

Building a connected nation

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LABOUR'S PLAN: WE'LL PUT PEOPLE FIRST

Labour will close the digital divide and ensure all New Zealanders can be part of a growing, more connected economy.

THE ISSUE

The digital revolution presents huge economic opportunities for New Zealand, but the current Government's lack of vision means these opportunities are being missed and too many New Zealanders are being left behind.

This lack of vision is compounded by a failure to listen to communities and the industry. As a result, the Government's Ultra-Fast Broadband and Rural Broadband Initiative rollouts have been poorly planned and executed, with no wider view about the role of digital technology in our society, and the growing digital divide has worsened inequalities between urban and rural, rich and poor.

After nearly six years in government and despite more than \$1 billion of taxpayer investment into ultrafast broadband, just 2% of target households are connected. Taxpayers' money is also being put into rural broadband, yet more than one in five New Zealanders do not have regular access to the Internet. We are not a digital nation.

New Zealand needs a Government with the vision and the courage to tackle the digital divide and ensure all New Zealanders can be part of a growing, more connected economy.

LABOUR WILL:

- **Close the digital divide** by improving access to broadband in the regions and in low-income communities.
- **Build a more connected economy** by modernising telecommunications regulation so there is greater certainty and uptake for industry, businesses and consumers.
- **Protect Kiwis' rights online** by introducing a digital bill of rights, modernising our copyright laws and empowering digital citizenship.

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DIGITAL NATION: CONNECTING NEW ZEALAND



The challenge we face

Government ICT policy can no longer be focused on narrow policy settings in the telecommunications sector and piecemeal strategies in areas such as education or health.

ICT is now a major part of almost every area of government expenditure, every business, every job, as well as a huge part of nearly every household's lifestyle, monthly outgoings and interactions with government. Recent issues such as Novopay, systemic data breaches and concerns around large ICT contracts have shown that current Government's approaches to complex technology issues are failing.

At a basic level, ICT networks are now core national infrastructure assets like our road, air, rail and electricity networks. Access to ICT is no longer a luxury, it is a necessity and the emerging digital divide is becoming a new measure of poverty.

Despite funding Ultrafast Broadband via the taxpayer and the rural broadband scheme through taxpayers and a levy on the industry, the National Government has assiduously avoided any leadership role beyond throwing large sums of money at private companies to build networks.

Policy settings are being imposed retrospectively on the sector and now the government is taking active measures to sustain the livelihood of private entities at the expense of New Zealand households.

A Labour Government will do things differently.

There are plenty of examples from other key strategic infrastructure assets of how we can do this:

- From roading we can see how usage can fund network maintenance and expansion to meet growing needs
- From electricity we can see the sense in having key strategic assets (Transpower) run as a regulated, open access monopoly
- From aviation we can see the need for government oversight on international route access, regional routes and overall safety standards
- From rail we have a case study in under-investment and neglect that then requires taxpayer investment

Government has many roles in ensuring all New Zealanders get maximum benefit from the digital world. The current government thinks this just means funding infrastructure and expecting corporates to deliver. Labour is committed to building a tech-savvy digital nation where everyone can participate and where our economic growth stems from our ability to leverage technological know-how and productivity.

This requires all Kiwis to be able to:

- Participate safely & securely in the digital world (ensuring identity, rights, access, security, participation and protection)
- Live in digitally enabled communities (through infrastructure, market rules, access, services)
- Lead digital lives (in work, health, education, recreation, access to digital content, e-health, jobs, training, procurement)

- Participate in the global digital economy (support for e-Commerce and e-Government, internet governance, digital currency and trade, tax)
- Belong to a digital nation (legal structure, roadmaps, e-Government, innovation)

This also requires a Government that recognises its roles (investor, developer, user, legislator & regulator) and uses its power to lead and facilitate digital development.

This requires targeted funding for areas that the free market can't or won't fund (such as the remote and under-served and the 'too big' issues).

