MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Briefing for the Incoming Minister for the Digital Economy and Communications

February 2023

Contents

1.   Portfolio overview

Introduction

1. Like other countries around the world, digital technologies have permeated almost every facet of Aotearoa New Zealand's economy and society.

2. These technologies offer significant opportunities for innovation, stronger productivity and improved services, support new forms of social interaction and community building, and can drive novel data-driven solutions to pressing challenges such as climate change and the energy transition. COVID-19 has accelerated the uptake of these technologies and highlighted how they can provide resilience to shocks and enhance business and government operations. The pandemic has also shown the effects of digital exclusion on the lives, livelihoods and wellbeing of some New Zealanders.

3. We need to maintain momentum in the uptake and use of digital technologies across New Zealand in an inclusive way to help lift our future prosperity. As digital technologies continue to emerge, evolve and spur new industries, we must position New Zealand to reap the benefits of digital and data-driven technologies while also anticipating and mitigating risks.

4. As Minister for the Digital Economy and Communications, you drive forward the Government's digital strategy and set policy direction for the portfolio. Decisions in this portfolio have a major impact on New Zealand's economic transformation and can affect the ability of other portfolios, from agriculture to health to trade, to deliver on their ambition. In this future-focused policy area, you are supported by multiple government agencies, each with their specific complementary areas of focus:

    a. The Ministry of Business, Innovation and Employment has a focus on strengthening the digital economy, regulating the telecommunications sector, building communications infrastructure, managing radio spectrum, and supporting businesses, organisations and individuals affected by cyber security incidents. The primary MBIE teams you will engage with are: Digital Policy, Communications Policy, Radio Spectrum Management, and the Computer Emergency Response Team (CERT NZ).

    b. The Department of Internal Affairs (whose Chief Executive is also the Government Chief Digital Officer) has a focus on driving digital transformation across the public service.

    c. Statistics New Zealand (whose Chief Executive is also the Government Chief Data Steward) has a focus on the safe and ethical use of data, including setting the strategic direction for new and emerging uses of data. The Government Chief Data Steward also has a key role in defining how we measure the New Zealand digital economy.

    d. Your predecessor's portfolio also included cyber security policy, a responsibility that the Prime Minister has traditionally allocated to another Minister from the National Security and Intelligence portfolio. Subject to the new Prime Minister's preference and decision, the Department of the Prime Minister and Cabinet will provide the designated Minister with strategic and policy advice on cyber security.

How this briefing relates to other DEC portfolio briefings

5.   This briefing provides you with information about the components of the Digital Economy and Communications portfolio administered by the Ministry of Business, Innovation and Employment (MBIE). You will also receive briefings from the Department of Internal Affairs, Statistics New Zealand and the Department of Prime Minister and Cabinet.

6.   Further briefings or in depth 'chew sessions' will be provided by the Ministry of Business, Innovation and Employment focussing on specific topics, guided by your priorities. We look forward to discussing how we can work with you to give effect to your priorities, and stand ready to provide further information on issues in the portfolio guided by your areas of interest.

Strategic context

7.   The *Digital Strategy for Aotearoa* was released in September 2022 and sets out the Government's digital vision. The Strategy is a national plan covering work led or commissioned by the government to enable New Zealand to thrive in the digital era. Digital technologies are a powerful enabler, able to drive innovation and productivity across all sectors and the Strategy provides a central focal point to better understand New Zealand's digital transformation and to guide future actions and investment. The Strategy seeks to bring coherence to the range of digital work programmes underway across government. It also aspires to integrate te ao Māori views as a key part of our digital and data system.

8.   The overarching vision of the Strategy is *"Aotearoa New Zealand's people, communities, economy and environment are flourishing and prosperous in the digital era"*. It is structured around three themes – Mahi Tika (Trust), Mahi Tahi (Inclusion), and Mahi Ake (Growth) – each of which has a set of goals and related measures.

| MAHI TIKA TRUST	MAHI TAHI INCLUSION	MAHI AKE GROWTH
GOALS	**GOALS**	**GOALS**
New Zealanders feel safe and empowered in online environments	All New Zealanders have the tools, skills and confidence to participate in an increasingly digital society	Our businesses and organisations innovate and increase productivity using digital technologies and data
Organisations and businesses design and use digital technologies and data systems in fair, culturally appropriate, trustworthy ways	Digital infrastructure, content and services meet people's diverse needs	We have a thriving, fast growing and inclusive tech sector
Our digital and data infrastructures are fit-forpurpose and secure		

9.   The four DEC portfolio agencies work collaboratively to deliver the Digital Strategy for Aotearoa.

10. To facilitate this, Cabinet has established an interdepartmental Digital Executive Board under the Public Service Act 2020 to provide a dedicated forum for stronger and more enduring coordination and alignment of the Government's digital programme. The Digital Executive Board provides a single point of accountability for:

   a.   leading and driving implementation of the Digital Strategy for Aotearoa

   b.   aligning and coordinating strategic, policy, planning and budgeting activities for the departments that support the Digital Economy and Communications portfolio, and

   c.   supporting these departments to undertake priority work and cross-agency initiatives in the digital area.

11. The Board comprises the Chief Executives of the Department of Internal Affairs; Ministry of Business, Innovation and Employment; Department of Prime Minister and Cabinet; and Statistics New Zealand. A unit hosted in the Department of Internal Affairs provides support and advice to the Board and coordinates activity across the portfolio to ensure the advice you receive is aligned and consistent.

12. In December 2022, Cabinet also agreed to release *Lifting Connectivity in Aotearoa: The Government Statement of Intent on Digital Connectivity.* The statement of intent sets out the vision, objectives and principles guiding government programmes to improve digital connectivity to support the Digital Strategy for Aotearoa. The vision of the statement of intent is that by 2032 'all people in New Zealand have broadband and voice connectivity networks available to them that meet their life, work and study needs.'

Digital and communications policies make important contributions to the Digital Strategy

The growing importance of digital policy in supporting economic, social and environmental wellbeing

13. For many countries, digital policy is now a core economic policy domain, helping to future-proof economies and drive innovation, resilience, productivity, and increase societal well-being. New Zealand has begun to tread this path but has significant scope to accelerate its digital transformation.

14. On many digital indicators, New Zealand lags behind its OECD peers and the 2022 OECD Economic Survey of New Zealand found that our digital sector and wider digital innovation have much room for growth. Productivity growth in the ICT sector outpaces other sectors (Figure 1) and increasing the sector's prominence plus increasing the use of digital technologies across the board would strengthen New Zealand's economy.

Figure 1 - Labour productivity across sectors (OECD/Stats NZ)
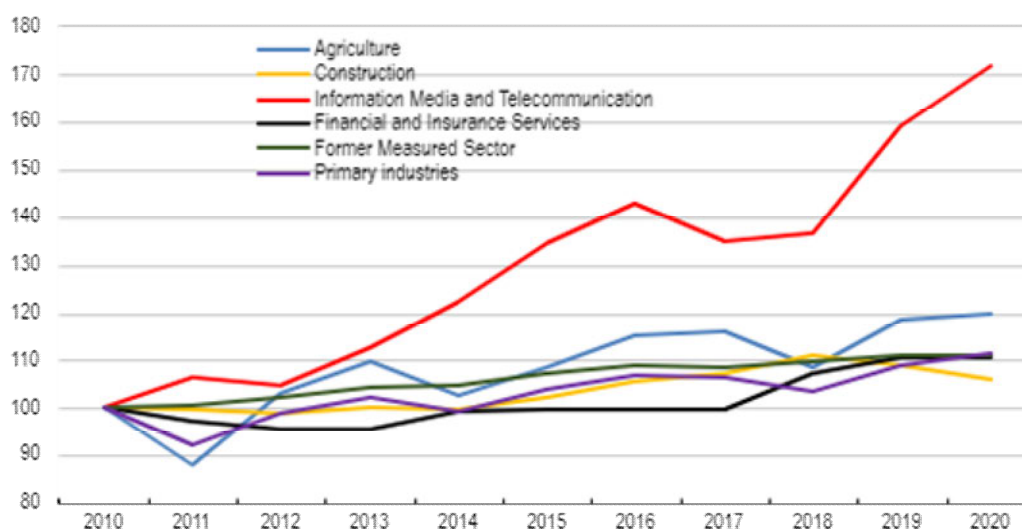
15. Your role within this context is to position New Zealand to reap the benefits of digital technologies for economic transformation and success, while managing potential risks. You have several levers at your disposal, notably your strategic leadership and coordination with Ministerial colleagues, together with government programmes and regulatory settings.

16. We are your key advisors on the impacts of digital technologies and opportunities to grow New Zealand's digital technology sector to support economic transformation.

Insatiable demand for data demonstrates the increasing criticality of communications infrastructure

17. In line with other developed countries, New Zealand has demonstrated an unrelenting demand for increasing amounts of data.

