connectivity, and express interest in access to service where they live. s 9(2)(i)

[Redacted text]

The call for applications will be open from October. Applications will not be fulfilled until Stage Three, which is likely going to be in early-mid 2023, s 9(2)(i)

[Redacted text]

- b. **Stage Two -** s 9(2)(i)

[Redacted text]

- c. **Stage three.** s 9(2)(i)

[Redacted text]

## Timeline for implementation of the Remote Users Scheme

Timeline	Milestone	Announcement
<b>RUS stage one call for applications announced and launched</b>	From October 2022 onwards	Minister to announce details  CIP launches page on website for receiving applications and an offline option.  Communications campaign to rural communities
s 9(2)(i)		
<b>RUS stage two arrangements complete, stage three launched</b>	Early 2023	s 9(2)(i)
s 9(2)(i)		

## Amendment to policy settings for the Rural Capacity Upgrade programme

21. To implement contracts for the \$43 million RCU expansion, officials propose that you agree to raise the threshold for how much RCU funding an operator can receive before they are required to meet open access requirements. This is a small change that will allow WISPs to receive additional funding through the RCU expansion. Further detail is outlined below.
22. In March 2021 you agreed to policy settings proposed by Crown Infrastructure Partners for the Infrastructure Reference Group (IRG) Digital Connectivity package, which included the

initial Rural Capacity Upgrade Programme. These policy settings are attached as **Annex Two**.

23. These policy settings included open access requirements for all service providers unless they met the definition of a “regional operator”. A regional operator is distinguished by:
  - a. Only receiving grant funds (through the IRG Digital Connectivity package) of less than or equal to \$7.5 million (excluding GST); and
  - b. Is not Chorus, one of the LFCs, or a mobile network operator.
24. The \$7.5 million threshold was set in the context of the original \$47.8 million RCU programme. Now that this programme has been extended, many WISPs may hit the threshold, and be unable to enter into contracts. Due to the nature of WISP infrastructure and business models it is not practical to hold them to open access requirements.

25. s 9(2)(i)

## Consultation

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26. Crown Infrastructure Partners has been consulted on this briefing and the policy mandate for the Remote Users Scheme.

## Communications and risks

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### Announcing the detail of the RUS

27. Should you agree to the RUS policy mandate, officials will work with your office to support an announcement of the RUS. We would recommend an announcement alongside the release of the *Lifting Connectivity in Aotearoa* publication in September, or in October when applications open.

### Serving all 5,200 EULs within available funding of \$15 million

28. The intent of the RUS as proposed is to provide a pathway to connectivity s 9(2)(i) for all principal residences within the identified 5,200 EUL gap. s 9(2)(i)

29. s 9(2)(i)

### Delivery timeframes contingent on CIP’s existing work programmes

30. The proposed timeline is contingent on CIP’s ability to meet each milestone, for example concluding the process for extending the RCU programme so work can then begin on the procurement for the RUS. CIP will have reporting obligations and we will keep you informed of relevant launch dates and announcement opportunities.

## Next steps

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31. Implementation of the Remote Users Scheme requires you to send a letter to the CIP board outlining the policy mandate for the scheme and requesting CIP begin implementation from October this year. A draft letter to CIP outlining this policy mandate is attached as **Annex One**.
32. Subject to your feedback on the proposed policy mandate, the next step would be to sign the letter and send it to the Chair of CIP.

Released under the  
Official Information Act 1982

Mr Mark Binns  
Chair  
Crown Infrastructure Partners Limited  
By email: mark.binns@crowninfrastructure.govt.nz

Dear Mark

### **Policy mandate: 2022/23 Rural Connectivity Investment Programme**

This letter sets out the Policy Mandate for Crown Infrastructure Partner's (CIP) role in administering the recently announced \$60 million Crown appropriation for improving rural connectivity for New Zealanders.

### **Background**

At the completion of existing government programmes, Rural Broadband (RBI1 and RBI2), Ultra-Fast Broadband (UFB) and Mobile Blackspot Fund (MBSF), 99.8% per cent of the New Zealand population will be able to access improved broadband.

As you are aware, after the completion of these programmes there will be a population remaining who are living in rural or remote areas and do not have access to good telecommunications infrastructure. Because of low population densities, difficult terrain and greater distances from existing infrastructure, it is more expensive to provide connectivity to these areas.

This lack of coverage creates a digital divide. People who live in areas without access to reliable internet are disadvantaged when compared to those with good broadband coverage and access. As demonstrated by the COVID pandemic, the lack of quality connectivity can leave people socially and economically excluded, or vulnerable.

The Minister of Finance delivered Budget 2022 on 19 May 2022. Budget 2022 included a \$60 million appropriation for improving rural connectivity. This funding will be allocated to several initiatives to improve coverage and capacity experiences for remote and rural New Zealanders.