This policy package, which will improve connectivity and digital inclusiveness for all New Zealanders, follows on from Labour's previous 'Digital Economic Upgrade' announcement.

BUILDING A MORE CONNECTED NATION

Review Ultra-Fast Broadband and the Rural Broadband Initiative

The rollout of Ultra-Fast Broadband (UFB) and the Rural Broadband Initiative (RBI) has been beset with delays, cost overruns, and low take-up by consumers and businesses. Labour is concerned that the rollout of UFB and the RBI has lacked transparency and good governance.

Upon taking office, Labour will undertake a thorough review of UFB and the RBI to ensure that it is delivering value-for-money while providing the transformational promise of high-speed internet access for all New Zealanders.

Crown Fibre Holdings was set up to negotiate the contracts for UFB, to set pricing structures and to manage the contracts. We have long been concerned at the role and mandate and lack of transparency of this government agency. Labour will review the role and purpose of Crown Fibre Holdings.

Labour is concerned at the slow take-up of UFB and will work to identify and reduce barriers to take-up.

While connectivity for rural areas under the RBI footprint is expected to improve eventually, many communities will remain under-served.

For those that can get it, broadband remains expensive and slow for many rural consumers.

Currently between 30-40% of UFB installations require consent for right-of-ways and for multi-unit dwellings.

Labour understands that the UFB product forum has been working on resolutions to these issues and has developed a best practice industry process for all Local Fibre Companies (LFCs) (including Chorus) to follow. Labour supports this.

Labour also understands that there are legal impediments for householders in right-of-ways to access fibre. Labour supports finding solutions to these issues so they do not unnecessarily impede the ability for the rollout of fibre while respecting the property rights of owners. We believe there have been unnecessary delays in resolving this issue and will work with the industry as a matter of urgency to do so.

It is proposed that the following be included in the review:

- Review of the UFB Contracts
- Review the role of CFH:
 - Is it 'fit for purpose'?
 - Is it a 'political firewall' or a genuine 'change agent'?
 - What is its wider role in the regulatory landscape?
- An external 'multi-stakeholder' assessment of CFH and its performance, including: Chorus, LFCs, Retail Service Providers (RSPs), user and consumer groups
- CFH's role in demand stimulation for UFB and RSP product marketing
- Future requirements for implementing a 'National Digital Architecture'
- How to better support rural and semi-rural communities to improve their connectedness to put them on a footing equivalent to their urban counterparts
- Whether a new approach to rural connectivity is needed
- How to better support migration from copper to fibre networks and address issues such as access to emergency services

The final scope and specific details of the review will be determined after consultation with consumer groups, businesses and the telecommunications industry.

Cost: Funded within departmental/Crown Fibre Holdings baselines.



Review of the Regulatory Framework for Telecommunications

Last year the government announced a review of the telecommunications industry that was supposed to engender investor confidence in the sector, but has instead destabilised the industry at a critical point in its history.

The Telecommunications Service Obligation (TSO) has been a bone of contention for more than a decade after it was introduced in 2001. Telecom has used the TSO to convince the government that the industry should pay Telecom to keep rural customers connected to the Internet.

There are hundreds of towns and small communities throughout New Zealand which do not qualify as being part of either the UFB or RBI. Their fates are uncertain in terms of improved digital access and Labour believes this is a fundamental flaw in both the UFB and RBI schemes and the government's head in the sand approach to regional development and the need for digital communities.

Labour's position is that an ongoing review of regulation is vital in this ever-changing industry, but dumping a three-year review as a knee jerk reaction to a single issue is not the way to do it.

Labour supports a review of the TSO and would like to see some kind of broadband-based universal service obligation that enables rural and remote customers to get online in as similar a way to their urban cousins as is possible.

