Submission on the Productivity Commission Issues Paper "Using land for housing" (January 2015)

Chorus

Submission

1   Thank you for the opportunity to provide submissions on the Productivity Commission's Issues Paper on using land for housing.

2   Chorus regularly rolls out infrastructure in new housing areas. We have first-hand knowledge of the challenges and opportunities involved with providing infrastructure to new housing areas. We consider that the telecommunications networks are significant infrastructure providing social, economic and cultural wellbeing to our communities, as well as health and safety (being a lifeline utility). It is critical for economic development and liveable cities. We share our experience in this submission and hope that the Productivity Commission will take it into account in its inquiry.

3   Chorus is New Zealand's largest telecommunications infrastructure company. We maintain and build a network predominantly made up of local telephone exchanges, cabinets and copper and fibre cables. Around 1.8 million lines are connected to homes and businesses throughout the country. We are currently laying thousands of kilometres of fibre optic cable and ducting to make broadband available to rural communities and ultra-fast broadband available to more than 830,000 homes and businesses across New Zealand.

4   The issues related to the supply of land (and redevelopment of established areas) to enable construction of new housing are complex. We are working alongside councils and developers to efficiently provide fibre access to new developments.

5   In our experience, infrastructure (particularly non-council owned infrastructure) is not always afforded the same level of protection or acknowledgment within statutory documents, such as regional and district plans, as Council assets (e.g. wastewater, storm water and drinking water). In those places where infrastructure is recognised as significant, the engagement is much more positive and constructive, costs of implementation are reduced and the rollout of new networks much more efficient.

6   In this submission we:

   6.1   Identify challenges with the rollout and installation of infrastructure in new housing areas;

   6.2   Make our recommendations for more efficient infrastructure rollout and installation for new housing areas; and

   6.3   Comment on data that may be of relevance.

Challenges with the rollout and installation of infrastructure in new housing areas

Multiple requirements and agency consistency

7   A key challenge we face in rolling out infrastructure to new housing areas is ensuring that we gain all the relevant approvals and consents required, and that requirements of multiple different agencies are met and are consistent.

8 For example, in order to install new infrastructure in a new Auckland development we are likely to require separate consents and approvals from the Auckland Council, Auckland Transport and Heritage New Zealand, in addition to consultation with numerous iwi groups. This could include dealing with the following:

8.1 Proposed Auckland Unitary Plan (including mana whenua, heritage, natural hazards, etc.);

8.2 National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health (NESCS);

8.3 National Code for Utilities' Access to the Transport Corridors – CARs (corridor access request)/WAPs (works access permit); and

8.4 Archaeological authority under Heritage New Zealand Pouhere Taonga Act 2014.

9 Once all consents and approvals are obtained we need to ensure that the conditions we agree to with, for instance Auckland Council, do not contradict any requirements imposed by Auckland Transport or Heritage New Zealand.

10 It can be a rather long and complex process to navigate.

Complexity of new unitary/district plan rules in relation to infrastructure

11 We spend a considerable amount of time and resources reviewing and submitting on proposed district and unitary plans. Our goal is to ensure that the rules included in these documents provide for the efficient delivery of infrastructure. The process can be time and resource intensive since each council has its own set of rules around the provision of infrastructure.

Relocation of existing assets – costs and planning time

12 When a new subdivision is granted, Chorus is often required to relocate existing assets before construction works commence. There is no set mechanism for Chorus to recover costs associated with this relocation. Property developers often request that existing assets are relocated to support new road layouts, and it can get difficult for us to fund such unplanned work.

13 Chorus is generally only contacted once consent has been granted and the developer wishes to progress with construction works. Often the costs associated with delivery of telecommunications have not been taken into account and can (particularly where constraints exist) cost significantly more than has been anticipated. Limited early communication with developers, including the housing accord areas, means that we have limited opportunity and time to create optimal designs for telecommunications.

Coordination of infrastructure works

14 The coordination of infrastructure works has improved greatly since the introduction of the National Code for Utilities' Access to the Transport Corridors. We still face some challenges where lack of coordination results in multiple infrastructure providers working in a single area progressively rather than aligning works to maximise resources and minimise disturbance.

Recommendations and suggestions on what could improve/streamline our processes and produce benefits to end-users; and

15   Having outlined some of the challenges Chorus faces when rolling out infrastructure to new housing areas, we have considered various ways in which some of those challenges could be minimised or even eliminated, which, if implemented, we think will make infrastructure rollouts cheaper, easier and more efficient. We set out these suggestions below.

16   We support the development of a single set of consistent standards which give certainty to all users. A more streamlined process for obtaining approvals would create efficiencies when rolling out infrastructure, for instance:

    16.1   Creating "infrastructure providers forums" in major cities. The Auckland Infrastructure Providers Forum is beginning to provide a range of opportunities to partner with the Auckland Council, to work together and engage on regulatory change.

    16.2   Including a more formal process for consulting with infrastructure companies early where local and central government have proposals under way that will impact infrastructure.

    16.3   A clear government direction including a set of principles and outcomes for policy and regulatory development which would be applied in relation to all regional and district plan reviews with a view to reducing regulatory red tape and complexity with resource consents.

    16.4   Setting national standards for new housing developments. These could include rules around relocation of existing assets, including who bears the costs and cost recovery mechanisms for infrastructure providers.

    16.5   Early notice of any relocation requirements to infrastructure companies from developers in new housing areas allowing sufficient planning, efficient delivery and cost management.

17   Currently, there are multiple regulatory reforms and initiatives proposed and underway which are meant to enable greenfield and brownfield development. As a national organisation we get to experience the full range of regulatory approaches and attitudes across New Zealand. Chorus will continue to provide input and submit on these reviews. In addition to the above suggestions, we also consider the below improvements would be useful:

    17.1   The following legislative reviews that are currently in consultation should be considered and consistency ensured:

        (a)   Resource Management Act reforms, including the proposals relating to infrastructure in sections 6 and 7 and provision (or opportunity) for national template district plan rules relating to infrastructure and new housing areas.

(b)   National Environmental Standards review of the telecommunications facilities.

(c)   National Environmental Standards review of contaminated soil.

17.2   We consider it would be useful to explore the option of creating a development agency approach by, for example, transforming the Housing Accord offices into a longer term development-focussed organisation.

17.3   We are currently assisting with the development of national works and infrastructure co-ordination software platforms project in Auckland. These could be useful nationwide.

Any data/information that we can provide to assist

18   The best source of data for the Commission's inquiry is building consent information or subdivision consent approvals that can be obtained directly from local councils.

19   We have information on number of new line connections or build on our network over a period of time. While this might be somewhat helpful, it is probably less useful to the Commission's inquiry for the following reasons:

19.1   Developers are often not compelled to make provisions for telecommunications services or provide for connections to our network;

19.2   Some of our data may not distinguish between greenfield, brownfield/infill development, and customer churn.