CIP's role as described in this letter is conditional on the approval of the CIP board, to the extent that the role is within its mandate as set out CIP's constitution, and on it advising shareholding Ministers of the Board's decision and any changes CIP proposes to make to its external accountability information and its reporting to shareholding Ministers. If CIP's Board concludes that the programme or any aspects of it are not within CIP's mandate, CIP will advise shareholding Ministers and the Treasury, to enable shareholding Ministers to receive and consider advice on CIP's role in the programme.

### **Extensions to existing programmes**

I intend to allocate \$43 million to an extension of the Rural Capacity Upgrade programme (RCU). I am aware that there are open bids to address capacity constraints for end users (EULs) across New Zealand. I expect CIP to begin negotiations with suppliers to spend the \$43 million according to the existing criteria outlined in the RCU Request for Proposals. As I have allocated additional funding to

this programme, I have also approved an update to the RCU policy mandate to increase the funding cap for the exemption for regional operators from \$7.5 million to \$15 million.

I intend to set aside \$2 million for an extension to the Marae Digital Connectivity Programme to enable CIP to provide eligible marae with the broadband connections and associated hardware that will support whānau and hapū to carry out economic activity and enhance their digital capabilities. In the event of an underspend at the end of 2024/25, this money is to be reallocated to rural connectivity initiatives within scope of appropriation.

#### **The Remote Users Scheme**

I also intend to allocate \$15 million to the Remote Users Scheme (RUS). This scheme is designed to provide rural and remote households with pathways to broadband access where they live. As this is a new initiative, I have attached the details of the policy mandate for the RUS to this letter.

Kind regards,

Hon David Clark

**Minister for the Digital Economy and Communications**

# Remote Users Scheme Policy Mandate

August 2022

## Introduction

This document presents the policy requirements for the Remote Users Scheme (RUS) and represents the Policy Mandate for the programme.

It is intended that the Policy Mandate guides preparation of the s 9(2)(i)

Crown funding of \$15 million has been allocated to the RUS, to be distributed across the RFP and grant fund.

## 1. Background

The RUS is focused on increasing the availability of broadband connectivity in rural and remote New Zealand.

At the completion of existing government programmes, Rural Broadband (RBI1 and RBI2), Ultra-Fast Broadband (UFB) and Mobile Blackspot Fund (MBSF), 99.8% per cent of the New Zealand population will be able to access improved broadband.

At the end of these programmes, Crown Infrastructure Partners (CIP) have estimated that there are approximately 5,200 remote households and businesses in New Zealand that will still have no, or very poor, connectivity options available to them.

The Minister of Finance delivered Budget 2022 on 19 May 2022. Budget 2022 included a \$60 million appropriation for improving rural connectivity. This funding will be allocated to several initiatives to improve coverage and capacity experiences for remote and rural New Zealanders.

The Minister for the Digital Economy and Communications announced the \$15 million RUS on 15 June 2022 as one of these initiatives.

### 1.2 Objectives

The objectives of the Remote Users Scheme are:

- rural and remote principal residences without connectivity, or with less than 10 Mbps service, s 9(2)(i)
- where new or upgraded connectivity terrestrial infrastructure is provided it may also serve households that are not principal residences if those households fall within the coverage area of the infrastructure provided.

### 1.3 Programme Funding

Crown funding of \$15 million has been allocated to the RUS, s 9(2)(i) in a manner that ensures that the target 5,200 households that have been identified can be covered by the amount of funding allocated. This funding is available over three years or until allocation is exhausted, whichever comes first.

### 1.3.1 A three stage implementation and associated funding allocation

The \$15 million RUS is to be implemented in three stages.

#### Stage one - Call for applications

The Remote Users Scheme will launch with a Call for Applications from people in rural and remote areas who have no connectivity at their principal residence.

Applications will require the name, address, and details of the household, and a description of any connectivity they have at their residence.

This information will serve two purposes:

- s 9(2)(i) [redacted]

[redacted]

#### Stage two - s 9(2)(i) [redacted]

[redacted]

#### Stage three. s 9(2)(i) [redacted]

[redacted]

## 2. Programme service coverage

### 2.1 RUS coverage extension coverage

The service coverage gap for the **RUS coverage extension** programme is defined as locations where rural or remote users are unserved for broadband connectivity i.e., locations where rural end users have no access to terrestrial broadband services (fixed line or wireless of > 10Mbps) but may have copper voice services or 3G coverage.

There is no list of priority locations for extending rural service coverage under the Remote Users Scheme.

### 2.2 RUS coverage extension service specifications

The service specifications for the **RUS** will be based on existing mandates for RBI2.

## 2.3 s 9(2)(i)

### 2.3.1 Intended scope for eligibility

The purpose of the eligibility criteria is to prioritise remote and rural households without adequate broadband services available to them through commercial terrestrial offerings. The scope is limited to:

- principal residences
- businesses may benefit if they are based in a primary residence, but they are not the target at this stage.

The criteria are flexible to consider unique rural living situations. For example, principal residences are intended to include:

- a. Owner occupied dwellings
- b. Multiple principal residences on a single property
- c. Tenanted dwellings
- d. Farmhouses occupied by share farmers (usually under a “right to reside” arrangement)
- e. Occupied dwellings on Māori land.