We propose to:

- Complete the TSO review
- Bring forward the review of regulations to start immediately
- Extend the UBA wholesale review (in effect freezing it until after this review takes place)

Labour is committed to fulfilling the original requirement of the Telecommunications Act and will conduct an 'all of business' review:

- Which accurately describes our Telecommunications eco-system and the roles and responsibilities within it, which includes market structure, the public interests from infrastructure ownership (including spectrum and cable locations) consenting of new infrastructure, service delivery, mobile and international connectivity, complaints and content
- Which considers the role and future of the copper network
- Which considers the role of Universal Service Obligations, regulated services and pricing, competition settings, roadmaps and operators (from whether we need 'telecommunications licensing' through to dealing with 'over-the-top' services and content)
- Which considers the need to rationalise both fixed and mobile market structures (i.e. fixed is structurally separated, mobile is vertically integrated)
- Where investment is focussed on competition and innovation
- Which plans for the impact of LTE and 5G networks

The review will operate on the basis that the objective of regulation is to ensure fair competition amongst commercial operators in a manner that delivers benefits to consumers.

Meaningful reform of the Commerce Act and the Telecommunications Act including strengthening the powers of the Commerce Commission and the Telecommunications Commissioner can deliver outcomes that are fair, reasonable, non-discriminatory and transparent for New Zealand consumers and businesses.

1. The review needs to be conducted in a manner that is not about preserving the status quo but is about getting the best thinking on an important pillar of our economic social and cultural well-being
2. Non-corporate voices will be heard and represented
3. This should be the last Telecommunications Act review for a long time. The fact that it is the fourth review this century speaks volumes to not getting it right.

Cost: Funded within departmental baselines.



GIS mapping of broadband

Councils currently provide detailed online maps of their district plans and utilities such as sewerage and roading. The Geographical Information System (GIS) assists businesses and citizens in making informed decisions regarding land use and development.

Labour will work with Land Information NZ (LINZ), local governments and the telecommunications industry to add mapping of broadband services to the GIS.

In co-ordination with our already announced regional development plans, Labour will encourage and work with local authorities to play a greater role in determining connectivity needs and solutions within their communities.

Cost: Funded within departmental baselines.



Improving international connectivity

New Zealand relies upon a small number of fibre optic cable systems to connect us to the rest of the world. The existing cables are owned and operated by a small number of Telecommunications companies. This uncompetitive market means higher prices, low data caps, and lowered technological innovation for services. Over time, capacity constraints could become an issue. The existing Southern Cross Cable, half-owned by Telecom, is only expected to meet New Zealand's requirements until 2020.

Telecom, Vodafone and Telstra are currently building a Trans-Tasman cable and the Hawaiki group has planned a cable linking New Zealand to Australia and the US with potential links to a number of Pacific Islands that is expected to come online in 2016.

The government recently entered into a conditional 25 year contract with the proposed Hawaiki Cable via the Research and Educational Advanced Network New Zealand, (REANNZ), a Crown-owned company. As an initial deposit, the government utilised \$15 million of funding appropriated in 2008 by the Labour-led government.

A Labour government will take an active interest in improving and enhancing New Zealand's international connectivity.

Labour has a particular interest in investigating the feasibility of constructing a Trans-Tasman cable linking the South Island to Australia. Such a cable would provide greater redundancy and security for New Zealand's international connectivity needs. This would also reduce reliance on connections between the North and South Islands and provide greater network resilience for the country, particularly in the circumstances of a natural disaster in the upper North Island.

Labour will maintain the current commitment of at least \$15 million as an anchor tenant in the Hawaiki cable. In the event that this not a viable venture, Labour will commit to redeploying at least \$15 million as an anchor tenant in another (as yet unspecified) international cable with a viable business case.

There may also be scope for co-investment in an international cable through Labour's recently announced Regional Development policy.

Cost: Initially funded within existing appropriations

CLOSING THE DIGITAL DIVIDE



Enhancing Urban Uptake

A 'digital divide' is rapidly emerging in New Zealand exacerbated by widening economic inequality.