Figure 2 – Chorus fibre fixed line data throughput per month
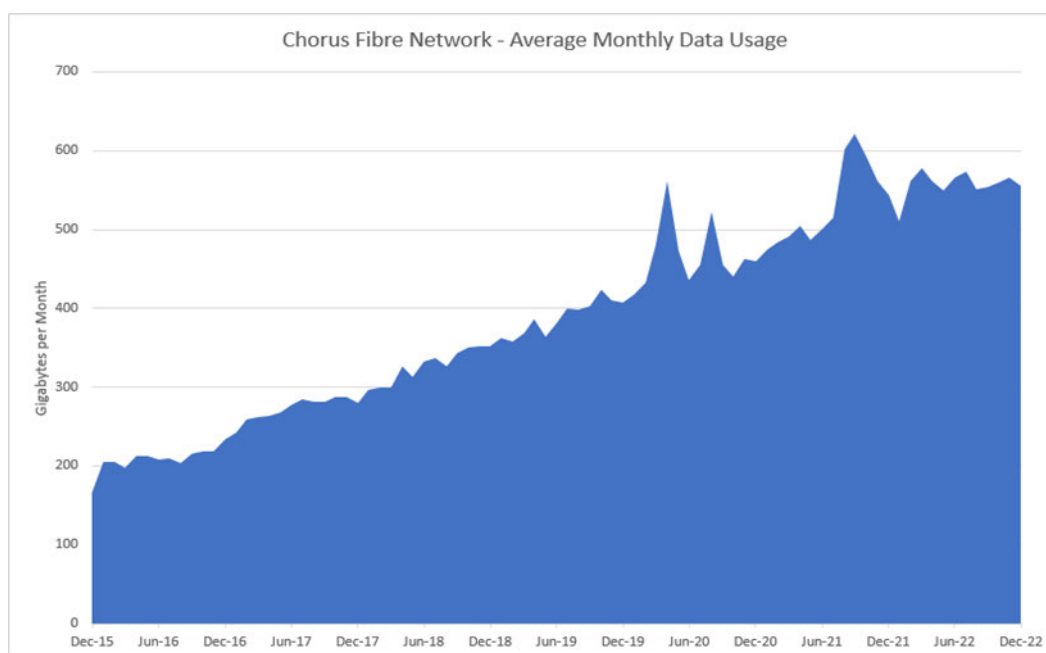
18. High performing, resilient communications networks and services are critical for economic and social prosperity, as highlighted throughout the COVID-19 pandemic. Communications infrastructure and services play a key role in supporting digital transformation and enable the delivery of Government initiatives.

19. In this context, your role is to ensure that New Zealand has communications networks and services that are competitive, innovative, secure, fit for purpose and support New Zealand's economic performance now and in the future.

20. The portfolio has several levers to achieve these objectives, including regulatory settings, government programmes, the allocation and licensing of radio spectrum, and the support and advice functions provided by the Computer Emergency Response Team (CERT NZ).

Significant progress has been made in this portfolio to date

Creating and launching the Digital Strategy

21. Creating the 'trust, inclusion, and growth' framework to organise previously disparate teams and pieces of work was a major milestone in 2022. The launch of the Digital Strategy for Aotearoa (DSA) in September 2022 followed a comprehensive process of cross-agency work and public consultation. The Strategy is implemented via an Action Plan that will be refreshed annually with input from stakeholders.

22. We led the cross-agency group developing the DSA. Our policy focus on growth complemented the perspectives on trust and inclusion brought by other agencies, notably DIA and StatsNZ. We now coordinate working-level discussions across government on DSA implementation, digital priorities in the Digital Economy and Communications (DEC) portfolio, and wider strategic digital policy issues.

Finalising the Digital Technologies Industry Transformation Plan

23. Nested in the growth pillar of the DSA, the Digital Technologies Industry Transformation Plan (ITP) is one of eight ITPs being advanced by the Government to grow and transform sectors with significant potential to contribute to a high productivity, high wage, low emissions economy. [Confidential advice]. The ITP is a key tool to help modernise and diversify the New Zealand economy. It contributes to a stronger digital technology sector generating (typically weightless) exports and providing skilled, high paid jobs. The knowledge and skills built in this sector have strong potential to spill-over to other industries, reinforcing their performance in turn.

24. The ITP has four immediate focus areas:

   a. growing export success, with work on the Software-as-a-Service (SaaS) and game development sectors

   b. telling our Tech Story both internationally and domestically

   c. enhancing the skills and talent pipeline, and

   d. enriching Māori inclusion and enterprise

25. The ITP also flags data-driven innovation, artificial intelligence (AI) and government procurement as future focus areas.

26. MBIE developed the ITP in collaboration with industry and is overseeing the funding and implementation of its four focus areas. An ITP Partnership Board ensures industry plays a strong role in advancing the ITP's activities. Budget 2022 provided $20m for work on SaaS and the Tech Story initiative.

27.   Confidential advice

Communications infrastructure deployment

28. Extensive new network infrastructure has been deployed across the country through nearly $2.6 billion in government investment allocated to five key programmes. Figure 3 summarises Government infrastructure connectivity investments to date.

FIGURE 3: HIGH-LEVEL OVERVIEW OF THE GEOGRAPHIC EXTENT OF GOVEFRNMENT CONNECTIVITY PROGRAMMES

LIFTING CONNECTIVITY IN AOTEAROA NEW ZEALAND

Ultrafast Fibre Broadband (UFB) ~$2.0 billion as at 30 Sept 2022

Rural Broadband Phase 1 and 2 - $597 million (including Mobile Black Spot Fund)

Rural Capacity Upgrades (1 and 2) - $90 million

Marae Digital Connectivity - $23.9 million

Regional Connectivity Initiatives (fibre to West Coast etc.) - $51 million

Remote Users Scheme - $15 million

5G Rural improvement works (5G to rural towns, various rural wireless & mobile upgrades)

Programme	Technologies Used
Ultra-Fast Broadband	Fibre to 412 towns
Rural Broadband Phases 1 and 2	Fixed Wireless / Mobile (mainly 4G, but with some 3G for mobile coverage along State Highways), Phase 1 also included: • some upgrades of lines from ADSL to VDSL outside of rural towns also • fibre to rural schools, hospitals and medical centres
Rural Capacity Upgrades (1 and 2)	Fixed Wireless / Mobile (4G) for most locations, but some locations are receiving fibre (as in Canterbury) where feasible
Marae Digital Connectivity	Fibre where feasible, fixed Wireless (e.g. 4G) in other locations
Regional Connectivity	Fibre for some small towns, fixed wireless / mobile for other rural locations (4G)
Remote Users Scheme	Fixed Wireless were feasible (4G or similar), user grants for remote users to choose elsewhere (e.g. to buy satellite coverage)
5G Rural Improvement Works	Fixed Wireless / mobile (5G to rural towns, 4G or 5G to other rural areas)

29. As at 30 September 2022, 76,241 rural homes and businesses can access improved broadband through the Rural Broadband Initiative and 1,105km of state highway and 98 tourism sites have mobile coverage through the Mobile Black Spot Fund. Once these programmes are complete in 2023, 99.8 per cent of New Zealand homes and businesses will have access to improved broadband. It is estimated there will remain up to 5,200 households that will not be covered by these programmes and will require bespoke solutions. A $15 million Remote Users Scheme is being rolled out to assist these households through either a wireless solution from a commercial provider, or a grant for a solution of their own (such as hardware for a satellite connection).

30. As New Zealanders' demand for data continues to increase, the focus is shifting to expanding the data capacity and resilience of our networks. As at 30 September 2022, 12,138 rural homes and businesses had benefited from broadband capacity upgrades funded by the Government.

Reviewing our regulatory tools

31. As markets evolve with new technologies, business models, competitive dynamics and market structures, our regulatory settings also need to adapt.

32. A comprehensive review of the Telecommunications Act 2001 was completed in 2018, to adapt the regulatory system for the large-scale transformation to a fibre-based network infrastructure. The review resulted in a new regulatory framework that is now being implemented.

33. Confidential advice

Allocating radio spectrum to enable new technologies

34. Infrastructure for, access to, and use of radio spectrum is fundamental to enabling uptake up of new technologies. Spectrum is managed through national regimes (management rights and radio licensing) and under international accords. Lead-in times for allocating spectrum typically take several years due to the need for international harmonisation, and technical and operational work to restructure and allocate spectrum bands.

35. By releasing spectrum, we can contribute to increasing network capacity and enabling digital connectivity in specific locations (for example, in rural and semi-rural areas) or to support new uses (such as for law enforcement or defence purposes, or for discrete satellite and cellular services). The Government has supported the accelerated deployment of 5G in New Zealand through early access to 3.5 gigahertz (GHz) spectrum frequencies in 2020. Long-term spectrum rights for 5G are in the process of being administratively allocated following extensive negotiations in 2022.

36. The choices government makes about the allocation of spectrum have long-term effects on the availability and cost of communications services, development of commercial opportunities, and the deployment of innovative applications.

Working towards an enduring resolution of Māori interests in spectrum

37. Engagement between the Crown and Māori on the issue of spectrum has historically been characterised by disagreement on the nature and extent of Māori interests. This changed in February 2022 when the Crown and Māori entered into a memorandum of understanding (MoU) on radio spectrum. The signing of the MoU allowed allocation of spectrum for 5G to progress in a way that will benefit all New Zealanders.

Managing and responding to evolving cyber security threats

38. Cyber security is fundamental to New Zealand's national security and economic growth. Most consumer and industrial electronic devices are now connected to the internet in some way, and these connections are becoming increasingly important to New Zealanders and our economy. It is important to protect the confidentiality, integrity, and availability of New Zealand's data, systems, and networks, and to ensure systems are resilient.

