



New Zealand Telecommunications Forum (TCF) Submission to New Zealand Productivity Commission: Better Urban Planning

Executive Summary

The New Zealand Telecommunications Forum (TCF) appreciates the opportunity to comment on the Productivity Commission's issues paper: Better Urban Planning. The TCF is uniquely placed to comment on the current regime as its members' networks cover the whole country. The industry continues to invest in extending their fixed line and mobile networks to improve coverage, and to upgrade them with new technology, particularly in urban areas.

The Productivity Commission's Better Urban Planning inquiry offers a special opportunity to explore how the current regime can be improved and to consider whether there are alternative options which may be more appropriate for urban environments. A planning framework that appropriately facilitates investment in national infrastructure, while responding to the demands and complexities facing urban areas, will in turn encourage further investment by the telecommunications industry. This will assist the industry deliver to the Government's goal of 95 percent of New Zealanders having access to broadband with speeds greater than 50 Mbps by 2025. This will directly support positive social, economic, environmental and cultural outcomes for New Zealand.

This submission does not answer every question in the discussion paper separately. Instead, this submission offers some general comments consistent with the TCF view that achieving national consistency, particularly for national network utilities, is an important goal for any urban planning review.

Telecommunications Infrastructure - An Enabler For Urban Development

The TCF is the telecommunications sector's industry body which plays a vital role in bringing together the telecommunications industry and key stakeholders to resolve regulatory, technical and policy issues for the benefit of the sector and consumers. The TCF enables the industry to work together and to discuss issues and topics collaboratively, to reach

acceptable solutions that can be developed and implemented successfully. Its members represent 95% of the sector. MBIE recently noted¹ that:

“Digital communications technologies are impacting almost every aspect of our lives. We rely on them for business, government, education, health and in our communities. The communications sector is a critical enabler of economic growth in the twenty-first century.”

Meeting consumer and business demands for new and improved digital services means constant investment and innovation in telecommunications infrastructure. This investment can be assisted through strong government support with nationwide policies. In 2014, total telecommunications investment reached \$1.7 billion. This level of investment, compared to revenue, put New Zealand near the top of the OECD in 2013. This investment has contributed to the Ultra-fast Broadband roll-out, as well as a rapid deployment of three competing 4G mobile networks - with the deployment of 5G mobile networks already on the horizon. The industry is also continuing with further deployment into regional areas to provide broadband to rural communities via the Government’s Rural Broadband Initiative (RBI). As a result of this investment in infrastructure, New Zealand has seen the fastest uptake of fibre in the developed world².

Fixed and mobile telecommunications networks are essential national infrastructure that underpin urban development by ensuring New Zealanders are digitally connected to each other and the world. The economic and social benefits of this connectivity have been widely acknowledged. The applications and services that these networks enable are rapidly becoming indispensable for businesses and residential users who expect high speed, and reliable services wherever they are and whatever they are doing. The majority of businesses in New Zealand rely on telecommunications services - fixed and mobile, voice and data - for at least some part of their operation.

In its recent publication on the digital economy³, the OECD has noted the complementarity of fixed and mobile networks. It explains that fixed infrastructure is critical for backhauling wireless traffic and therefore enables better use of spectrum. We therefore disagree with the views of the Rules Reduction Taskforce which suggests that fixed networks should not be a requirement in new subdivisions as “advances in technology mean that ‘hard’ connections may no longer be the sole means of delivering a service”⁴. Fixed and mobile networks are national networks, both of which will require ongoing investment as technology, and consumer demands, change.

¹ Ministry of Business, Innovation & Employment Review of the Telecommunications Act 2001, Regulating Communications For The Future, September 2015

² TCF ‘Telecommunications – Enabling New Zealand’s Future’ prospectus 2016

³ OECD, *OECD Digital Economy Outlook 2015*.

⁴ Rules Reduction Taskforce Report to the Minister of Local Government, *The loopy rules report: New Zealanders tell their stories*. August 2015.

The complementarity of fixed and mobile networks contributes to applications and services which will relieve pressure on other national infrastructure. Examples include:

- ‘Internet of things’ devices will be communicating with other devices to enable efficiency and productivity gains for New Zealand across a whole range of areas.
- Driverless cars, which could become commonplace within the next decade, have the potential to radically change our transport systems and potentially ease pressure on roading infrastructure in urban areas.

Considerable investment in telecommunications infrastructure will be required to enable New Zealand to benefit from these innovations.

New Zealanders have benefited from this investment in terms of the technological change and the underlying opportunities for productivity gains. Rapid growth in demand for data services, driven in part by services such as video streaming, mean that further investment in telecommunications infrastructure will be necessary as the industry responds to this burgeoning demand. It will be essential that further investment in telecommunications infrastructure can be made efficiently and with as much certainty as possible.