UFB is being rolled out around the country but many communities will not receive fibre for a number of years and are not considered priorities.

Too many New Zealanders – at least 1 in 5 - still do not have regular access to the Internet. According to the World Internet Project, 8% of New Zealanders were not using the Internet at all in 2013, while a further 14% were “low level” users, who use the Internet infrequently. The leading causes of non-use were affordability (34%, including lack of a connection or a computer to access the Internet), lack of interest (33%), and lack of knowledge of how to use the Internet (22%).

Māori and Pasifika are significantly more likely still to be non-users or “low level” Internet users than those of Pākehā or Asian ethnicity.

Broadband is widely available in New Zealand, and quality is slowly improving through the UFB scheme. However, New Zealand is a moderately expensive market for fixed broadband, ranked 64th in the world according to the International Telecommunications Union. This is driven at least in part by our low population density and challenging geography.

Labour is committed to closing the ‘digital divide’. We will support local councils and community organisations to oversee the roll out of low-cost Internet access for communities which face financial difficulty in accessing the Internet.

This pilot scheme will take the form of a contestable fund that supports local councils to work with local providers and other organisations to provide community-based Internet connections to help close the ‘digital divide’ and build partnerships with community organisations, RSPs and local businesses to ensure that their community has connectivity.

While access can always be extended and quality improved over time, lack of connectivity due to the affordability of broadband risks accentuating social divides of income and ethnicity in this country. If left unmanaged, we may inadvertently create ghettos of lower socio-economic families left out of the digital age and the opportunities it offers. Given the extent of Internet “non-use”, the focus of further Government intervention may purposefully be turned towards two goals:

- encouraging usage by non-users
- supporting “low level” users to improve their capability to make the most of the Internet

Labour will undertake an immediate analysis of available data on which groups are currently unable to afford Internet access to develop the best possible scheme for the funds available.

Labour will investigate initiating Government tenders for private sector provision of a low-cost broadband service for those on low incomes.

Cost: \$9.6m contestable fund over four years.



Enhancing Rural Uptake

Evidence in the last two years has strongly indicated that the Rural Broadband Initiative will not deliver broadband to tens of thousands of rural New Zealanders.

National's rural broadband scheme is patently inadequate for the needs of many of our rural communities. Whilst Internet access via cellphone towers is an improvement over dial-up, it is far short of the quality and speed provided to urban New Zealanders through UFB and existing connections. This is not the "step change in the standard of rural broadband services" that was promised.

There are community-based solutions to improving Internet speeds, such as fixed wireless towers and local networks. However, the complexities and layered costs of such an undertaking are often beyond the capacity of small communities. Leveraging the expertise and leadership of the local government and other community stakeholders is crucial to success, and there is potential for these people to receive broadband via fixed wireless services and also utilising WhiteSpace - unused radio spectrum - to provide Internet access.

One solution (based on the successful UK 'Broadband for the Rural North' scheme), is for rural communities to work together, at their own cost, to roll-out fibre and other forms of connectivity themselves, with technical and equipment assistance provided by the Crown.

Labour proposes a pilot rural community fibre scheme that would see the Crown providing initial connectivity, equipment and expertise for community groups that undertake to deploy and manage the service. Connections to rural households and businesses could link to already existing fibre connections to rural schools and hospitals.

Given that it is a community-led scheme, there are substantial savings that can be made on consent and service costs. Services could be administered via community contracts with commercial providers.

This scheme will be reviewed after four years with scope for up-scaling according to demand.

Cost: \$6.3m contestable fund over four years.



Empowering Digital Citizenship

Labour believes it is important to provide quality and universal access to government services online.

Infrastructure such as UFB will only succeed if the community engages with it. New Zealanders are not just "consumers" in a "market", but people and families living in communities.

The major gap in the broadband rollout has been encouraging the growth of digital communities. The current government doesn't believe its job goes beyond providing the infrastructure. It views people as consumers and not citizens.