39. The Communications part of your portfolio has responsibility for the telecommunications network security regulatory system (supported by MBIE). In addition, cyber security services to the general public are provided by the national Computer Emergency Response Team (known as CERT NZ). CERT NZ is the Government's public face for cyber security in New Zealand and is currently undertaking a substantial uplift of its services with funding received in Budget 2022.

40. The number of incidents reported to CERT NZ has grown steadily since it was established in 2017. On average, CERT NZ receives reports of 2,166 incidents per quarter that cost New Zealand businesses and individuals around $4.5m per quarter. This includes incidents such as the sustained campaign by scammers pretending to be the New Zealand Transport Agency (NZTA) and NZ Post, as well as recent high-profile incidents that have affected service providers and their customers such as the Mercury IT ransomware incident.

41. CERT NZ continues to play a significant role in cyber security through promoting good cyber security practice, receiving reports of cyber incidents, sharing information that supports New Zealanders to be more cyber resilient, and ensuring those incidents get to the right organisation for help. By working within the New Zealand business and consumer advisory space, CERT NZ seeks to be a trusted broker of advice on cyber security.

42. CERT NZ also delivers bespoke and culturally responsive cyber capacity and capability training to 18 Pacific countries through the *CERT NZ Pacific partnerships programme*, fully funded by the Ministry of Foreign Affairs and Trade.

Key areas of focus to deliver on the Digital Strategy's vision while also keeping pace with a fast-changing environment

43. Despite the progress made in recent years, there is much more to be done to deliver on the Digital Strategy for Aotearoa, and the expectations of New Zealanders more generally. We see two key areas for further work and would welcome the chance to discuss these further with you.

Key Focus Area One: Enabling better uptake of digital technologies

Shifting to a more 'digital mindset' will be critical to achieving the Digital Strategy for Aotearoa's vision

44. Increasing New Zealand's capabilities, adoption and use of digital technologies can deliver tangible benefits for our firms, public sector and wider economy and society. From new business models opening up new markets, to more efficient and effective health spending, to reducing our environmental footprint, to higher wage jobs and economic resilience, there are many opportunities open to New Zealand. Building recognition of the cross-cutting importance of digital technologies and adequately resourcing the ongoing implementation of the DSA and ITP is essential. A more "digital mindset" will underpin success across multiple portfolios.

45. The Digital ITP has made a useful start and the growth of this sector will play a role in future-proofing New Zealand's economy by increasing our "weightless" outputs and exports, generating a critical mass of digital-savvy talent, and strengthening our overall digital innovation capabilities. MBIE plays a key role in boosting coordination of activity across government and industry on skills and workforce, whose supply is a brake on sector growth. CERT NZ also plays a critical role in cyber awareness and skills development, Confidential advice

46. Confidential advice and Free and frank opinion

47. An added challenge for this policy area is the growing global competition for digital talent and digital technology sector activity. Countries are increasingly using industry policy tools (e.g. subsidies) to boost digital transformation, harness digital technologies to achieve climate and other societal goals, and shore up domestic technological capabilities. There is also considerable international discussion on guidelines, regulations, and standards in the digital realm, including on issues such as data governance and protection, which influence New Zealand's digital environment. Firms, especially large multinational technology companies, are active in these debates and engage strongly with governments, including in New Zealand.
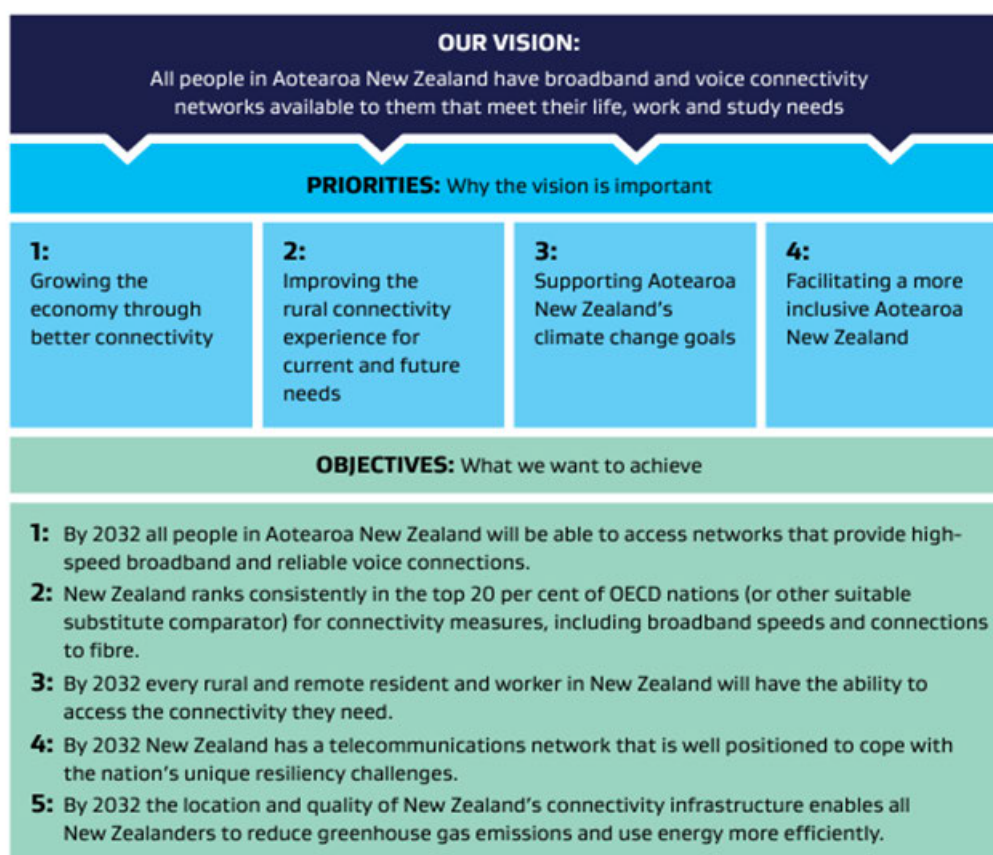
48.   We look forward to discussing with you how New Zealand can leverage digital technologies for achieving its economic transformation and wider goals, especially in the context of resource constraints and global competition.

Addressing the digital exclusion faced by many New Zealanders will also be critical

49.   As the lead on digital inclusion, DIA has estimated that up to one in five New Zealanders are digitally excluded, and as such are unable to fully realise the social and economic benefits that come with having access to new digital technologies. We know that Māori, Pasifika people, the elderly, those living in social housing, unemployed people, disabled individuals and those living in rural areas are more likely to face digital exclusion. COVID-19 has brought many of the issues related to digital exclusion to the surface.

50.   To be digitally included a person must have access to affordable connectivity, and a device they have the skills to confidently use in their day-to-day life. The multifaceted nature of digital inclusion means that addressing it requires a broader focus than just infrastructure, and collaboration across government.

51.   Further work, including with industry and communities, is needed to address digital exclusion. Levers in the Communications part of the portfolio can contribute to the development of solutions including:

- addressing service coverage and capacity gaps

- ensuring there are no regulatory barriers for the uptake of broadband, and

- working with other agencies to identify areas for collaboration on digital inclusion.

52.   Confidential advice

Key Focus Area Two: Improving connectivity coverage, capacity and network resilience

53.   In spite of the significant investments made to date, there remain areas where our telecommunications networks need improvement so that all New Zealanders can connect to voice and broadband services of an acceptable quality.

54.   In December 2022, *Lifting Connectivity in Aotearoa: Government Statement of Intent for improving digital connectivity* was released to support the delivery on the Mahi Tahi (Inclusion) and Mahi Ake (Growth) pillars in the Digital Strategy. The Statement of Intent outlined a 2032 connectivity vision anchored by four priorities and five measurable objectives:

OUR VISION:
All people in Aotearoa New Zealand have broadband and voice connectivity networks available to them that meet their life, work and study needs

PRIORITIES: Why the vision is important

1:
Growing the economy through better connectivity

2:
Improving the rural connectivity experience for current and future needs

3:
Supporting Aotearoa New Zealand's climate change goals

4:
Facilitating a more inclusive Aotearoa New Zealand

OBJECTIVES: What we want to achieve

1: By 2032 all people in Aotearoa New Zealand will be able to access networks that provide high-speed broadband and reliable voice connections.

2: New Zealand ranks consistently in the top 20 per cent of OECD nations (or other suitable substitute comparator) for connectivity measures, including broadband speeds and connections to fibre.

3: By 2032 every rural and remote resident and worker in New Zealand will have the ability to access the connectivity they need.

4: By 2032 New Zealand has a telecommunications network that is well positioned to cope with the nation's unique resiliency challenges.

5: By 2032 the location and quality of New Zealand's connectivity infrastructure enables all New Zealanders to reduce greenhouse gas emissions and use energy more efficiently.

55.   Confidential advice

Improving infrastructure resilience to reduce the risk of community isolation

56.   As well as being accessible, networks need to be robust. There are high expectations that networks will be resilient in the event of a life-threatening emergency or a natural disaster.

57.   Recent outage events caused by natural disasters or human error have highlighted the vulnerabilities in the networks. Building resilience into the physical networks helps to reduce the reliance on network recovery, particularly where re-establishing service might be time consuming and complex.