Applicants will not be required by CIP to sign up to a minimum term with a telecommunications provider, but they will have to meet the requirements of their chosen provider.

### 2.3.2 Application and eligibility assessment

Anyone may apply for the RUS, and CIP will then assess their application against the criteria. A call for applications will launch in October 2022, s 9(2)(i)

Upon application, applicants will need to provide:

- Contact details
- Proof of address
- Proof of permanent residence
- Declaration of no service availability where they live (which CIP will verify)
- Permission to use information for assessing criteria and evaluating programme

Criteria	Measurement	Examples of other models
Primary residence for at least one person – either owner/occupied or tenanted	<ul style="list-style-type: none"> <li>Tenancy agreement</li> <li>Power bill with applicant's name and address</li> </ul>	Parking permits, library cards, etc require similar proof of residence
Unable to purchase commercial broadband subscription of >10Mbps download speed	<ul style="list-style-type: none"> <li>CIP data</li> <li>Broadband Map</li> <li>Verification from local WISP</li> </ul>	CIP will have to confirm that applicant has satisfied eligibility criteria
Does not already have a satellite service	<ul style="list-style-type: none"> <li>Declaration</li> </ul>	

Applicants will be assessed on a first come first served basis until funding is exhausted.

**2.3.3** s 9(2)(i)

[Redacted text block]

**3. Accountability Arrangements**

**3.1 CIP role**

s 9(2)(i)

[Redacted text block]

### 3.2 Contract between MBIE and CIP

A contract is to be developed between the Ministry of Business, Innovation and Employment (MBIE) and CIP to define accountability arrangements for CIP undertaking the role of commercial manager and administrator for the RUS. This will be a variation to an existing funding agreement.

### 4. Service Requirements

A Programme Service Provider should supply the following services to end users or retail service providers (RSPs).



## BRIEFING

### Telecommunications – Government Investment Options

<b>Date:</b>	20 December 2023	<b>Priority:</b>	Medium
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2324-1205

Action sought		
	Action sought	Deadline
Hon Melissa Lee Minister for Media and Communications	s 9(2)(g)(i)  Agree in principle to utilise underspends from the Remote Users Scheme to fund Marae Digital Connectivity contract extensions.	15 January 2024

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Deb Salter	Manager, Communications Policy	04 901 0786	s 9(2)(a)	✓
Jon Rolfe	Senior Advisor, Communications Policy	04 901 2145		

The following departments/agencies have been consulted
Crown Infrastructure Partners, Commerce Commission

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments:

Out of Scope



## BRIEFING

### Telecommunications – Government Investment Options

<b>Date:</b>	20 December 2023	<b>Priority:</b>	Medium
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2324-1205

#### Purpose

This paper seeks:

- your feedback on options for future Government investment to improve telecommunications networks, including potential funding sources, and
- agreement in principle to use underspends from the Remote Users Scheme to fund extensions of Marae Digital Connectivity contracts (which start expiring from March 2024).

#### Executive summary

Despite government investment of nearly \$2.6 billion over the last decade, further investment will be required to address ongoing connectivity challenges. This includes addressing wireless network congestion, service continuity for rural connectivity initiatives and marae, and network resilience. Private sector investment alone will not be sufficient to address these connectivity challenges.

This briefing seeks your feedback on options for further government investment. s 9(2)(i)

Your decision is also sought on whether to progress work to fund extensions to contracts for Marae Digital Connectivity, which start to expire in March 2024. We recommend using underspends from the Remote User Scheme s 9(2)(f)(iv)

If you agree in principle to this approach, we can provide detailed advice with full costings in January 2024.

#### Recommended action

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

- a **Note** further investment is required to address rural fixed wireless network congestion, meet the ongoing renewals costs of existing programmes, and ensure networks are resilient.

*Noted*

*Provide feedback on the options for Government investment outlined in this paper*

- b **Indicate** if you would like officials to progress further work on the following options for Government investment:

- i. s 9(2)(i)

*Yes / No*

c



*Decide whether to fund Marae Digital Connectivity contract extensions*

d **Note** that a decision is needed on whether to fund Marae Digital Connectivity contract extensions, as some contracts are due to expire in March 2024 and decisions need to be communicated to marae and contracted suppliers.

*Noted*

e **Agree in principle** to use underspends from the Remote Users Scheme to fund Marae Digital Connectivity contract extensions, so that officials can provide detailed options for this in January 2024

*Agree in principle / Disagree*

Deb Salter  
**Manager, Communications Policy**  
Building, Resource and Markets, MBIE  
20 / 12 / 2023

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

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## Background – The Current State of Connectivity

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1. Access to reliable and high-speed connectivity networks is vital to the digital economy and to digital transformation. Reliable and resilient connectivity is also important for response and recovery efforts during major natural hazard events.
2. Since 2010 successive governments have allocated nearly \$2.6 billion to improving broadband internet and mobile coverage and performance across New Zealand. These improvements are still being delivered under existing government programmes, but most of these will conclude over the next three years. A summary of the status of existing rural connectivity programmes is provided in **Annex One**.