A Labour Government supports a philosophical shift in the use of UFB to be the basis of economic and social revolutions in all towns, cities and communities in New Zealand.

This involves partnerships with local authorities, businesses, government services and other community organisations which can bring together existing services which provides the consumer, the household and citizens with multi-layered public and private connectivity.

Labour will build on the Aotearoa People's Network Kaharoa (APNK) model to provide New Zealanders with more free access to the internet in public places to ensure that low incomes are not barriers to being digital citizens.

Aotearoa People's Network Kaharoa (APNK) is a partnership between public libraries and the National Library of New Zealand. Since the network began in November 2007, over 140 libraries have joined. APNK is part of the National Library and works with local government staff at public libraries to bring free broadband Internet services to communities around the country. Free internet and computing equipment in public libraries allows everyone to benefit from accessing, experiencing, and creating digital content.

Labour will reinstate the Community Partnership Fund (CPF) which is a contestable fund supporting community projects that work:

- to realise community aspirations through using information and communication technology
- on improving ICT capability, confidence, content, and connection
- in partnership with others.

Labour will set up a connectivity innovation fund for the private sector to develop an innovative solution that will provide better access to government services. Labour will also promote outreach initiatives to enable a greater number of citizens to access and utilise government online services.

Cost: Total of \$5.2 million over four years.



Regional Development Fund and Plans

Labour will make the investments needed to upgrade our regional economies, create jobs and raise incomes for New Zealanders. We will put the money in to lift our regions to their full potential and improve the lives of families because it is the right thing to do.

We will do this by working in partnership with local government and communities, not dictating to them from above.

ICT projects could form part of our regional development plans. For example, Whangarei has been one of the success stories of the UFB roll-out with almost every building in the city now connected. A Regional Development plan could support greater attraction of start-ups, existing businesses and workers to make better use of Whangarei's resources.

ICT projects could also support growth in jobs and incomes in the Southland region. For example, the construction of a Trans-Tasman cable in the area could be partially funded through the Regional Development Fund.

Cost: Accounted for within Labour's Regional Development Policy.

Note: There are further detailed initiatives on supporting growth in ICT jobs and incomes in our previously announced 'Digital Economic Upgrade'.



Māori ICT Innovation and Employment Fund

The 'Māori ICT development fund' was conceived by the current government to divert attention from iwi being shut out of the recent 4G spectrum allocation. As detailed in the recent Budget, the Fund lacks any specificity, transparency and accountability. There are no targets for ICT job creation or business development for Māori.

Labour will reprioritise the \$30 million fund as the 'Māori ICT Innovation and Employment Fund' to focus on Māori research, innovation and employment in the ICT sector. Labour will ensure real tangible outcomes are delivered for Māori in the form of employment and business development. Labour will ensure there are effective accountability structures and that the Fund is governed transparently by Te Puni Kōkiri with support from the Ministry of Business, Innovation and Employment.

Cost: Reprioritisation of the existing \$30 million Māori ICT development fund.



'Computers in Homes'

As part of our commitment to closing the 'digital divide', **Labour will maintain and, over time as funding permits, increase funding to the Computers in Homes programme to 5,000 families annually and tech youth networks to promote greater digital inclusion.**

Cost: Continued funding from within baselines.



Portable Digital Devices for School Students

Digital education is the way of the future but the cost of digital devices is a significant burden on parents. No student should be disadvantaged in their education by their parents' inability to pay.

Labour will put in place a programme that provides an affordable option, available to all schools, for Year 5-13 students to have access to a portable digital device, in the classroom and at home.

Moving all schools to using portable devices as a central piece of equipment in every classroom (from Year 5 onwards) has the potential to significantly change how teaching and learning occurs in our schools. But the full potential of this change will only be realised if teachers are able to adapt their teaching practice to a more learner-centred approach.

To gain maximum effectiveness from the Portable Digital Devices for School Students initiative, Labour will also commit \$25 million to provide teachers with professional development during the 2016 and 2017 school years to assist them to make the most effective use of digital devices in the classroom.