58.   There are currently limited regulatory levers available to government to require telecommunications companies to invest in resilience of their networks, e.g. route diversity and adequate redundancy in fibre backhaul links. From network operators' perspectives, because the investment economics are not attractive, it is unlikely they will address issues such as route diversity, particularly for smaller or more remote communities. Confidential advice

Confidential advice

Immediate priorities and deliverables

59. This section summarises for you the recommended focus for the first three months. This has been grouped as follows:

- *Strategic direction – decisions or actions that are likely to set the direction and nature of the work programme ahead of the general election, and*

- *Administrative – decisions or actions that are required to substantially advance existing priorities, or non-discretionary/business as usual activities.*

60. We would also welcome a discussion with you on how we are able to advance your priorities.

Strategic direction

Topic	Decision
Digital Strategy for Aotearoa stakeholder forum and action plan refresh	Confidential advice
	Confidential advice
Implementation of the Crown-Māori MoU on Radio Spectrum	Approval of the introduction of legislation to implement the Crown-Māori MoU. We anticipate the draft legislation being considered at the LEG Cabinet Committee Confidential advice

Administrative

Topic	Decision
3.5 GHz radio spectrum for 5G	Ministerial approval (joint with the Minister of Finance) for MBIE to enter into contracts with the mobile network operators and Dense Air. This will provide the parties with access to spectrum for high-speed 5G mobile services.
Decisions on the allocation of 3.3 to 3.4 GHz radio spectrum	Ministerial decision on the provision of spectrum to support regional broadband (e.g. Wireless Internet Service Providers and private networks).
Decisions on next steps for allocating 24 to 30 GHz radio spectrum	Ministerial decision on the next steps for allocating 24-30 GHz for both 5G (millimetre wave) and next generation satellite services.
Regulations under the Telecommunications Act 2001	In late December 2022, the High Court upheld a Chorus instigated judicial review of the regulations specifying price and non-price terms for anchor and fibre services. Submissions on the most appropriate way to address the issues raised by the judgement are due to the court on 17 February. We are working through these issues with Crown law and counsel and anticipate briefing you on next steps in mid-February.

2. Portfolio responsibilities

61. This section provides a high-level overview of the functions and responsibilities that fall within the portfolio. More detailed information on portfolio legislation, entities, stakeholders, and funding is provided in the annexes to this briefing.

Leadership of the Government's digital policy agenda

62. Digital policy is now a core economic policy domain, helping to future-proof economies and deliver resilience, productivity, and increased societal well-being. New Zealand has begun to tread this path, but as outlined above, there is significant scope for New Zealand to accelerate its digital transformation.

63. Your role within this context is to position New Zealand to reap the benefits of digital technologies for economic transformation and success, while managing any potential areas of risk. You have several levers at your disposal, notably your strategic leadership and coordination with Ministerial colleagues, together with government-funded programmes and regulatory settings.

64. MBIE is your key advisor on the impacts of digital technologies and opportunities to grow New Zealand's digital technology sector to support economic modernisation, export diversification, productivity, and wellbeing.

Stewardship of the communications markets regulatory system

65. The Government expects government departments to invest in maintaining the quality of the regulation they are responsible for in a similar way to other key assets for which departments are responsible. Cabinet guidance notes that regulatory stewardship involves taking a long-term view to ensure that regulation is fit for purpose in the future. It includes a focus on the practice of regulation as well as policy. The Productivity Commission's 2014 Report *Regulatory Institutions and Practices* found that failures of regulation are frequently caused by shortcomings in practice, governance, culture, or capability rather than by shortcomings in the rules themselves.

66. MBIE is responsible for a wide range of regulatory systems. The last Performance Improvement Framework Review in 2017 identified MBIE's stewardship of its regulatory systems as a key area to focus on to lift the organisation's performance. In response to these expectations, MBIE has developed a programme of work to enhance its stewardship of all its regulatory systems. The work includes more investment in system assurance to provide confidence that systems are working as intended, and more focus on the governance and oversight of each system. MBIE is also developing a programme of periodic assessments of each MBIE regulatory system to help ensure that MBIE has a good understanding of its fitness for purpose, even where a major policy review hasn't recently been undertaken.

67. The communications markets regulatory system spans fixed line, wireless and postal communications networks and includes the allocation of spectrum resources for radio technologies. A core focus of the regulatory system is the regulation of the natural monopoly characteristics inherent in aspects of communications networks for the long-term interests of consumers. It provides:

- the regulatory framework for the supply of telecommunications services, including the management of competition issues in communications markets

- the regulatory framework for allocating spectrum and licensing radio technology equipment, and

- regulatory powers to support law enforcement agencies and manage national security system risks in telecommunications networks.

68. There are six core functions relevant to the Digital Economy and Communications portfolio:

Policy advice
• MBIE leads strategy and policy advice functions relating to communications markets and spectrum management.
• Treasury provides secondary advice and is responsible for overseeing the Crown's trading enterprises such as NZ Post, Crown Infrastructure Partners.
• The Commerce Commission provides advice and information on the operational implications of telecommunications policy proposals.

Operational policy and regulatory determinations
• The Commerce Commission is responsible for the economic and technical regulation necessary to implement telecommunications law in New Zealand. This includes developing rules and processes for regulated entities, making determinations on applications, and general enforcement and regulatory control policies and priorities.
• MBIE is responsible for some operational telecommunications policy matters including administration of telecommunications levies. MBIE also administers radio spectrum rights and licences and monitors non-price parameters of postal services.

Service delivery
• CERT NZ collates a profile of the cyber security threat landscape in New Zealand. It responds to cyber security incidents, supports threat information sharing, and leads coordination of significant cyber security incidents.

Advice, education and information
• The Commerce Commission provides a range of advice, information, advocacy and education to the public on the Telecommunications Act and to the Minister on particular studies e.g. mobile market study.
• MBIE leads advice, information, advocacy and education to the public on spectrum management.
• CERT NZ provides New Zealanders with relevant advice and information to improve their cyber security, as well as responding to those affected and providing help in recovery.

Compliance and enforcement
• The Commerce Commission leads enforcement of the Telecommunications Act and the competition issues associated with spectrum holdings.   • MBIE is responsible for enforcement of the Radiocommunications Act.   • The Telecommunications Industry Forum (TCF) established and implements industry-led customer codes, with oversight from the Commerce Commission.
Monitoring and evaluation
• MBIE monitors and evaluates performance of the communications regulatory system through environmental scanning, ongoing stakeholder engagement and initiating policy-relevant research.   • The Commerce Commission monitors and evaluates communications market developments and any required regulatory determinations.

Legislative responsibilities

69.   As Minister for the Digital Economy and Communications, you have certain functions, duties and powers in relation to communications under the following Acts administered by MBIE:

Statutes	Key roles, responsibilities and functions of Minister	Role of Crown entities, Companies, State Agencies and Boards
Telecommunications Act 2001 *Regulates the supply of telecommunications services, promotes competition and protects consumers*	• Appointing the Telecommunications Commissioner to the Commerce Commission • Policy decisions regarding levies, regulated services and consumer protection.	Commerce Commission's main responsibilities include: • Sector monitoring • Regulation of wholesale telecommunication services • Levy liability allocation • Consumer advice and protection. MBIE's main responsibilities are to: • Support the Minister • Lead policy development • Administer the operator network register.
Radiocommunications Act 1989 *Regulates the use of radio spectrum, sets rules for licensing radio transmitters and associated compliance framework*	• Make regulations • Give a Statement of Policy and Direction to MBIE.	MBIE's main responsibilities are to: • Provide policy advice • Operate a Registry for rights and licences • Enforcement • Approval of radio engineers • Setting reference and equipment standards.

Statutes	Key roles, responsibilities and functions of Minister	Role of Crown entities, Companies, State Agencies and Boards
Postal Services Act 1998 *Regulates postal services, promotes competition and supports an efficient postal market*	• Signatory to the Deed of Understanding, an agreement between NZ Post and the Government that places obligations on NZ Post in relation to mail delivery.	MBIE's main responsibilities are to: • Provide policy advice in relations to mail networks • Approve applications and keep a register of postal operators in New Zealand. Matters relating to misuse of market power between postal operators can be raised with the Commerce Commission.
Telecommunications (Interception Capability and Security) Act 2013 (TICSA) *Establishes obligations for network operators in terms of interception capability and network security*	• Policy decisions regarding interception and network security. • Minister for Government Communication Security Bureau (GCSB) consults on administrative decisions.	MBIE is responsible for advising you on the TICSA legislation, as a regulatory system, including: • Whether the legislation is achieving its objectives • Whether the legislation need to be amended to reflect a change in the environment. GCSB is responsible for operationalising the network security provisions of TICSA and Police has responsibilities related to the interception provisions. DPMC also has a role in providing advice as the lead agency on cyber policy.
Contract and Commercial Law Act 2017 (Part 4) *Establishes regulatory framework for contracts, sale of goods, electronic transactions and commercial transactions - Pt 4 facilitates the use of electronic technology to meet legal requirements*	• Policy decisions regarding electronic transactions.	Department of Internal Affairs (DIA) ensures compliance with the Act and is also the government agency responsible for establishing personal identity, including the use of RealMe as a digital identity service. MBIE's main responsibility in regards to communications policy is to lead policy development in relation to the use of electronic transactions.

Statutes	Key roles, responsibilities and functions of Minister	Role of Crown entities, Companies, State Agencies and Boards
Unsolicited Electronic Messages Act 2007 *Regulates sending of unsolicited commercial electronic messages, requires all commercial electronic messages to include information about who authorised the message and to provide a functional unsubscribe facility, and prohibits address-harvesting.*	• Policy decisions regarding electronic messages.	DIA has monitoring, compliance and enforcement responsibilities under this Act. MBIE's main responsibility is to lead policy development.

