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Media Statement

\$16 million for urban Broadband Challenge projects

Five Broadband Challenge applications totalling \$16.3 million for urban fibre network projects have been approved, says Communications Minister David Cunliffe.

The applicants – based on Auckland's North Shore and in Hamilton, Hutt Valley-Porirua, Nelson-Marlborough and Christchurch – are being invited to finalise a funding agreement for their projects, Communications Minister David Cunliffe says.

“I have been impressed by the level of interest and willingness of local communities to invest in partnership with the government, to help meet their own broadband needs.” Mr Cunliffe said.

The \$24 million Broadband Challenge Fund is to provide seed funding to improve the availability and quality of broadband Internet access. It aims to establish a series of urban fibre networks by 2009, and to develop broadband Internet access solutions for rural and poorly served communities

The fund is a key part of the Labour-led government's Digital Strategy and drive to transform the New Zealand economy.

In July, five successful applicants in the remote and under-served category were invited to put forward detailed projects for funding totalling \$1.5 million.

The successful urban applicants and the level of funding approved (including GST), subject to finalising a funding agreement, are:

- North Shore City in association with Vector Communications Ltd (\$4,640,625)
- Hamilton City Council (\$3,290,625)
- Smartlinx 3 (\$2,372,353)
- Nelson Marlborough Inforegion (\$1,788,750)
- Canterbury Development Corporation (\$4,218,750)

"The envisaged urban fibre networks will be 'open access' to encourage competitive and innovative services and should provide two-way data transfer rates of at least one Gigabyte a second – about 250 times current maximum broadband ADSL download speeds," Mr Cunliffe said.

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Background

The Labour-led government is working to create a future environment where prices for broadband (high speed internet) services continue to fall and where connection speed continues to rise.

The Broadband Challenge aims to accelerate the provision of affordable broadband services to regional centres and previously unconnected areas.

It provides for fast broadband roll-out by supporting partnerships with achievable development plans

The Broadband Challenge is made up of two inter-related development programmes:

- **Broadband Challenge – Urban and Metropolitan Networks**, where the objective is high speed connectivity for urban and regional centres; and
- **Broadband Challenge - Remote and Under-served communities**, where the objective is to address the lack of access of rural and under-served communities and businesses to affordable broadband.

This funding makes up one part of the Digital Strategy initiative to facilitate greater “connection”, and is complementary to the Community Partnership Fund which will help develop content applications and build the capability of communities to use infrastructure communications to best effect.

The Broadband Challenge fund is a complementary measure to the government's telecommunication regulatory reforms, with both aimed at increasing the level of broadband uptake and services for all New Zealanders.

Successful Broadband Challenge urban fibre applicants

Vector Communications – North Shore City

Vector Communications working with North Shore City Council proposes to build a 38 km extension to their existing fibre network that will connect directly to schools, libraries and council offices in the North Shore region. Universities, hospitals and businesses will also have access to the network. The network is intended to be a pilot for similar proposals in the Auckland Region.

Hamilton City Council

The application proposes to improve and extend the fibre network owned by the Hamilton City Council and currently used for inner city security. As such the Broadband Challenge has acted as a catalyst to join up the dots and make the best use of existing assets, and will deliver cost effective broadband to schools,

other educational institutions, health providers, council organisations and local business. The proposal sets up a Network Owner - Hamilton Urban Fibre Network (UFN), made up of local authorities and government bodies that will own the network, and lease it to a private entity – Lite-Up, who will operate and manage the network.

Smartlinx 3

Smartlinx 3 is deploying an open-access mixed fibre and wireless network in Hutt City, Upper Hutt and Porirua. The core of the network is intended to be fibre across urban and suburban areas, with intention to use licensed and unlicensed spectrum wireless to deliver full community coverage. This network will extend Smartlinx3's existing network in the region. It will service tertiary and research institutions in the coverage area as well as business and community organisations.

Nelson Marlborough Inforegion

The Nelson Marlborough Inforegion (NMI) (a regional broadband enabling organisation) proposal is to expand fibre capability to Marlborough's main population centres, and to establish internet exchanges in Nelson (NIX) and Marlborough (MIX) to provide local and national interconnect to local high speed network users. The funding is sought to create a network operating company to set up and run the Internet exchanges, and to create fibre links to connect Picton to Blenheim.

Canterbury Development Corporation (CDC)

The application proposes the deployment of a metropolitan area network throughout Christchurch. The primary focus will be on the council, universities, schools, health and business tenants.

The network will allow services that include high bandwidth managed data, dark fibre and services for community organisations, Internet service providers and local business.