Labour will partner with schools, local government and communities to put in place infrastructure that will allow students, particularly those from low-decile schools, who do not currently have internet connections, to use their portable devices to access the internet at home.

Cost: Accounted for within Labour's Education policy.



Supporting Computer Programming in Schools

Full digital literacy provides children with skills that will assist them for life in the 21st Century. Labour will investigate ways to help heighten the importance and prominence of computer programming in their delivery of the school curriculum. It is critical that every student not only has the opportunity be proficient in a digital environment but to also have agency over the tools they are using. In 2013, UK schools became the first in the world to introduce computer programming as a core subject.

In government Labour will make sure that schools are effective at developing students' programming skills. We will investigate ways to promote the teaching of programming skills through teacher training courses and professional development programmes.

Cost: Funded within baselines

PROTECTING NEW ZEALANDERS' RIGHTS ONLINE



Digital Bill of Rights

New Zealanders are technology-savvy people who rely on the Internet for fundamental daily activities such as banking and communicating with friends, family and colleagues.

Unfortunately the legal framework to protect New Zealanders' rights online hasn't kept up with the pace of technology

Our current Bill of Rights Act dates back to 1990 when almost no-one had heard of the Internet, let alone used it. Labour has proposed a Digital Bill of Rights setting out what we can all do online. It is essential that we protect citizens' privacy, encourage innovation and keep New Zealand a progressive country with a responsible approach to its own national security.

A Labour-led government will drive and implement a digital rights framework. We will do this alongside an inquiry into our surveillance agencies, in particular the GCSB, and we will recast our security laws. Labour says that access to the Internet should be a right just like the right to free expression and New Zealand citizens should not be exposed to blanket mass surveillance.

By forging a rights-friendly approach to the Internet and data issues, New Zealand will establish its reputation as a digital hub for innovation. More tech companies will be attracted here and more start-ups that need digital connectivity will be able to engage effectively with the rest of the world. New Zealand's emerging digital economy relies on its reputation as a trustworthy place to do business and to promote innovation. Secretive surveillance laws and uncertain rights around the Internet are a threat to this. Labour is committed to match security laws with strong privacy protections and to protect our civil liberties.

Across the globe people are demanding the right to access the internet, the right to privacy, free speech and to a neutral internet. Without these there can be no open government, no good democracy, no connected communities and no diversity of

culture. Just as the Internet transcends national boundaries, a Labour-led government will work with other countries to agree a common set of principles and rights on the Internet. We challenge other political parties in New Zealand to agree to do likewise. We embrace the multi-stakeholder approach of InternetNZ, which was worked to ensure a framework that keeps governments and corporates at arms-length from controlling the Internet.

Labour will work with stakeholders to develop a 'Digital Bill of Rights' which would update the legal framework to protect New Zealanders online while making New Zealand a more stable and secure place for businesses to use and store data.

Labour envisages a dynamic public interaction with the progression of rights-friendly digital legislation.

Labour will work to ensure that any such 'Bill of Rights' integrates with existing cornerstone legislation such as the Crimes Act and the Privacy Act.

Labour will also investigate whether legislation could be used to stop companies selling people's online information without permission. This has become an issue in the United Kingdom where health data was on-sold and such protections are already being examined in the United States.

Cost: Funded within departmental baselines.



Reform of Digital Distribution Regulations

PRO-COMPETITION REGULATION: NETWORK DISTRIBUTION

Current legislation relating to access to digital distribution networks and the operation of the wholesale market for content is outdated and works against both content providers and consumers.

Labour will modernise the regulation of digital distribution to ensure a level playing field for all.

