NZ TELECOMMUNICATIONS FORUM INC

ALWAYS ON:
CONNECTING AOTEAROA TO A RESILIENT AND PROSPEROUS FUTURE

Telecommunications industry briefing for election 2026

Telecommunications networks are essential national infrastructure. They support our economy, connect our communities, and provide vital lifelines in times of emergency. (Commerce Commission Annual Monitoring Report 2024).

This briefing outlines the critical role telecommunications plays in New Zealand's economic performance, social wellbeing and national resilience, and highlights four ways government can work with the sector to improve economic and social outcomes over the next parliamentary term.

The role and contribution of the telecommunications sector

The telecommunications sector invests around $1.6 billion each year across mobile and fixed (fibre) networks to deliver world-class connectivity (including internet access, voice calling and messaging), while maximising coverage and remaining resilient. Te Waihanga notes this is a significant level of investment relative to other sectors, with New Zealand ranking fourth in the OECD for telecommunications investment[1].

Sustaining this level of investment over time and continuing to improve connectivity outcomes depends on policy coherence, regulatory certainty, and a stable operating environment. The highly competitive nature of the sector means that much of the investment in network improvements cannot be recouped through price increases. In many locations, further network expansion is unlikely to be commercially viable under current industry economics. Consumers are generally unwilling to pay what it costs to provide enhanced connectivity and additional resilience in hard to reach or remote areas. At the same time demand for connectivity continues to rise.

Over the past decade, government has successfully partnered with the sector to deliver the Ultra-Fast Broadband programme (UFB), improve rural connectivity (through the Rural Broadband and Mobile Black Spot initiatives), and build a world class emergency services communications network[2]. The priority now is to leverage that infrastructure to address New Zealand's most pressing challenges. This means using connectivity as a tool to jumpstart productivity, ease cost of living pressures, and position New Zealand to compete in a data-driven global economy. Doing so will help ensure all New Zealanders, regardless of where they live, can access vital government and health services online, stay connected during emergencies, work flexibly, and participate in the digital economy.

[1] Te Waihanga State of Play Report for Telecommunications: Page 9-10.
[2] This includes the Emergency Location Information Service, 111 roaming, the Public Safety Network, and the Emergency Mobile Alert System.

Empowering the telecommunications sector to deliver for Aotearoa

Government policy can either enable or constrain the contribution telecommunications makes to economic growth and social wellbeing. Past partnerships, most notably through UFB and rural connectivity programmes, have delivered significant, long-lasting benefits.

To maintain momentum and respond to changing demand, telecommunications needs to be clearly embedded in government strategy.

To bridge the gap between policy intent and real-world impact, we encourage government to:

- **Clearly signal strategy on New Zealand's connectivity needs.** Other countries are being increasingly deliberate about how digital technology can lift productivity, improve service delivery, and support inclusion; and about the foundational role connectivity plays in achieving these outcomes. Clear government strategy on New Zealand's growing connectivity needs (especially for rural New Zealand) will provide confidence for long-term investment and help ensure infrastructure and services keep pace with demand, technological change, and resilience expectations. We are ready to work with government to support the development of a shared view of priorities and pathways.

- **Partner and co-invest to deliver public good outcomes.** Delivering high capacity reliable connectivity to New Zealanders cannot be achieved through market mechanisms alone. Partnerships continue to be needed to support improved connectivity, additional resilience, and digital inclusion in less-populated or remote areas, and for New Zealanders at risk of exclusion.

Empowering the telecommunications sector to deliver for Aotearoa

- **Maintain fit for purpose regulation.** Regulation has a limited but essential role in addressing market failures and protecting consumers and national interests. However, outdated or overly rigid frameworks can force investment into legacy technologies that no longer meet consumer needs, divert capital from network improvements and innovation, increase costs for consumers, and undermine investor confidence. A regulatory environment that is clear, predictable, and adaptable will better support investment and long-term outcomes.