3. Major links with other portfolios

70. The Digital Economy and Communications portfolio provides a range of opportunities to work with other Ministers to deliver broader outcomes. The portfolio is closely linked to the following portfolios:

Indicates MBIE portfolio

4.   Your key MBIE contacts

71.   The key MBIE contacts are set out in the following table.

Key contacts

Position	Priority Area	Contact details
Carolyn Tremain Chief Executive, Ministry of Business, Innovation & Employment		E Carolyn.Tremain@mbie.govt.nz Privacy
Paul Stocks Deputy Secretary, Building, Resources & Markets Group	Digital, telecommunications, postal and radio spectrum policy. Reports to Carolyn Tremain.	E Paul.Stocks@mbie.govt.nz Privacy
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Annex 1 - Legislation for the communications markets regulatory system

Telecommunications Act 2001

Promotion of competition and incentives to invest

1. The Telecommunications Act promotes competition in the telecommunication services market. The regime seeks to create a level playing field where communications providers are supplying monopoly services to competitors, by establishing an access regime[1]. To this end, the Act empowers the Telecommunications Commissioner to set prices and other terms of supply for regulated services which level the playing field without discouraging investment by the access provider. Effective competition provides strong incentives to invest, as has been the case in the mobile sector, where competition has driven successive upgrades of technology.

2. The Act also provides for the Telecommunications Commissioner to investigate whether additional services should be regulated and to make recommendations to the Minister. The Commerce Commission can also recommend the removal of regulation if markets become more competitive. Its decisions are subject to review on procedural grounds, or points of law, but are not open to merits review.

3. In late 2018 the Telecommunications (New Regulatory Framework) Amendment Bill amended the Act to enable a new form of telecommunications network regulation. The Bill:

    a. Establishes a stable and predictable framework for fibre access services in New Zealand

    b. Removes unnecessary copper fixed line access service regulation where these have been replaced by fibre networks

    c. Streamlines regulatory processes to enable a more rapid response to any competition problems

    d. Provides more regulatory oversight of retail service quality and enables the development of Commerce Commission codes and wider Commerce Commission monitoring of consumer matters.

Telecommunications Service Obligations

4. The Act allows communications providers to enter into Telecommunications Service Obligations (TSO) agreements with the Crown to deliver communications services that would not otherwise be delivered by the market, at affordable prices. For example, the local calling TSO obliges Spark to provide local residential voice and dial-up internet services and requires Chorus to provide supporting network services.

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[1] An access regime is a set of rules that requires wholesale network providers to allow their competitors to access their networks on similar terms to the network providers themselves.

Levies

5.   The Act provides for the following levies:

- *Telecommunications Development Levy* – This levy subsidises telecommunications capabilities in the public interest which are otherwise not expected to be available commercially, or which are unaffordable. The levy is collected from telecommunications service providers each year. Levy revenues are currently used to fund the deaf relay service and contribute to rural connectivity improvements.

- *Telecommunications Regulatory Levy* – This levy funds the Commerce Commission's telecommunications regulatory functions and is collected from telecommunications service providers each year.

UFB and RBI Undertakings

6.   The Act provides for access providers to lodge open access undertakings for approval by the Minister. Undertakings have been approved for:

- *Chorus* – in relation to UFB fibre networks, its legacy copper network and RBI networks

- *Northpower, Ultrafast Fibre Limited, and Enable Networks* – in relation to their UFB fibre networks

- *Vodafone* – in relation to its RBI networks.

7.   The Commerce Commission monitors compliance with the undertakings and can take enforcement action.

Monitoring

8.   The Commerce Commission must monitor and report on market performance. It has extensive information disclosure powers in relation to UFB fibre networks.

Radiocommunications Act 1989

9.   The Radiocommunications Act is enabling legislation for the use of radio spectrum in New Zealand. It primarily deals with the coordination of spectrum use to reduce interference between transmitters. Coordination is achieved through two licensing regimes. One comprises tradable, fixed-term rights to manage and/or use spectrum, typically allocated by competitive methods. The second is an administrative licensing regime with spectrum allocated on a "first come, first served" basis.

10.   The Act also sets up procedures for dealing with interference and disputes between users when they occur. In addition, it enables MBIE to set equipment standards to manage intended and unintended transmissions from electronic equipment.

11.   Most administrative functions are delegated to the Chief Executive of MBIE. The Act sets out two formal roles for the responsible Minister. The first is recommending the making of regulations under the Act, for example to specify processes and requirements under the administrative licensing regime. The second is to issue a Statement of Government Policy and Direction. This document guides MBIE in its administration of the administrative licensing regime.

12. The Act is silent on allocation of the tradeable spectrum rights. When created, these rights are initially owned by the Crown. The convention is for you, on advice from MBIE, to seek Cabinet approval for re-allocation and renewal of rights.

13. In the allocation of spectrum rights, it is common that policy decisions are required about:

   - which parts of the radio spectrum should be allocated for particular kinds of transmission ("radio spectrum planning")

   - the method to be used for allocation (e.g. auction)

   - how much parties should pay to acquire the rights

   - implementation conditions (e.g. requirements for the right-holder to provide a certain level of coverage or service)

   - competition (e.g. limitations on the amount of spectrum that can be held by any one entity), and

   - renewal terms and conditions at the expiry of spectrum rights.

Spectrum management and enforcement

14. The Radio Spectrum Management (RSM) team issues licences in the administrative licensing regime and administers the online Register of Radio Frequencies, which contains records of all spectrum rights and licences. The RSM team also undertakes compliance and enforcement actions if transmitters are operating without a licence or outside the terms of their licences.

15. The costs associated with licensing, administration of the register, and compliance are funded by annual administration fees levied on licensees. These fees also fund some radio spectrum planning, including New Zealand's participation in international forums.

Crown Spectrum Asset Management

16. In some instances, the tradeable spectrum rights have been retained by the Crown for social, economic or technical reasons. These rights are used for:

   - AM and FM radio broadcasting: the majority of AM and FM licences are allocated to commercial broadcasters. In addition, the Crown has reserved licences for national Māori and Pacific programmes, Radio New Zealand National and Concert, and iwi radio, as well as for community and youth purposes

   - some local or regional wireless broadband

   - digital television, and

   - some land mobile services.

Postal Services Act 1998

17. The Postal Services Act came into force on 1 April 1998 and deregulated the New Zealand postal market by removing New Zealand Post's monopoly on letter delivery. Under the Act, anyone can process and deliver mail as long as they are registered as a postal operator with MBIE.

18. The Deed of Understanding between New Zealand Post and the Government sets out New Zealand Post's minimum universal service obligations. These minimum obligations include three-day-per-week deliveries to most urban areas, five-day-per-week delivery for

rural areas, and commitments to maintain its network of postal outlets. The Deed was last amended in 2013, and a review will start in the first half of this year.

19. The Act permits New Zealand Post to retain certain minor exclusive privileges, including the sole right to represent New Zealand as a postal administration internationally and to issue postage stamps with the words "New Zealand" on them.

Telecommunications (Interception Capability and Security) Act 2013

20. The Telecommunications (Interception Capability and Security) Act 2012 (TICSA) establishes obligations for New Zealand's telecommunications providers in two key areas – interception capability and network security.

21. All telecommunications providers are required to provide assistance to authorised agencies to lawfully intercept communications passing over their networks. In addition, some network operators are required to pre-invest in the equipment and technical resources necessary to carry out interceptions over their networks. The Act does not provide the surveillance agencies with the authority to intercept communications. These powers and processes are provided for in other pieces of legislation.

22. The Act sets out a path to identify, and if necessary, address network security risks which may arise from proposed investments in network equipment by operators such as Spark, Vodafone, 2degrees and Chorus. Network operators are required to engage with the GCSB about changes to their network equipment where such changes could have an impact on network security. MBIE leads on policy and the GCSB is responsible for operationalising the network security provisions of the Act. The Department of the Prime Minister and Cabinet (DPMC) also provides advice as the policy lead for cybersecurity policy.

Contract and Commercial Law Act 2017 (Part 4)

23. The objective of Part 4 of the Contract and Commercial Law Act, which MBIE administers, is to facilitate electronic transactions by providing legal certainty for the recognition of electronic communications, electronic records and electronic signatures. The Part contains a list of statutory requirements for which non-electronic means must still be used; this list of exemptions has been reduced since the system came into force and it is intended that it will continue to be reduced over time.

Unsolicited Electronic Messages Act 2007

24. The Unsolicited Electronic Messages Act regulates the sending of electronic messages. The Act prohibits the sending of unsolicited commercial electronic messages for marketing or promotional purposes using email, text, fax or instant messaging services and imposes other requirements on the sending of commercial electronic messages. It also requires commercial electronic messages to include accurate information about the person who authorised the sending of the message and a functional unsubscribe facility. Additionally, it prohibits address harvesting. The Act establishes a civil penalty regime for non-compliance. The content of the Act is administered by MBIE but the Department of Internal Affairs is currently responsible for enforcement.

Annex 2 - Crown entities, Companies, State Agencies and Boards

Telecommunications Commissioner

1. The Telecommunications Act 2001 establishes a Telecommunications Commissioner, who is a member of the Commerce Commission. The Governor General appoints the Commissioner on your recommendation, and you are the key ministerial contact for the Commissioner.