Legislative Changes

Labour will look to amend, in parallel, but not in lockstep, the following legislation:

- Telecommunications Act: Pro-competition initiatives for access to distribution networks
- Radio Communications Act: Allocation of digital terrestrial frequency planning and leases
- Commerce Act: Reform of Section 36 to better deal with monopoly behaviour

The Telecommunications Act regulates fair pricing and access to various distribution networks--except when the network is used for broadcasting as defined in the Broadcasting Act. It is the job of the Telecommunications Commissioner (TC) to apply the Act. The Act needs amending to remove distinctions between telecommunications and broadcasting distribution systems. This could be achieved by redefining digital distribution networks on a technology-neutral basis. The TC should have the authority to deal with any critical part of a network which could be used by its operator as a 'gatekeeper' to advantage its own content services over others, or to price-gouge consumers.

Wholesale pricing and other access terms need to be provided on a pro-competition basis regardless of whether the network is used by third parties for telecommunications services or, in pre-convergence language, 'broadcasting' content services.

Such pro-competition principles already apply to some parts of the TA but need to be extended to take account of the now complete digital convergence between 'telecommunications' and 'broadcasting.'

The Radio-Communications Act (RCA) provides for the technical aspects of spectrum planning and for the allocation of spectrum by what amounts to Crown leases. A single clause in the RCA provides for frequency leases to be allocated according to the policy of the Government of the day.

A frequency lease or licence is not by itself a useable 'network' infrastructure subject to pro-competition regulation. It is merely the Crown's permission to build and operate a network infrastructure using the radio spectrum ultimately owned by the Crown.

Most broadcasting frequency leases are on commercial 18-year terms. The Government is now working out how and when to release the approximately one third of the total broadcasting frequency 'real estate' to the market. If this surplus is all disposed by the Crown on a commercial basis then any future public non-commercial broadcaster will need to lease frequencies from commercial operators who not only hold the licences, but who also dominate the market for providing the infrastructure necessary to use the licences.

This risk could be avoided if the RCA or the Broadcasting Act included priorities for all broadcasting spectrum, allocated specific frequencies for non-commercial public broadcasting, and set out the principles and terms on which such 'reserved' frequencies would be granted by the Crown.

These frequency allocation policies could be formally reviewed every ten years. The existing review provision in the Telecommunications Act provides a useful precedent.

Labour intends to adopt this approach.

Commerce Act

Like most countries, the New Zealand Commerce Act does not treat monopolies per se as anti-competitive - it is *behaviour or potential behaviour* that is regulated to deal with any 'abuse of dominant position.'

However, there are clear deficiencies in the Commerce Act. Section 36, for example, works in a way not followed in any other similar legal jurisdiction. Change is now widely favoured, including by the Commerce Commission itself, the Productivity Commission, academics, and many businesses.

Labour supports reform of Section 36 of the Commerce Act to prevent monopoly firms wielding their market power to stifle competition.

Classification in the digital age

Labour will review the various pieces of broadcasting, telecommunications and classification legislation to bring them up to date for the digital age

Recognising the growing trends of convergence and its effect on new/traditional media and classification processes, Labour will bring together the classification regimes for

traditional and online media services. Traditional classification processes are not fit for the digital age and result in established broadcasters operating under the Broadcasting Act, while new online content distribution services fall under the Film, Literature and Video Classification Act, or do not come under either Act.

There should be a level playing field for all content providers so that our classification regime is distribution network/market agnostic.

Cost: Funded from within departmental baselines.



Modernising copyright for the digital economy

Labour supports a vibrant and innovative New Zealand content industry, and the role of intellectual property law in enabling content creators to gain a fair return for their efforts.

Labour is also committed to a vibrant, creative market for digital productions where consumers can easily find and buy the material they want.

The last major amendment to New Zealand's Copyright Act occurred in 2008. This updated the Act in light of new technologies, notably, the Internet. The Act was due to be reviewed five years after the 2008 amendments. It is now out of date.

The rise of the Internet, new technologies and the increasing influence of the digital environment on our lives has resulted in information circulating more freely, at greater speed, in real time.