## Connectivity challenges

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3. The Ultra-Fast Broadband (**UFB**) programme, which has made fibre available to 87.2 percent of the population, provides high-speed future-proofed connectivity for most New Zealanders. But there are still connectivity challenges, particularly in rural New Zealand.

### Network congestion in rural areas is an ongoing challenge

4. Wireless towers are a pragmatic and cost-effective way of delivering both high-speed broadband and mobile connectivity in rural areas. However, wireless networks can get congested. We estimate 50,000 rural households will still face wireless broadband capacity issues at the end of existing programmes. We expect to obtain better data on rural capacity issues once the Commerce Commission's Rural Connectivity Study is complete in early 2024.

s 9(2)(i)

### Resilience is increasingly important but there is little funding dedicated to it

7. s 9(2)(g)(i) [redacted] Telecommunications network operators prefer to focus efforts on readiness and response (rather than risk reduction).
8. Without Government intervention, telecommunications outages on a scale of those experienced following Cyclone Gabrielle are likely to re-occur in similar weather events. This does not align with the public expectation that basic telecommunications services (particularly emergency 111-calling) can continue to operate in emergencies.

9. The Department of the Prime Minister and Cabinet is leading a work programme to develop minimum regulatory standards for New Zealand's critical national infrastructure system. While this work programme has the potential to address some telecommunications resilience issues, it is likely to be five to seven years before any new regulatory regime is fully implemented.

**Private Sector initiatives will assist, but will not completely address all challenges**

10. Further connectivity improvements initiated by the private sector will not be sufficient to address all remaining connectivity challenges:
- a. The Chorus proposal to extend fibre to an additional 40,000 households and businesses for \$234 million will only lift coverage to 89.2 per cent of the population.
  - b. Low earth orbit satellites have potential to extend the availability of broadband services and reduce congestion on wireless networks. Satellite-to-cell calling technology also shows promise but is still in the developmental stages.

**Options for future government investment in connectivity**

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11. Several investment options which could address the challenges above are discussed below and in *Table 1*. We can provide further information to support conversations with the s 9(2)(g)(i) [redacted] on potential funding sources.

**Addressing network congestion in rural areas**

s 9(2)(i)

[Large redacted area]

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## Marae Digital Connectivity contract extensions

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28. The Marae Digital Connectivity Programme covers the cost of installing the fastest available broadband connection for eligible marae as well as five-year contracts to fund broadband subscription and wrap-around support. Out of 877 eligible marae, 646 have been connected as at the end of November 2023 (there has been a total of 690 applications).

### No decisions have been taken on funding extensions of Marae Digital Connectivity contracts

29. As shown in the table below, the five-year contracts for the Programme start to expire from March 2024. While there has been no commitment by the Government to extend these contracts, s 9(2)(g)(i) [redacted].

Without further funding, many marae may no longer be able to maintain their broadband connections. This would diminish the investment already made to connect marae.

Financial year	Contracts coming up for renewal over the next 5 years				
	2023/24	2024/25	2025/26	2026/27	2027/28
Connections contracts expiring	s 9(2)(ba)(i) [redacted]				

30. We suggest seeking funding to continue the Marae Digital Connectivity Programme. While we do not have data to evaluate the success of the Programme, anecdotally we know that it has supported education and training, and employment opportunities for iwi and hapū. It has also helped to make marae and their local communities more resilient, with some marae operating as community hubs following the North Island Severe Weather Events.

### Remote Users Scheme underspend could serve s 9(2)(f)(iv) [redacted]

31. As per our advice in November 2023 [Briefing 2324-0896 refers] we have identified \$9 million of underspends in the Remote User Scheme. We recommend utilising a portion of this underspend to extend contracts s 9(2)(i) [redacted].

32. You also have a choice about whether to fully extend the contracts, or only renew broadband subscriptions and software licences. We estimate that the average annual cost of extending the full contracts would be approximately s 9(2)(i) [redacted] per annum plus inflation, or approximately s 9(2)(i) [redacted] for broadband renewal and software licences only. If you agree in principle to some form of renewal, we can provide you with full costings in January 2024. Your decision on a final approach will be needed before mid-February 2024 to provide certainty to marae and suppliers before contracts start to expire (from 27 March 2024).

## Next steps

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33. We are available to discuss the options for investment outlined in this briefing. We can also provide you with additional information s 9(2)(f)(iv) [redacted].