Name	Date of appointment	Expiry date of present term
Tristan Gilbertson, Telecommunications Commissioner	08/06/2020	08/06/2025

2. The Minister of Commerce and Consumer Affairs is the Minister responsible for the Commerce Commission as a whole.

Crown Infrastructure Partners

3. On 1 September 2017, Crown Fibre Holdings Limited (CFH) was renamed Crown Infrastructure Partners Limited (CIP) and its scope of work broadened beyond the UFB, RBI and MBSF programmes. In addition to these programmes, the scope includes investigating and implementing commercial models (including those that will enable co-investment from the private sector or any other sector) to achieve the Government's objectives for the deployment of water and roading infrastructure to support a timely increase in housing supply. CFH was originally established (as a Public Finance Act Schedule 4A company) to manage the investment in UFB infrastructure.

4. Mark Binns is the Chair and Graham Mitchell is the CEO. The shareholding Ministers are the Minister of Finance and the Minister for State Owned Enterprises. The Treasury is the monitoring agency. However, in relation to delivering broadband policy, CIP interacts with you as the Minister for the Digital Economy and Communications. MBIE also works closely with the Treasury to monitor CIP.

New Zealand Post

5. New Zealand Post is a State Owned Enterprise chaired by Carol Campbell, with David Walsh as the CEO. Its shareholding Ministers are the Minister of Finance and the Minister for State Owned Enterprises. The Minister for the Digital Economy and Communications is responsible for the administration of the Postal Services Act 1998 and postal policy generally. A specific responsibility of the Minister for the Digital Economy and Communications is to review the Deed of Understanding, which sets out the minimum standards New Zealand Post must meet.

Annex 3 - Key Stakeholders

| Organisation	Scope
NZ Tech	NZTech's mission is to support a technology community that is collectively lifting equity, sustainability and prosperity for all in Aotearoa, by creating jobs, export growth and impact through tech for good.
Māori Spectrum Working Group (MSWG)	A group of representatives of Treaty of Waitangi claimants and others who are working with the government to implement the agreement with the Crown regarding Māori interests in the radio spectrum.
New Zealand Telecommunications Forum (TCF)	The TCF is a member organisation representing the majority of telecommunications providers in New Zealand (over 95 per cent by revenue share). Its services include public good initiatives, disputes resolution services, logistical processes and consumer education. The TCF provides neutral, independent information about New Zealand telecommunications products and services and how the industry works in New Zealand.
The Wireless Internet Service Providers Association of New Zealand Inc (WISPA)	WISPA was established in January 2017. Its purpose is to be a unifying point for wireless internet service providers, liaise with central and local government, provide a collective voice for members and negotiate collectively (e.g. for joint purchase or leasing of wireless spectrum).
Technology Users Association of New Zealand (TUANZ)	TUANZ is a not-for-profit membership association. Its goals are to continue to advocate for ubiquitous high-quality connectivity across New Zealand and provide a forum to encourage New Zealanders to make the most of opportunities available in the digital economy.
InternetNZ	InternetNZ administers the .nz domain, and has a mission to create an internet for all New Zealanders that is safe, accessible and a place for good. InternetNZ is involved in a lot of internet-related work throughout New Zealand, funded by the sales of .nz domain names. This includes: • Policy work on internet issues faced in New Zealand • Providing community grants to support internet-related projects • Conducting research to highlight the state of the internet in New Zealand, and • Hosting events, such as NetHui, to bring together New Zealand's internet community.
CODE	CODE is the New Zealand Centre of Digital Excellence - a Dunedin based hub designed to support a sustainable and equitable expansion of New Zealand's video game development industry.
IT Professionals NZ	IT Professionals NZ is New Zealand's peak body for software and IT Professionals.
NZ Game Developers Association	NZGDA champions, supports, and seeks to grow the game development industry in New Zealand.

Organisation	Scope
Telecommunications Service Providers	
Spark	Spark is a large nationwide telecommunications company that provides digital services such as broadband and cloud computing as well as providing traditional fixed and mobile voice services. The company began as a state-owned enterprise, Telecom, in 1987 and launched the first mobile network in New Zealand. In 2011, following changes to the telecommunications industry legislation, Telecom was separated into two distinct companies: Telecom as the mobile network operator and Chorus as a wholesale-focused operator of fixed-line networks. In 2014, Telecom rebranded as Spark New Zealand, in order to personify the roll-out of digital services.
Vodafone (One NZ from February 2023)	Vodafone is an international MNO that provides mobile services in over 40 countries. Vodafone New Zealand is owned by New Zealand-based Infratil and Canada-based Brookfield Asset Management. Vodafone New Zealand is a partner market in the Vodafone Group, one of the world's largest telecommunications companies. Vodafone New Zealand was established in 1998.
2degrees	2degrees is New Zealand's newest full-service telecommunications company following the merger of 2 degrees mobile network with Vocus New Zealand 's fixed line business in mid-2022.
Chorus	Chorus operates New Zealand's largest fixed line telecommunications network, operating a network predominantly made up of local telephone exchanges, cabinets, and copper and fibre cables. Chorus is a wholesale only operator following its separation from Telecom NZ in 2011.
Local Fibre Companies (LFCs)	There are three LFCs that operate wholesale only fibre networks in areas where Chorus was not the successful in securing UFB build contracts: • Tuatahi First Fibre (Waikato, Bay of Plenty, Manawatū-Whanganui, Taranaki and some areas of the Auckland region) • Northpower Fibre (Northland) • Enable Networks (Christchurch plus towns in the Waimakariri and Selwyn districts)
Dense Air	Dense Air specialises in densification and network extension solutions, designed to complement MNOs and enable private networks, critical communications and Internet of Things connectivity. Their small cell solutions economically provide additional network capacity and eliminate coverage black-spots, mostly indoors. Dense Air has partnered with Spark to provide 5G services and has selected Kordia for the provision of its network operations centre in New Zealand.
International bodies:	
APEC Telecommunications and Information Working Group (APEC TEL)	The APEC TEL was established in 1990 and meets biannually. The TEL aims to advance the development of information and communication technology (ICT) infrastructure and services as well as to promote cooperation, information sharing and the development of effective ICT policies and regulations in the Asia-Pacific region.

Organisation	Scope
International Telecommunications Union (ITU)	The ITU is a specialised agency of the United Nations. Its predecessor was established in 1865, leading it to be the oldest UN organisation in existence. MBIE's main engagement with the ITU is through the radiocommunications sector. Every three to four years MBIE attends the World Radio Conference where the international radio regulations (a Treaty level agreement) are reviewed and updated if agreed upon by the ITU's members. We also engage with ITU's Telecommunications sector although as most of the fixed line technology is quite mature, we keep a watching brief on internet governance and standardisation in this sector. Finally every four years, the plenipotentiary meeting takes place which MBIE attends. The plenipotentiary meeting is the highest level conference that runs the ITU and ultimately sets its budgets and direction.
Asia Pacific Telecommunity (APT)	The APT was founded on the joint initiatives of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and the ITU.
Universal Postal Union (UPU)	The UPU is a specialised agency of the United Nations which regulates the flow of mail between 192 member nations via the administration of various multilateral international agreements. New Zealand has been a member of the UPU since 1907 and is represented by NZ Post (as a designated postal operator for New Zealand).
Overseas CERT organisations e.g. Asia Pacific CERT Network (APCERT), International Watch and Warning Network (IWWN) and Forum of Incident Response and Security Teams (FIRST)	Overseas CERT organisations are a key part of ensuring threat information and skills are shared between national cyber security teams. APCERT is the regional CERT network for all Asia Pacific countries, and CERT NZ has actively supported our Pacific partners to join this network. International Watch and Warn Network is the grouping of 15 members from advanced economies in Europe, Asia, Canada, Australia, New Zealand, and the US to share and engage on cyber defence activities and real-time information sharing of cyber security threats. FIRST aspires to bring together incident response and security teams from every country across the world to ensure a safe internet for all.

Organisation	Scope
Internet Corporation for Assigned Names and Numbers (ICANN)	ICANN, formed in 1988, is the key organisation responsible for the technical management of the internet. It holds three public meetings each calendar year, comprised of more than 200 different sessions, to introduce and discuss issues related to ICANN policy. The New Zealand Government participates in ICANN through the Governmental Advisory Committee (GAC), which provides advice to ICANN on issues of public policy. Participation in ICANN meetings supports our wider engagement on internet governance matters, as part of ongoing discussions regarding the regulation and management of the internet. Decisions on international internet governance will have implications for New Zealand's telecommunications and security environment. It is important that New Zealand's view is heard throughout these processes, and that we are present to meet with and provide support for the views agreed with our partner countries.