The ease and flexibility of Internet communication combined with the widespread use of standardised formats for information interchange creates new challenges around rights including copyright and freedom of access to information as well as the issue of industry and state responsibility for providing access to Internet content.

The government has a responsibility to update existing laws and develop new copyright law that is responsive to the realities of new technologies and the evolving digital environment, as well as balancing the rights and concerns of stakeholders.

Full review of copyright based on first principles

Labour will undertake a full review of the Copyright Act, with the aim of introducing a new Copyright Bill by 2015 that updates and extends the framework for digital copyright in New Zealand.

A comprehensive copyright review was due to occur in 2013. The National Government has not undertaken this review despite previous assurances.

The first phase of the review would be to commission an independent analysis of the problems with existing legislation from an eminent expert.

The review will be based on the following principles:

1. The copyright framework must continue to incentivise creators of content and support them in protecting their rights from unlawful use,
2. Where possible, barriers to competition and growth should be reduced, and
3. There are areas of life where copyright should not interfere.

The review will take account of copyright reviews in other jurisdictions including the UK, Australia, Canada and United States.

This review will also extend to the more recent Copyright (Infringing File Sharing) Amendment Act 2011 in order to remove the ability to introduce account suspension for infringing file-sharing as a remedy that the District Court can impose. We will also consider the level of fees paid by copyright holders to submit infringement notices to service providers.

The review will be followed by a period of consultation with stakeholders.

Labour accepts that the traditional utilitarian principle behind copyright also remains relevant – that creators should be properly incentivised in order to create works the public can consume. Copyright has always been a balance between the rights of the author and the public good.

It is important that we support the creative industries in New Zealand as they are critical to our own economy and an essential part of our culture and identity. It is also important that we support the notion of fair use and fairness for the internet service providers which provide that access.

At the same time all New Zealanders should have the ability to access the Internet and Labour will work to ensure they do. People rightfully expect that such access won't be removed in arbitrary ways or for no reason.

We also need to allow time for our industries to adapt.

Parallel importing

Labour will cease the ban on the parallel importation of films in 2016.

Before the widespread use of the digital exhibition technology, the release of films in New Zealand was often delayed because of the limited availability of the cheaper second-hand film prints and distributors that waited to see whether films were successful in overseas markets before bringing them to New Zealand. The ban was intended to give sufficient time for cinemas to screen films without competition from DVDs, and therefore to increase cinema and distributor revenue. Increased revenue, of course, enabled distributors to reinvest more into bringing films to New Zealand, which provided consumers with greater access to a wide variety of films. As we know, the Internet has changed all of that.

This ban was intended to be a temporary measure to allow the film industry time to adapt. The ban was introduced in 2003 for a period of 5 years, to give cinemas enough time to transition to digital exhibition technology. In 2008 that ban was extended for another 5 years. Because the industry pleaded for more time they have been given another 3 years until 2016.

It should be noted that cinemas throughout the world and in New Zealand are not in decline. The number of cinema businesses has risen from 66 in 2005 to 87 in 2012, suggesting that the industry has financial flexibility to invest in new cinemas. Digital technology has enabled cinemas to screen films closer to first market cinematic release dates. About a third of films are now released in New Zealand within one month of the first market release date, around 57 percent of cinemas have now converted to digital exhibition technology, and it is expected that 100 percent will be converted within the next 2 years.

Cost: Reviews funded within departmental baselines.



Better 'Big Data' management

The Government has established the Data Futures Forum, which Labour supports.

Labour will review the recommendations of the Data Futures Forum and look to bring in policies that allow New Zealand to take advantage of the big data future, at the same time as protecting privacy rights and ensuring strong governance processes for managing public and private data sets.

New Zealand is well placed to take advantage of its size, scale and technological position to revolutionise the way information is used to provide better insights into public affairs and deliver innovation in the private sector. We will look to establish data platforms that allow different data sets to be mixed and examined and new innovative insights to be gained.

Cost: Review funded within departmental baselines

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