34. s 9(2)(g)(i) [redacted]

## Annex

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### Annex One: Status of Active Rural Connectivity Initiatives

## Annex one: Status of Active Rural Connectivity Initiatives

Initiative Name	Target	Status (Sept Quarter 2023)	Expected Finish Date
Rural Broadband Initiative Phase 2	84,000 rural premises with improved broadband	<b>96% Complete:</b> 81,094 premises can access improved broadband	Fourth Quarter of 2024
Mobile Black Spot Fund	Mobile coverage to: <ul style="list-style-type: none"> <li>• 168 tourism sites</li> <li>• 1,400km of State Highway</li> </ul>	Mobile coverage to: <ul style="list-style-type: none"> <li>• <b>77% Complete:</b> 128 tourism sites</li> <li>• <b>98% Complete:</b> 1,377km of State Highway coverage</li> </ul>	Fourth Quarter of 2024
Rural Capacity Upgrades	Broadband capacity upgrades to 69,900 rural homes and businesses	<b>53% Complete:</b> Capacity upgrades to 37,487 rural homes and businesses	End of 2025
Marae Digital Connectivity	Up to 877 eligible marae provided with broadband on request. Funding covers the connection, hardware, and 5 years of service desk help.	<b>645 marae connected</b> <b>633 marae with hardware installed</b>	Closing applications for new connections in 2024. Contracts for access support start to expire from March 2024
Remote Users Scheme	Terrestrial wireless coverage or vouchers to up to 3,800 eligible remote households upon application	<b>1,105 applications received.</b> Of these applications 225 users were found to have no service.	Applications close June 2024, with funding ceasing in June 2025.
5G Spectrum Funded Connectivity Improvement works	\$72 million in new towers (expected to result in approximately 60-70 towers) to cover priority mobile black spots on state highways, key rural roads and tourism sites.	So far <b>26 business cases</b> have been submitted of which <b>21 have been accepted</b> at a cost of \$22.6 million. <b>1 tower is built and is operational.</b>	31 March 2026



## BRIEFING

### Extending the Marae Digital Connectivity Programme

<b>Date:</b>	11 June 2024	<b>Priority:</b>	Medium
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2324-3378

Action sought		
	Action sought	Deadline
Hon Paul Goldsmith <b>Minister for Media and Communications</b>	<b>Agree to an approach for the future of the Marae Digital Connectivity Programme.</b>  <b>Agree to close applications for new connections through the Marae Digital Connectivity Programme and the Remote Users Scheme on 30 September 2024.</b>	24 June 2024

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Deborah Salter	Manager, Communications Policy	04 901 0786	s 9(2)(a)	✓
Jon Rolfe	Senior Policy Advisor	04 901 2145		

The following departments/agencies have been consulted		
Crown Infrastructure Partners, Te Puni Kōkiri		
<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



**BRIEFING**

**Extending the Marae Digital Connectivity Programme**

<b>Date:</b>	11 June 2024	<b>Priority:</b>	Medium
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2324-3378

**Purpose**

To seek your decision on an approach to the future of the Marae Digital Connectivity Programme. We also seek your agreement to close new applications for the Marae Digital Connectivity Programme and the Remote Users Scheme.

**Recommended action/s**

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

*Agree to an approach for the future of the Marae Digital Connectivity Programme*

a s 9(2)(i) [redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]

*Noted*

b **Note** Crown Infrastructure Partners estimates that to fund all s 9(2)(i) [redacted] of the Marae Digital Connectivity Programme s 9(2)(i) [redacted]  
[redacted]  
[redacted]

*Noted*

**EITHER**

c **Agree** to extend all s 9(2)(i) [redacted] of the Marae Digital Connectivity Programme until s 9(2)(i) [redacted] from the forecast Remote User Scheme underspend and s 9(2)(i) [redacted] existing funding for the Programme  
*(recommended)*

*Agree / Disagree*

**OR**

d **Agree** to provide no funding to extend the Marae Digital Connectivity Programme from the forecast Remote User Scheme underspend.

*Agree / Disagree*

e **Note** that if no additional funding is provided to extend the Marae Digital Connectivity Programme, then the s 9(2)(i) [redacted] will be used to fund all components of the Programme s 9(2)(i) [redacted].

*Noted*

Agree to end dates for programmes

- f **Agree** for Crown Infrastructure Partners to close applications for new connections through the Marae Digital Connectivity Programme and applications for funding through the Remote Users Scheme on 30 September 2024.

*Agree / Disagree*

Deborah Salter  
**Manager, Communications Policy**  
Building, Resource and Markets, MBIE

11 /06 / 2024

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

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

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## Background

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1. The Marae Digital Connectivity Programme began in 2019 under the Provincial Growth Fund. The purpose of the Programme was to ensure rural and remote communities, iwi and hāpu could access modern and reliable digital services at marae. s 9(2)(i) [REDACTED] has been allocated to the Programme.
2. Te Puni Kōkiri estimates that in 2018, prior to the introduction of the Marae Digital Connectivity Programme, 95 per cent of marae were not connected to the internet. As of 31 March 2024, nearly 75 per cent of eligible marae (644 out of 877) are connected.

### What the Marae Digital Connectivity Programme funds

3. The Programme funds connection costs to install the fastest available broadband as well as installation and maintenance of hardware. This includes connectivity hardware (Wi-Fi extenders, access points, switches) and non-connectivity hardware (including an audio-visual bundle for teleconferencing, security cameras and smoke alarms). The Programme also provides funding to cover five years of the following costs for each marae:
  - a. broadband subscription costs
  - b. licences for, and maintenance of, hardware
  - c. service desk support, administered by Spark.