- **Engage with us early.** Early and constructive engagement between government and the sector helps ensure policy proposals are well-informed, practical, and targeted. Signalling policy ideas and expectations early, and working collaboratively on solutions, can reduce unintended consequences, support better investment decisions, and avoid regulatory processes that are costly for both government and industry to navigate.

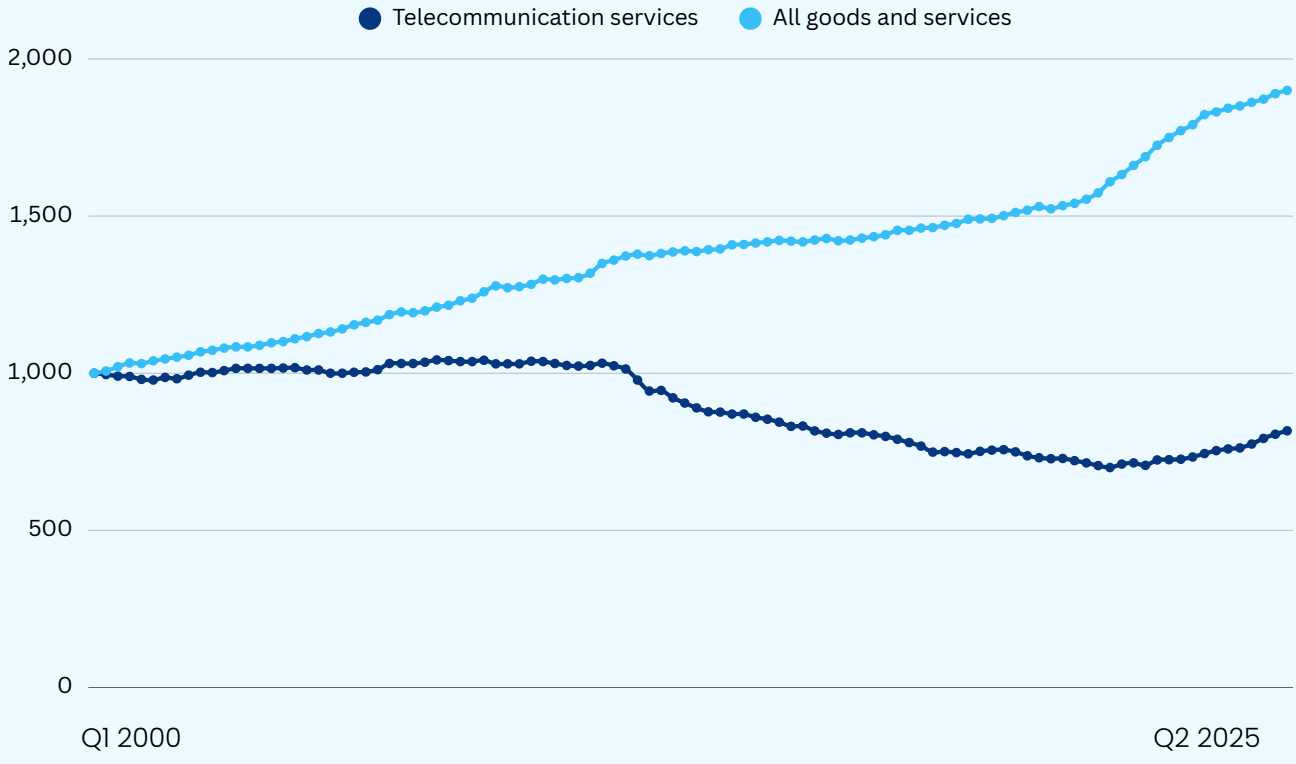
Industry snapshot

Competition and consumer choice

New Zealand has a competitive telecommunications sector, with four major retail service providers and around 100 smaller parties offering services. New Zealanders can choose from a wide range of connectivity options, including fibre, fixed wireless, mobile, and satellite. The sector compares favourably with other OECD countries, and performs strongly relative to other infrastructure sectors[3]. While the sector does not face an infrastructure deficit, ongoing investment is essential to maintain performance, meet changing demand, and support resilience.