Annex 4 - Funding and Appropriations

1. The digital economy and communications aspects of the portfolio administered by MBIE are funded through Vote Business, Science and Innovation. The portfolio received approximately $312.7m million for the 2022/23 year as outlined in the bubble diagram below.
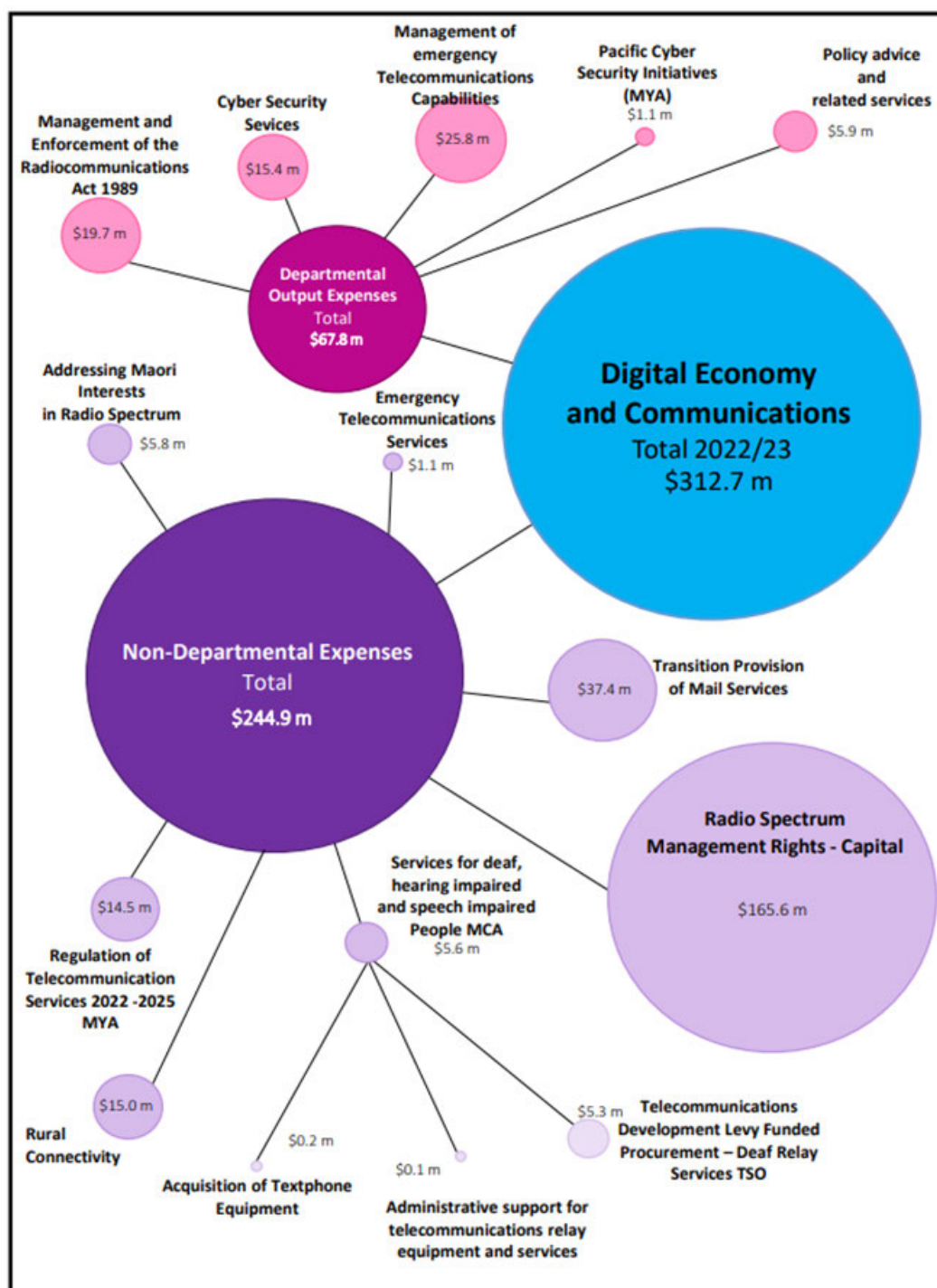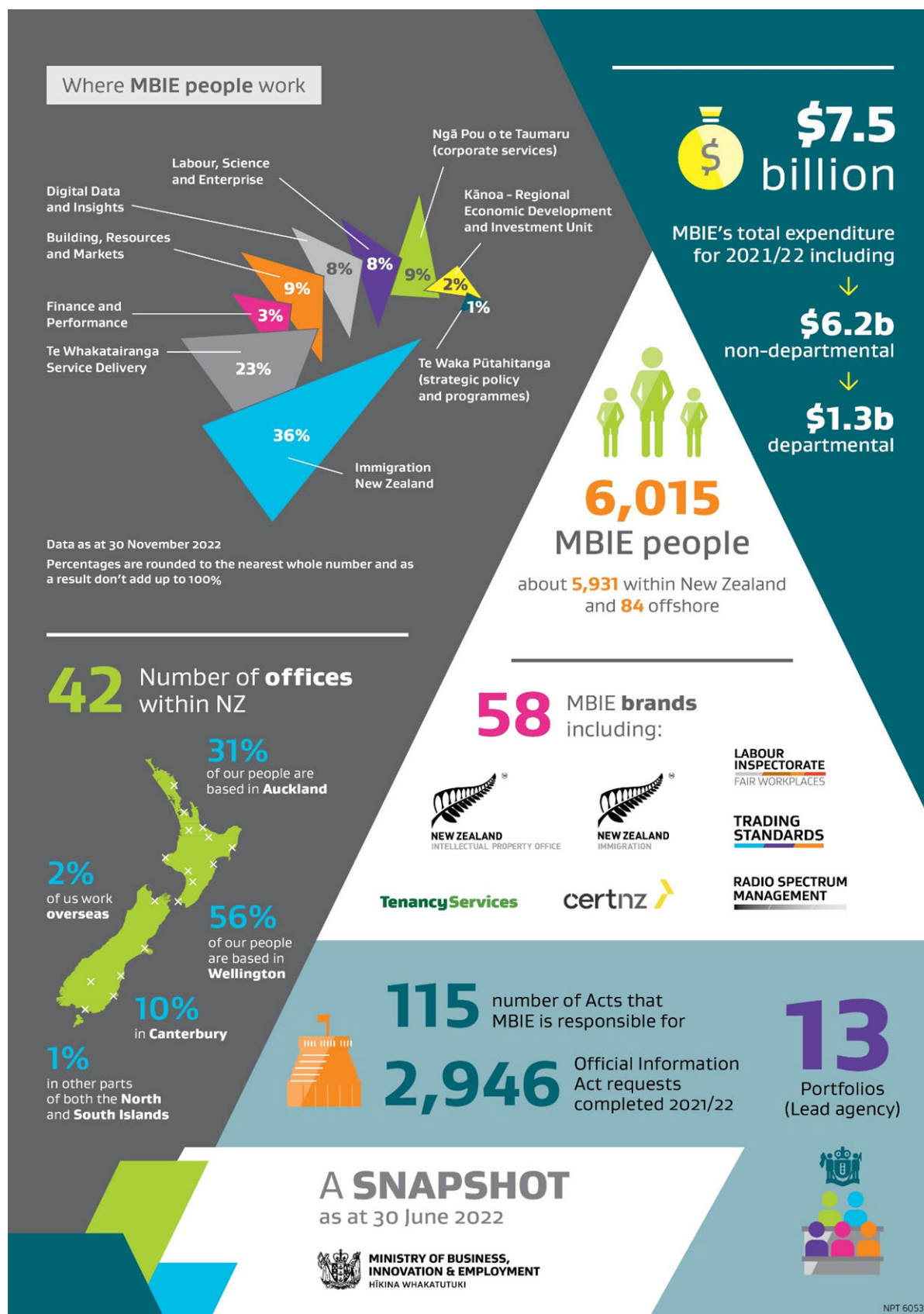
Annex 5 - MBIE overview

MBIE's role

1. MBIE's role is to Grow Aotearoa NZ for All. We work to lift the country's economic performance to improve the lives and living standards of New Zealanders. We take a long-term view of building the economy, focusing on productive and sustainable use of resources across Aotearoa New Zealand and empowering people to participate confidently in fair and thriving markets. We recognise that a strong economy is one where peoples' skills, knowledge, and time work together with our natural, financial, and physical capital to improve the wellbeing of current and future generations.

2. MBIE is a large Ministry with a diverse range of functions. We have over 6,000 people working across nine business groups. Across New Zealand, our people support communities and businesses across New Zealand and offshore in a variety of roles, ranging from policy development and implementation to regulation and frontline operations such as our immigration officers, call centre operators and labour inspectors.

3. We work across the breadth of government – from early identification of issues, policy development, regulation, service delivery, and dispute resolution through to monitoring and evaluation. Concentrating all these functions and capabilities in one entity means that MBIE can leverage its size, skills, connections, and reach to address complex issues, especially in times of crisis. While the number of people supporting each of these functions may be small, the range of experience in MBIE allows us to provide high quality services and service levels.

4. The **Māori-Crown partnership** is central to our work. Across our work, we are committed to improving results for Māori and meeting our obligations under Te Tiriti o Waitangi. In 2021, Whāinga Amorangi was endorsed as MBIE's plan to strengthen Māori–Crown relations by building internal capability. It provides MBIE the necessary capability framework for us to have the ability to work in partnership with Māori in an enduring and consistent way.

5. MBIE has a significant work programme underway that supports the Government's climate change goals and targets. We had a major role in development of the **Emissions Reduction Plan (ERP)**, and the **National Adaptation Plan (NAP)**. Our current focus is on delivery of many key strategies, policies and other actions in these plans, and helping inform other major climate change policy including on managed retreat and the review of the Emissions Trading Scheme (ETS). Our secretary is a member of the Climate Change Chief Interdepartmental Executives Board which provides system-level oversight of the Government's response to climate change. MBIE is also a key partner of and contributor to the **Carbon Neutral Government Programme (CNGP)**.