General Planning Framework and Design

We welcome the Commission’s review of the framework for Urban Planning. At a high level we are looking for the development of a new framework, based on the following principles:

- An evidence based approach to policy development where regulation is proportionate and targeted only at areas where there is an actual demonstrable problem. Policy should be implemented using the lightest touch possible, including non-regulatory solutions where available.
- A holistic view which considers the interaction and influence of other regulations on local planning rules. For example, there can sometimes be tension today between the RMA and other pieces of legislation such as the Local Government Act which will need to be addressed if policy change is to be effective.
- A clear focus on implementation of policy so that the framework has the desired effect. Clear policy statements from central government and National Standards can set out the policy and how it should be implemented at a regional and local level to ensure consistency and avoid duplication.
- Use of collaborative processes for agreeing and defining rules that involve all stakeholders. Central government, local government and other infrastructure organisations (private and public) should all have an opportunity to be involved in developing the detailed planning rules to ensure informed decision making and ownership by communities. In the case of essential infrastructure such as telecommunications, this means ensuring that those developing policy and planning for growth understand the operational requirements and constraints of the infrastructure.
- Presumption in favour of national consistency for the deployment of essential physical infrastructure while recognising that economic and social objectives may

vary in different parts of New Zealand, meaning there may be some local variations where they can be justified.

Collaborative and ongoing approach to policy development

The TCF welcomes the promotion of transparency and collaboration between interested parties to determine an efficient national approach to planning. Encouraging an ‘enabling’ approach for Councils to foster key partnerships and initiatives is positive. Interested parties including councils, central government and key stakeholders all need to work together when creating a new urban planning framework.

We support an inquiry that recognises that urban areas are complex and dynamic spaces that are influenced by a wide diversity of factors and therefore require targeted consideration when planning for the future. We consider the inquiry presents an opportunity to apply a new regime that facilitates strong leadership and supports collaborative partnerships in order to further enhance and develop these urban areas. A new regime should promote and enable the use of non-regulatory tools instead of the heavy reliance on plans and controls. Plans are only a starting point, a new framework should emphasise continuous planning and focus on delivery and implementation. For example public and private infrastructure collaborations and planning to enable and ensure new development areas or intensified brownfield projects are appropriately planned, managed and delivered.

National Consistency

The telecommunications industry is unique in that it comprises a group of businesses that invest to provide infrastructure nationally. Consequently, the industry shares common interests with respect to urban planning. The industry reviews and submits on every district plan in the country and operates under these plans when seeking resource consents⁵. TCF members have a strong understanding of the benefits of a good planning framework. Operating through the TCF has allowed the industry to provide a consistent and united position on the recent National Environmental Standards for Telecommunications Facilities (NESTF) review and the Government’s RMA reforms.

Any reform to the existing legislation that promotes national consistency is welcome. The existing resource management model provides for the establishment of national policy and rules but encourages local decision making to take place within each region or district. The lack of established and implemented comprehensive national directions has consequently required territorial authorities to individually prepare objectives, policies and rules as part of the development of the required statutory documents. This has resulted in significant variation throughout the country, which is highly inefficient when applied to national

⁵ In 2015 the industry submitted on over 24 different local planning documents, including the Auckland Unitary Plan and Christchurch Replacement Plan.

infrastructure. This outcome increases the complexity and cost for national infrastructure operators.

The TCF encourages the use of a national framework for urban planning, supported by instruments such as National Policy Statements (NPS) and National Environmental Standards (NES) that provide specific detail for particular issues. The NESTF is a good example of national regulatory controls for telecommunications infrastructure. However, for this framework to work well an NES needs to be comprehensive and a clear requirement for these standards to be reviewed regularly in a transparent and streamlined process, within appropriate timeframes. Telecommunications technology is changing rapidly and if New Zealand is to continue to have world class fixed and mobile networks, the national standards need to keep pace with those technological changes.

Each region in New Zealand has some local variations that require slightly different approaches and rules. However, these should be kept to a minimum and limited to those factors that truly are unique from region to region. General clauses in a national framework that allow local and regional authorities to develop their own requirements result in a plethora of different rules and definitions that often relate to the same issue. As noted earlier, this is inefficient and deters investment.

Telecommunications is one of the few industries which see competition occurring upstream at the infrastructure level. If this competition is to be promoted and maintained, it is essential the planning framework supports the roll-out of infrastructure by removing unnecessary barriers, but recognising that property rights and safety are still important. An example of an unnecessary barrier is the current requirement for network operators to obtain the permission of all property owners before installing a low-impact fibre connection along a shared driveway. The Government has recognised that this is a barrier to the efficient roll-out of UFB and has proposed changes to legislation that will provide better access for network operators, while ensuring that the rights of property owners are appropriately protected.

Providing a better national framework for planning, supported by industry or issue specific standards, for example NES, can assist smaller local authorities which do not have the resources and expertise available to deal with industry specific technical issues, such as radio frequency standards.

Conclusion

Telecommunications infrastructure, both fixed and mobile, is provided nationally by fixed line and mobile network operators. Consequently, considerable local variations to urban planning processes and technical requirements, is inefficient and deters investment.

The TCF supports the development of a national planning framework that addresses the specific complexities encountered in urban areas, supported by a mechanism for specifying detailed technical requirements, along the lines of the NES model. However there must be a clear process for reviewing and maintaining these standards in order that they remain relevant. The framework needs to promote or recognise that non-statutory tools to enhance implementation and delivery are as equally valid as regulation and would potentially be more effective.

The national framework should recognise that local variations do exist. However, the criteria for developing these variations should be restricted and be clear about what variations may be developed.

The TCF would like to invite the Commission to a workshop to explore that opportunities for infrastructure planning, with a focus on telecommunications within a new urban framework.

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