### Evaluating the impact of the Marae Digital Connectivity Programme

4. Anecdotal evidence shows that the Programme has provided digital inclusion and resilience benefits to communities, iwi and hapū across New Zealand.
5. Many marae act as hubs for rural and remote communities and have reported extensive use of the connectivity provided for education, training, and economic development purposes. This includes digital meetings, events, people using the marae as a 'business hub' and children doing digital homework. Marae report that these connections are frequently utilised for everyday activities such as job applications, online appointments, banking, shopping, school assessments and work activities.
6. The Programme has also helped to make communities more resilient to natural disasters and adverse weather events. For example, many marae served as civil defence community hubs during Cyclone Gabrielle in February 2023.
7. Spark has provided some high-level reporting that demonstrates the connections are being extensively utilised by communities. Te Puni Kōkiri data also indicates that areas in which many marae are located (particularly rural and remote parts of the Gisborne and Northland regions) are also areas with higher levels of deprivation, where people are less likely to have internet use at home.
8. Despite this evidence of the digital inclusion benefits of the Programme, there has not been a formal evaluation that provides a robust assessment of how these connections are being utilised.

### Original funding for the Programme is coming to an end

9. The five years of support provided through the Programme was scheduled to start expiring this year. s 9(2)(i) [REDACTED]  
[REDACTED]  
[REDACTED]

10. The extension would be funded by s 9(2)(i) of the forecast underspend from the Remote Users Scheme; providing a total of s 9(2)(i) to extend the Programme when combined with the remaining s 9(2)(i) already allocated to the Programme. There is forecast to be a total underspend of s 9(2)(i) the Remote Users Scheme, due to lower than anticipated take-up of this initiative.
11. Following the commencement of contractual negotiations with suppliers Crown Infrastructure Partners (CIP) has advised that s 9(2)(i)
12. We note there have been no public communications, or communications with marae to date, that indicate any additional funding has been provided to extend the Programme. CIP has only communicated with suppliers to obtain updated quotes for an extension.

### **Confirming an approach to the Marae Digital Connectivity Programme**

13. s 9(2)(i)

s 9(2)(i)

s 9(2)(g)(i)

s 9(2)(g)(i)

s 9(2)(g)(i)

### **Risks**

19. While there have been no direct communications from government agencies to marae on extending support provided through the Programme, CIP has commenced discussions with suppliers. s 9(2)(g)(i)

we will work with Te Puni Kōkiri and CIP to develop communications to marae, and we can supply reactive communications to your Office.

### **End dates for programmes**

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20. Alongside seeking your decision on the future of the Marae Digital Connectivity Programme, we also seek your agreement for CIP to end applications for:
  - a. new connections through the Marae Digital Connectivity Programme, and
  - b. funding through the Remote Users Scheme.
21. No end date was set for applications to these programmes, the intention was for applications to end when funding was fully allocated. However, there is now very limited ongoing uptake for new connections through these programmes. Therefore, we recommend closing them to new applications on 30 September 2024. This would provide sufficient time for CIP to communicate this publicly.

### **Next steps**

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22. We seek your decision on extending the Marae Digital Connectivity Programme contracts by 24 June 2024. This is because the current quotes provided to CIP for extending the service desk support and hardware licences expire at the end of June. If these quotes expire, CIP expects the cost of these Programme components to increase.
23. We will communicate your decisions to CIP and Te Puni Kōkiri. In turn, MBIE will work with CIP and Te Puni Kōkiri to communicate your decision with marae and suppliers. CIP will arrange any necessary changes to supplier contracts.
24. MBIE officials will work with your office on developing any reactive Q&As should you receive any questions from the media, marae, or other interested parties.



## BRIEFING

### Further advice on options to extend the Marae Digital Connectivity Programme

Date:	11 July 2024	Priority:	Medium
Security classification:	Out of Scope	Tracking number:	2425-0130

Action sought	Action sought	Deadline
Hon Paul Goldsmith Minister for Media and Communications	<p><b>Note</b> that Briefing 2324-3378 seeks decisions relating to the extension of the Marae Digital Connectivity Programme.</p> <p><b>Note</b> the additional advice provided on this matter, as requested in response to Briefing 2324-3378.</p> <p><b>Indicate</b> if you would like to discuss this matter further with officials.</p>	18 July 2024

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Deborah Salter	Manager, Communications Policy	04 901 0786	s 9(2)(a)	✓
Jon Rolfe	Senior Policy Advisor, Communications Policy	04 901 2145		

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



## BRIEFING

### Further advice on options to extend the Marae Digital Connectivity Programme

<b>Date:</b>	11 July 2024	<b>Priority:</b>	Medium
<b>Security classification:</b>	Out of Scope	<b>Tracking number:</b>	2425-0130

#### Purpose

To provide additional advice on options to fund an extension to the Marae Digital Connectivity Programme.

