



Submission to Treasury on: Proposed Independent Infrastructure Body

This submission is made by the New Zealand Telecommunications Forum Incorporated (TCF). The TCF is the telecommunications sector's industry body which plays a vital role in bringing together the telecommunications industry and key stakeholders to resolve regulatory, technical and policy issues for the benefit of the sector and consumers. The TCF enables the industry to work together and to discuss issues and topics collaboratively, to reach acceptable solutions that can be developed and implemented successfully. Its members represent 95% of the New Zealand telecommunications industry by customer numbers.

This submission has been drafted in response to the Treasury discussion paper about the proposed new independent infrastructure body, dated 8 October 2018.

Since 2009, Treasury, via its National Infrastructure Unit has developed policy advice to the Minister of Infrastructure working with the National Infrastructure Advisory Board. A collaborative approach has enabled central government and its agencies to work with local government and the private sector. In 2015, the 30 Year Infrastructure Plan was released, with a 10 Year Capital Intentions Plan issued in 2014 and refreshed in 2016. New Zealand is facing significant issues which will increase the pressure on its infrastructure. Some of the key issues include population growth, climate change and a fragmented policy & regulatory regime and approach to infrastructure planning and development.

The National Infrastructure Unit has estimated that \$129 billion is expected to be spent on capital projects between 2019 and 2029. Given the level of expected investment, it is important that:

- Decision making is based on data/evidence with appropriate problem definitions;
- Infrastructure is recognised as being part of an integrated system;
- Independent and creditable policy is developed; and
- Infrastructure investment is encouraged by investors having certainty of outcomes.

Limited co-ordination of the diverse range of infrastructure required in major projects leads to increased cost for infrastructure investment associated with the primary project e.g. major roading projects not planned to include telecommunications technology.

The TCF supports the principle of establishing an Independent Infrastructure Body and in particular, one that does not duplicate existing functions, but links into and continues as part of the initiatives under the Urban Growth Agenda. The telecommunications industry is responsible for providing fixed and mobile infrastructure across all of New Zealand for the benefit of consumers and to enable economic prosperity for New Zealand. Modern communication facilities are essential enablers of economic activity, productivity and for closing the digital divide.

The discussion paper suggests that the new Independent Infrastructure Body will have two primary functions of strategy and planning, and support for project delivery and procurement. In principle, the TCF considers there would be value in these functions being performed by the Independent Infrastructure Body as it would provide a useful overview of planned infrastructure developments and may present opportunities for efficient deployment of telecommunications infrastructure to meet future demand.

The discussion paper does not cover what happens to all the responsibilities of the National Infrastructure Unit. The TCF is interested to know whether the Treasury will remain responsible for oversight of the National Code of Practice for Utility Operators' Access to Transport Corridors (the Code) which is a legislated requirement under the Utilities Access Act 2010.

The TCF also welcomes an holistic approach to infrastructure strategy for New Zealand and sees the potential benefits of this body to streamline processes, remove silos and realise optimal infrastructure outcomes for the benefit of all communities and business. This initiative will contribute to increased certainty for the telecommunications industry when future infrastructure investments are planned.

The TCF therefore supports the proposed functions of the new Independent Infrastructure Body as outlined in the Discussion paper. However, the functions could usefully be expanded by a requirement to:

- review major infrastructure investments to ensure policy objectives are being achieved; and
- facilitate coordination of infrastructure providers at the early stages of infrastructure planning.

This submission does not address each of the questions raised in the discussion paper. The time provided for developing submissions is insufficient. However, the TCF acknowledges that there is value in the development of the new Independent Infrastructure Body and wishes to engage with Treasury as the role and functions of the body are further developed. It will be important for the telecommunications industry to be represented in future discussion about infrastructure planning and investment.

Contact

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