Competition has delivered significant consumer benefits: more choice, better pricing and continuous improvements in service quality. Data usage and network performance have grown rapidly while costs for telecommunications services have remained steady or fallen. Between 2000 and 2025 the Consumer Price Index (CPI) for all goods and services increased by around 90 percent, while the telecommunications sub-index in the CPI fell by 18.3 percent.

Telco Prices vs All Prices in the CPI
(Indexes: 2000Q1 =1000)



Source: Statistics NZ Consumer Price Index

[3] Sector state of play: Telecommunications | Te Waihanga

Resilience

The sector is acutely aware of the reliance communities place on its services. Networks are designed with resilience built in, supported by proactive maintenance and asset replacement programmes.

Telecommunications networks do not operate in isolation and rely on other critical infrastructure - particularly electricity and transport networks - which can be exposed during severe weather events. This highlights the importance of cross-sector planning and coordination, including through the Telecommunications Emergency Forum.

While no telecommunications network is infallible, when outages occur, operators work quickly to restore services. Resilience is continually strengthened as technologies evolve, demand increases, and risk profiles change.

	Examples of network resilience initiatives
Designing and enhancing network redundancy	• Reducing single points of failure • More diversity into core networks that connect cities and towns • Self healing network capabilities • Relocating or elevating fibre at river crossings
Satellite back up	• Satellite backhaul • Direct to cell services
Rapid deployment and recovery equipment	• Cell sites on wheels • Mobile exchanges • Generators • Strategically located spares
Power back up	• AI tools to automatically prolong battery reserve • Longer lasting batteries (including government funded 24 hour battery upgrades for key rural sites) • Transitioning to lithium batteries with faster recharge time, higher energy density, and smart battery systems with improved monitoring and performance • Expanding generator fleets
Climate adaptation	• Incorporating climate-risk analysis into network planning • Climate change scenarios at the sector level
Emergency planning	• Mature response and recovery protocols • Cross-sector coordination through the Telecommunications Emergency Forum

Fighting scams, fraud and cyber threats

Trust in communications networks underpins digital participation, online commerce, and the delivery of digital public services.

The telecommunications industry continues to invest in technology and partnerships to stay ahead of an increasingly complex scam and fraud environment to protect consumers and businesses. Initiatives include:

- Collaborations to disrupt phishing scams: in its first six months a cross-industry pilot has blocked more than 23 000 malicious domains, intercepted 3.1 million phishing requests, and prevented an estimated $23.8 million in consumer fraud losses.
- Scam detection and prevention tools: including the introduction of advanced SMS firewalls that block thousands of fraudulent text messages before they reach customers' devices, biometric identity verification, and blocking offshore calls pretending to be from New Zealand banks.
- Customer education: direct to our customers as well as shared messaging and awareness raising through the Anti Scam Alliance.
- Intelligence sharing: supporting law enforcement efforts.
- Coordination activities: through the New Zealand Telecommunications Forum, as members of the New Zealand Anti Scam Alliance, and through international initiatives (such as the Global Anti Scam Alliance and GSMA, and the Global System for Mobile Communications Association).

The telecommunications sector plays an important role in national security, supporting essential services, defence and emergency response. Network operators meet obligations under the Telecommunications (Interception Capability and Security) Act, and work closely with the National Cyber Security Centre (NCSC) on network upgrades, new infrastructure, and supplier decisions. Participation in the NCSC's Security Information Exchange Network further strengthens collective cyber resilience.

Economic and social impact

Telecommunications networks and services increase productivity[4], expand market reach, and support global trade. They are also foundational for emerging technologies, including artificial intelligence (AI). Australia's National AI Plan[5] identifies digital connectivity as critical for supporting AI at scale, and a recent study[6] indicates that AI could boost New Zealand's economy by $36 billion.