#### Recommended action

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

- a **Note** that Briefing 2324-3378 seeks decisions relating to the extension of the Marae Digital Connectivity Programme. *Noted*
- b **Note** the additional advice provided in this briefing on options to fund an extension to the Marae Digital Connectivity Programme, as requested in response to Briefing 2324-3378. *Noted*
- c **Indicate** if you would like to discuss options for extending the Marae Digital Connectivity Programme further with officials. *Yes / No*
- d **Note** that the current quotes provided by Spark to extend the service desk support and hardware licences for the Marae Digital Connectivity Programme expire on 20 July 2024, and if the quotes expire it is likely the cost of these components will increase. *Noted*

Stevie Jepson  
**Acting Manager, Communications Policy**  
Building, Resource and Markets, MBIE

11 / 07 / 2024

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

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

## Background

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1. On 11 June 2024, officials provided you with advice on extending the Marae Digital Connectivity Programme [Briefing 2324-3378 refers]. In response, you asked for further advice on what other options there are for funding an extension to the Programme.

## Other funding options for the Marae Digital Connectivity Programme

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### Funding through the Media and Communications portfolio

2. Within the Media and Communications portfolio, there are currently two potential funding sources that could be utilised to extend the Marae Digital Connectivity Programme:
  - a. **Forecast underspends from the Remote Users Scheme** s 9(2)(i) [redacted] As per our previous advice, s 9(2)(i) [redacted] from the forecast Remote User Scheme underspend and s 9(2)(i) [redacted] of existing funding s 9(2)(i) [redacted] [Briefing 2324-3378 refers].

O  
s 9(2)(g)(i)

### Alternative funding sources across government

7. MBIE officials are not aware of any existing available funds from other portfolios that could support the Marae Digital Connectivity Programme. s 9(2)(g)(i) [redacted]

Released under the Official Information Act 1982

**Next steps**

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12. We are seeking decisions on extending the Marae Digital Connectivity Programme in Briefing 2324-3378 by 18 July 2024. The current quotes provided to CIP s 9(2)(i) [redacted] were scheduled to expire at the end of June, but this has been extended to 20 July 2024. If these quotes expire, CIP expects the cost of these Programme components to increase.
13. We also seek your agreement to the recommendation in Briefing 2324-3378 for CIP to close applications for new connections through the Marae Digital Connectivity Programme and to close applications for funding through the Remote Users Scheme on 30 September 2024. This will provide sufficient time for CIP to communicate these end dates publicly.



## BRIEFING

### Confirming decisions on utilising the Remote Users Scheme underspend

<b>Date:</b>	26 September 2024	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	0003179

	Action sought	Deadline
Hon Paul Goldsmith <b>Minister for Media and Communications</b>	s 9(2)(i)  <b>Agree</b> to align the policy mandate for remaining funding in the Mobile Black Spot Fund and the s 9(2)(i) for new Rural Connectivity Group towers with the policy mandate for the 3.5 GHz spectrum towers.  <b>Agree</b> to close new applications for the Marae Digital Connectivity Programme and the Remote Users Scheme on 31 December 2024.	9 October 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	04 901 0786	s 9(2)(a) ✓
Jon Rolfe	Senior Policy Advisor, Communications Policy	04 901 2145	

#### 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

## Confirming decisions on utilising the Remote Users Scheme underspend

<b>Date:</b>	26 September 2024	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	0003179

### Purpose

To confirm your decision on the allocation of the forecast <sup>s 9(2)(i)</sup> underspend for the Remote Users Scheme to other programmes within scope of the Rural and Marae Connectivity appropriation.

### Recommended action

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

- a. **Note** that you outlined your decision on how the forecast <sup>s 9(2)(i)</sup> Remote Users Scheme underspend be split at the Media and Communications Officials' meeting on 3 September 2024.

*Noted*

- b. **Confirm** your decision on the following allocation of the forecast <sup>s 9(2)(i)</sup> Remote Users Scheme underspend:

- i. <sup>s 9(2)(i)</sup> to extend the Marae Digital Connectivity Programme until at least 30 June 2027;
- ii. <sup>s 9(2)(i)</sup> to enhance the resilience of rural mobile network infrastructure by grant funding battery upgrades in rural areas; and
- iii. <sup>s 9(2)(i)</sup> to grant fund Rural Connectivity Group towers.

Yes / No

- c. **Agree** to align the policy mandate for the remaining funding in the Mobile Black Spot Fund <sup>s 9(2)(i)</sup> and the additional <sup>s 9(2)(i)</sup> for new Rural Connectivity Group towers in recommendation (b) with the 3.5 GHz spectrum towers' policy mandate.

*Agree / Disagree*

- 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  
26 / 9 / 2024

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

30 / 9 / 2024

## Background

1. On 29 August 2024, we provided you with advice on options to utilise the forecast <sup>s 9(2)(i)</sup> Remote Users Scheme underspend [Briefing 2425-0410 refers]. At the Media and Communications Officials' meeting on 3 September 2024 you outlined your decision that the underspend be split between:
  - a. extending the Marae Digital Connectivity Programme;
  - b. grant funding battery upgrades on mobile sites in rural areas, and;
  - c. funding for Rural Connectivity Group (RCG) towers.
2. This briefing seeks your confirmation of that decision and the allocation of funds between these three programmes.