6. MBIE also has a **functional leadership** role (assigned by Cabinet) to improve the effectiveness of cross-government **procurement and property management**. In addition, MBIE exercises a number of system leadership and coordination roles – eg coordinating government work on Māori and Pasifika economic development, and regulatory system and data stewardship.

MBIE at a glance

Where **MBIE people** work

- Digital Data and Insights
- Building, Resources and Markets
- Labour, Science and Enterprise — 8%
- Ngā Pou o te Taumaru (corporate services) — 8%
- Kānoa – Regional Economic Development and Investment Unit — 9%
- 2%
- 1%
- 9%
- Finance and Performance — 3%
- Te Whakatairanga Service Delivery — 23%
- Te Waka Pūtahitanga (strategic policy and programmes)
- 36%
- Immigration New Zealand

Data as at 30 November 2022
Percentages are rounded to the nearest whole number and as a result don't add up to 100%

$7.5 billion
MBIE's total expenditure for 2021/22 including
↓
$6.2b non-departmental
↓
$1.3b departmental

6,015 MBIE people
about **5,931** within New Zealand and **84** offshore

42 Number of **offices** within NZ

31% of our people are based in **Auckland**

2% of us work **overseas**

56% of our people are based in **Wellington**

10% in **Canterbury**

1% in other parts of both the **North** and **South Islands**

58 MBIE **brands** including:

- NEW ZEALAND INTELLECTUAL PROPERTY OFFICE
- NEW ZEALAND IMMIGRATION
- LABOUR INSPECTORATE FAIR WORKPLACES
- TRADING STANDARDS
- **TenancyServices**
- certnz
- RADIO SPECTRUM MANAGEMENT

115 number of Acts that MBIE is responsible for

2,946 Official Information Act requests completed 2021/22

13 Portfolios (Lead agency)

A **SNAPSHOT** as at 30 June 2022

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

NPT 6053

Ministerial portfolios and regulatory system responsibilities

MBIE is the lead agency for 13 ministerial portfolios[2]

⟩ **ACC** – Minister Henare

⟩ **Building and Construction** – Minister Woods

⟩ **Commerce and Consumer Affairs** – Minister Webb

⟩ **Digital Economy and Communications** – Minister Andersen

⟩ **Economic Development** – Minister Nash

⟩ **Regional Development** - Minister Allan

⟩ **Energy and Resources** – Minister Woods

⟩ **Immigration** – Minister Wood

⟩ **Research, Science and Innovation** – Minister Verrall

⟩ **Small Business** – Minister Andersen

⟩ **Social Development and Employment** (lead for Employment) – Minister Sepuloni

⟩ **Tourism** – Minister Henare

⟩ **Workplace Relations and Safety** – Minister Wood

MBIE has stewardship or other responsibility across 17 regulatory systems

⟩ **Accident compensation**

⟩ **Building**

⟩ **Communication markets**

⟩ **Competition**

⟩ **Consumer and commercial**

⟩ **Corporate governance**

⟩ **Employment relations and standards**

⟩ **Energy markets**

⟩ **Financial markets conduct**

⟩ **Health and safety at work**

⟩ **Housing and tenancy**

⟩ **Immigration**

⟩ **Intellectual property**

⟩ **Outer space and high altitude activities**

⟩ **Petroleum and minerals**

⟩ **Standards and conformance**

⟩ **Trade remedies**

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[2] MBIE also has Ministerial responsibilities in additional areas, eg we support the Housing portfolio through Tenancy Services.

MBIE groups

Service delivery and policy groups

Three of MBIE's Business Groups are primarily focused on policy implementation and service delivery. These are: Immigration New Zealand; Te Whakatairanga Service Delivery; and Kānoa-Regional Economic Development & Investment Unit.

Three groups are focused on policy development, with some service delivery and implementation roles. These are: Building, Resources and Markets; Labour, Science and Enterprise; and Te Waka Pūtahitanga (formerly Strategic Policy and Programmes).

MBIE-facing groups

MBIE has three internal facing groups: Ngā Pou o te Taumaru; Finance + Performance; and Digital, Data and Insights. A change process is underway to bring together the Ngā Pou o te Taumaru and Finance + Performance business groups from 1 April 2023.

Group	Deputy Secretary	Function
Immigration New Zealand (INZ)	Alison McDonald, Deputy Secretary Immigration	INZ's purpose is to be a trusted steward of the immigration system by ensuring we get the balance right between facilitating the migration New Zealand needs, managing risk and enabling people to visit, work, study, live, or invest here. This supports the economy and strengthens New Zealand's relationships with other parts of the world.
Te Whakatairanga Service Delivery	Suzanne Stew, Deputy Secretary Te Whakatairanga Service Delivery	Te Whakatairanga Service Delivery provides critical functions and services that support businesses, employees, and consumers to operate successfully in the marketplace. We deliver information, advisory, dispute resolution, regulatory and enforcement services across the majority of MBIE's regulatory systems and on behalf of other government agencies. Te Whakatairanga Service Delivery works to ensure *Fair Markets that Thrive: an environment where businesses can succeed, and New Zealanders are protected.*

Kānoa – Regional Economic Development & Investment Unit (Kānoa – RDU)	 Robert Pigou - Deputy Secretary and Head of Kānoa - RDU	Originally established as the Provincial Development Unit in 2018, Kānoa – RDU aims to build more Productive, Resilient, Inclusive, Sustainable and Māori-Enabling (PRISM) regional economies and improve the well-being of New Zealanders living in our regions. Kānoa – RDU does this by delivering government funding to support regional economies so they can grow and develop to reach their full potential. Kānoa – RDU has strong regional knowledge, relationships, and presence, and is responsible for the delivery of the Regional Strategic Partnership Fund (RSPF), the Provincial Growth Fund (PGF), COVID-19: Response and Recovery Fund Infrastructure Reference Group, COVID-19 Response – Worker Redeployment Package, Regional Investment Opportunities (NZ Upgrade Programme), the Strategic Tourism Assets Protection Programme and the Queenstown Economic Transformation and Resilience Fund.
Building, Resources and Markets (BRM)	 Paul Stocks, Deputy Secretary Building, Resources and Markets	BRM's role is to support a fair, competitive business environment and well-functioning telecommunications, building and construction and resources sectors and operations. We also serve as the Government's Procurement System Leader and the Government's Property System Leader. BRM oversees many of the regulatory systems that govern New Zealand's markets: consumer protection; financial markets; intellectual property; competition; corporate governance; energy markets; minerals and petroleum; energy efficiency; communications; and building performance.
Labour, Science and Enterprise (LSE)	 Chris Bunny, Deputy Secretary Labour, Science and Enterprise	LSE helps boost the New Zealand economy by developing Aotearoa New Zealand's skills system, and science and innovation systems, alongside labour market policy. They advise on labour market, immigration, health and safety at work, and accident compensation policy, including managing related international obligations. LSE leads industry, investment, and business development policy and programmes, including for tourism and major events. We lead science and innovation system policy and invest significant public funds. International partnerships and engagement are integral to its trade remedies, innovation and space regulation functions. LSE also leads MBIE's monitoring arrangements for its Crown entities and is the trusted kaitiaki and kaihāpai of Aotearoa New Zealand's quarantine and isolation capability including having responsibility for readiness capability and a range of functions to support delivery and continuous improvement of the Managed Isolation and Quarantine (MIQ) system, fees recovery and responses to reviews and complaints.

Te Waka Pūtahitanga (formerly Strategic Policy & Programmes)	Melanie Porter, Deputy Secretary - Te Waka Pūtahitanga	Te Waka Pūtahitanga works across MBIE and the wider system to progress key cross-cutting outcomes such as the climate change; Government's long-term economic strategy, Future of Work issues; Māori economic development; Pacific economic development. Te Waka Pūtahitanga also has an oversight role for regulatory stewardship, supporting MBIE's regulatory systems to create and maintain regulatory systems that enable people, businesses and future generations to thrive. This includes working closely with the Treasury, which has overall responsibility for regulatory management across government.
Ngā Pou o te Taumaru	Richard Griffiths, Deputy Secretary Corporate Services, Finance & Enablement	Ngā Pou o te Taumaru works in partnership with MBIE's business groups to enable them to deliver their objectives and portfolio obligations. Ngā Pou o te Taumaru supports the stewardship obligations of the organisation, including its medium and long-term sustainability. Ngā Pou o te Taumaru provides the frameworks, tools and infrastructure to ensure that MBIE is a safe, inclusive, highly skilled and engaging place of work.
Finance and Performance (F&P)	Michael Alp, Deputy Secretary Finance & Performance (Acting)	F&P supports the effective management of MBIE's resources, including finance, procurement, risk management, control practices and processes. F&P works in partnership with MBIE business groups, supporting them to successfully deliver services allowing the Ministry to achieve its outcomes.
Digital, Data and Insights (DDI)	Greg Patchell, Deputy Secretary Digital, Data and Insights	The DDI Group is responsible for the data and insights, digital and technology functions within MBIE. The group partners with MBIE's business groups to ensure MBIE has the data and technology to 'Grow Aotearoa New Zealand for All'. DDI leads strategic direction for data assets and knowledge management, ensures cyber security of MBIE's technologies, optimises information insights and data intelligence, provides digital capability and expertise, ensures the operational integrity of MBIE's digital systems, and makes sure digital and data efforts are aligned, efficient and effective.