$360 billion

Telco sector contribution to GDP[7]

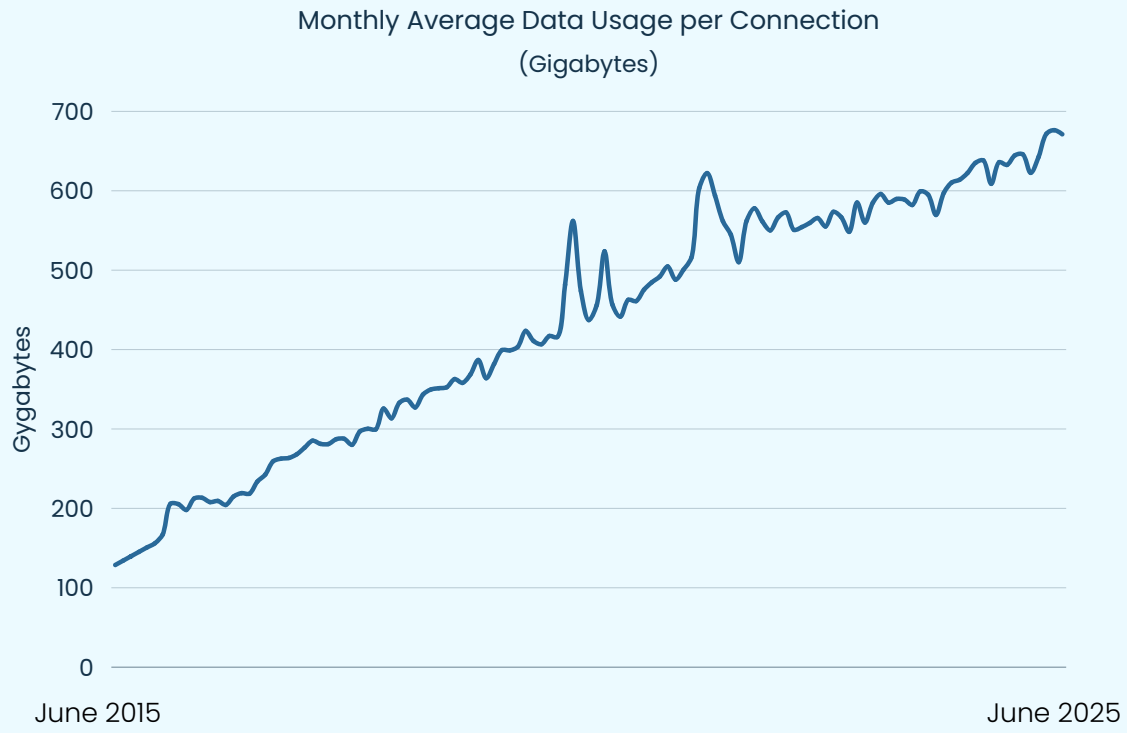
A range of domestic and international studies show that improved digital connectivity and adoption delivers substantial economic benefits for New Zealand:

- $44-$56 billion: the estimated economic benefit from broadband adoption between 2010 and 2025[8]
- $13.8 billion: the estimated annual mobile contribution to GDP[9]
- $1.79 billion: the estimated annual benefits to rural households of access to digital connectivity with unconstrained capacity[10]

Telecommunications is the bedrock of the New Zealand economy, on which our future growth rests. With $360 billion a year impact on the economy the investment in telco infrastructure is returning huge gains for the country as a whole.

Connectivity also enables social connection, education, and access to government, health, and other essential services. Data demand continues to rise[11] as devices and cloud services proliferate, with average monthly data consumption in New Zealand reaching 699GB per connection as at December 2025, an increase of 9 percent year on year and 52 percent since December 2020[12].