## Decision on the allocation of the Remote Users Scheme underspend

3. Officials at the Ministry of Business, Innovation and Employment (MBIE) have worked with Crown Infrastructure Partners (CIP) to determine an appropriate funding split between the three identified programmes. We recommend the following funding allocation.

### <sup>s 9(2)(i)</sup> to extend the Marae Digital Connectivity Programme

4. MBIE and CIP recommend providing <sup>s 9(2)(i)</sup> to extend the Marae Digital Connectivity Programme. This is the minimum amount required to extend the Marae Digital Connectivity Programme <sup>s 9(2)(i)</sup>. This will also provide sufficient time to communicate with marae about when the funding is ending. In turn, this will help to provide time for marae trustees to consider establishing alternative arrangements to continue self-funding connectivity services for marae.
5. Subject to your agreement to allocate this funding, CIP will seek updated quotes from service providers. We will work with CIP and Te Puni Kōkiri to develop transition arrangements and engage with your office on communications to marae.

### <sup>s 9(2)(i)</sup> to grant fund battery upgrades on mobile sites in rural areas

6. CIP already has work underway to upgrade batteries on 50 rural mobile sites, budgeting <sup>s 9(2)(i)</sup> per battery upgrade. This <sup>s 9(2)(i)</sup> funding will support battery upgrades for a further <sup>s 9(2)(i)</sup> vulnerable rural mobile towers identified by CIP. These vulnerable rural mobile sites are in regions that have been most impacted by weather events over the last year (including Hawke's Bay, Gisborne, Northland, Marlborough Sounds, West Coast, Coromandel, and Manawatū).
7. Subject to your agreement, CIP will amend contractual arrangements with RCG to include the additional towers in this battery upgrade programme. CIP expects that these upgraded batteries would be installed and operational by June 2025, ahead of winter.

### <sup>s 9(2)(i)</sup> to grant fund Rural Connectivity Group towers

8. At the officials' meeting on 3 September 2024, you indicated that you would like the remaining underspend to go towards RCG towers. <sup>s 9(2)(g)(i)</sup>
9. <sup>s 9(2)(i)</sup>  
Fund and the 3.5GHz spectrum RCG towers. With <sup>s 9(2)(i)</sup> Remote Users Scheme underspend, this will provide a total of approximately <sup>s 9(2)(i)</sup> for CIP to commit funding to RCG towers over <sup>s 9(2)(i)</sup>

10. CIP is in the process of finalising the selection process for further investment through RCG. This includes mobile site locations where previous businesses cases were either not submitted or initially rejected. It also includes assessing requests received from communities with more than 15 end user locations. CIP assess these sites against the policy criteria, such as the number of end user locations expected to be within coverage, whether it provides coverage to a tourism spot, and the amount of State Highway or local road coverage it would provide.
11. The current average cost of an RCG mobile site is between s 9(2)(i) depending on the location and the terrain. The total s 9(2)(i) uncommitted funding from existing programmes would support the build of up to an additional s 9(2)(i) RCG towers (subject to final costings and business case approval). Examples of new potential RCG mobile sites that could be funded with this additional s 9(2)(i) include s 9(2)(i) s 9(2)(i)

#### *Aligning the policy mandate for these remaining RCG funds*

12. The policy mandate for the Mobile Black Spot Fund enables CIP to fund new RCG mobile towers that provide mobile coverage to State Highways and tourism locations. However, the policy mandate for the 3.5GHz spectrum RCG towers agreed in November 2022 was broader. This included providing coverage to mobile black spots on key local roads that are not State Highways and community requests where a tower would provide additional mobile wireless network coverage or capacity for more than fifteen end user locations.
13. We seek your agreement to align the policy mandate for the remaining funding in the Mobile Black Spot Fund and the additional s 9(2)(i) from the Remote Users Scheme underspend with the 3.5 GHz spectrum towers' policy mandate. This will broaden the range of criteria that CIP can apply in utilising the remaining funds in these programmes. Subject to your agreement, we will provide you with a letter to the CIP board to implement the change in policy mandate.

#### **Next steps**

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14. Subject to your agreement to the recommended allocation for the forecast Remote Users Scheme underspend:
  - a. **Marae Digital Connectivity Programme:** we will work with CIP, Te Puni Kōkiri and your office on any communications. CIP will also seek updated quotes from Spark to extend the Marae Digital Connectivity Programme.
  - b. **RCG and battery funding:** CIP will update its contracts with RCG for the battery upgrades. Subject to your agreement to align the policy mandate for these remaining RCG funds, we will provide you with a letter to the CIP Board to implement the change. CIP will then include the s 9(2)(i) in its assessment process for remaining RCG investment.