[4] An MBIE study found that firms with high intensity ICT use are six percent more likely to improve productivity.
[5] National AI Plan | Department of Industry Science and Resources
[6] The AI Opportunity in New Zealand, Public First, 2025.
[7] Telecommunications, internet and library services contribution to nominal GDP, calculated by MBIE based on a custom data request in March 2025.
[8] Based on findings from the 2025 study Economic benefits of new broadband network coverage and service adoption: evidence from OECD member states | Industrial and Corporate Change | Oxford Academic. The study analysed data from 32 countries, including New Zealand, and found that a 1% increase in fixed broadband adoption impacts GDP per capita growth in a range of 0.026-0.034%.
[9] This figure is an annual estimate based on Deloitte Australia's 2019 Mobile Nation report, extrapolated for New Zealand, and an estimate that the mobile industry contributes 3.1 percent of GDP
[10] Rural connectivity: the economic Benefits of Closing the Rural Divide, NZIER, 2022
[11] Telecommunications, internet and library services contribution to nominal GDP, calculated by MBIE based on a custom data request in March 2025.
[12] Average Fibre Data Usage - December 2025, See: https://api.nzx.com/public/announcement/466748/attachment/461238/466748-461238.pdf



Over the next decade demand for connectivity will not merely grow, it will change. Data intensive applications will require networks that can deliver high bandwidth, low latency, and high reliability at scale across the country. New Zealand is already at the forefront of data consumption, indicating continued investment will be needed to keep pace with rapid demand growth and technological change, ensuring all New Zealanders can access the services essential for economic participation, growth, and social wellbeing.

While New Zealand has made significant progress connecting the motu, there is growing focus (internationally[13] and domestically[14]) on achieving universal, meaningful digital access. One in five people in Aotearoa remain digitally excluded, with wide-ranging implications:

- **Digital economy:** foregone productivity gains, innovation, and market reach.
- **Government digital services:** reduced efficiency and higher costs where services cannot be delivered online.
- **Cost of living:** missed savings from online shopping, remote work, and reduced travel.
- **Health:** limited access to telehealth and remote monitoring, increasing system pressure[15].

[13] https://www.itu.int/itu-d/sites/projectumc/home/aboutumc/
[14] https://tuanz.org.nz/connectingaotearoasummit2026/
[15] An Australian study on the Economic Benefits of Overcoming Digital Exclusion found that increased use of telehealth services was the top economic benefit of closing the digital divide. https://goodthingsaustralia.org/news/economic-benefits-of-overcoming-digital-exclusion-report.

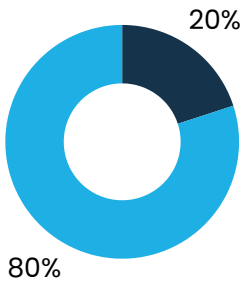
The sector is actively working to improve outcomes through coverage expansion, discounted services, supporting digital equity partners and community programmes. Addressing digital exclusion at scale, however, also requires sustained government engagement and partnership.

1 in 5 people
In Aotearoa are digitally excluded in some way - MOTU report, for DIA

12 percent of households
Do not have a home internet connection - NZIER report for Digital Council Aotearoa

380,000

380 000 households
Cannot afford meaningful digital access -DECA Affordable Connectivity Report



20 percent

Of New Zealand adults lack the essential digital skills needed to use the internet safely - BNZ Digital Skills Report (2022)

Our Members

Our members are at the heart of a competitive, innovative and resilient telecommunications sector, committed to shaping a future that benefits every New Zealand consumer.

Collectively, our members provide a unified voice when engaging with regulators, the government and the broader community. The TCF provides a unified approach, fostering strong relationships with key stakeholders and reinforces industry self-governance.

Our diverse membership spans more than 55 brands, including operators of fixed line and mobile networks, retail service providers and internet service providers.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Telecommunications: Enabling New Zealand's Future

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