



Ben Dunbar-Smith
Economic Development Programme Manager
Thames Coromandel District Council

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Dear Ben Dunbar-Smith

Update on telecommunications infrastructure support programmes and intentions for 2016

As 2016 begins, I would like to thank you for your engagement on issues related to improving telecommunications infrastructure across New Zealand, and to discuss our intentions for the year ahead.

Registration of Interest – Support for fast broadband programmes

The Ministry of Business, Innovation and Employment (MBIE) released the Registration of Interest (ROI) in March 2015. Councils were asked to identify priority areas within their districts or regions for the provision of fast broadband through the Ultra-Fast Broadband (UFB) or Rural Broadband Initiative (RBI) development programmes, and also to nominate areas for the establishment of the Mobile Black Spot Fund (MBSF). Councils were also asked to outline ways they would lower the cost and risks of deployment, for example, by making available existing council infrastructure or streamlining consent or traffic management issues.

There was a very high level of response to the ROI and some innovative ideas on how to encourage local investment in telecommunications infrastructure.

Councils were also encouraged to develop Digital Enablement Plans, to ensure that communities are well positioned to take full advantage of telecommunications infrastructure.

Again, the level of response and the quality of plans were encouraging. The ROI responses and the Digital Enablement Plans will form part of government decisions on the areas for deployment, so thank you for your contributions to this work.

Procurement process for the Ultra-Fast Broadband extension

Crown Fibre Holdings (CFH) released the Request for Proposals for the UFB extension (UFB2) in September 2015. Potential UFB suppliers were asked to tender for deployment, within defined technical and policy specifications. Tenders closed in

late October, and CFH has provided the Government with a commercial analysis of the results.

The tenders received are a starting point for commercial negotiations between CFH and potential suppliers. While definite council co-investment has been factored into advice to Cabinet, during negotiations CFH will also be encouraging potential suppliers to ensure their final prices are as attractive as possible, and may recommend that they engage with councils on their willingness to assist in ways that may lower deployment costs and risks. We would encourage councils to work constructively with suppliers as the competitiveness of the final supplier bids will weigh heavily in the final town selection.

The final list of towns to be included in the UFB programme will be announced once commercial negotiations and contracts have been successfully finalised between suppliers and CFH.

Phase two of the Rural Broadband Initiative

Policy work on phase two of the RBI programme (RBI2) is now underway, including assessing the areas that will be prioritised for improved rural broadband. The information received through the ROI and the Digital Enablement Plans is a valuable input into this work.

Potential RBI suppliers will be invited to submit tenders once the areas for UFB deployment have been finalised. This approach will reduce the risk of overbuilding between the two programmes and help to ensure the RBI development funding is put to the best possible use.

In the meantime RBI1 continues to be rolled out across the country. As of January 2016 more than 200 of the RBI1 towers nationwide have been either built or upgraded to a 4G service. This means that over 100,000 rural families and business across the country now have access a service which is proving to provide fibre-like speeds (100Mbps). By January 2017 this number would have increased to almost 300,000 families and business having access to 4G services under the RBI programme.

Establishment of the Mobile Black Spot Fund

Policy development is also underway on the MBSF, and a tender process will be timed to capture any synergies between the RBI2 and MBSF programmes, to help ensure funding is put to the best possible use.

Other intentions for 2016

MBIE benefited from a close and cooperative engagement with Local Government New Zealand throughout 2015, including hosting a webinar on the objectives and approach for the UFB and RBI programmes.

Over the coming year, we will look to build on this relationship, as we work with you on the proposed amendments to the National Environmental Standards for telecommunications facilities. The proposed changes are intended to simplify the resource consent requirements for certain types of telecommunications facilities and bring the planning rules for broadband infrastructure up to speed with today's technology.

New legislation governing land access for telecommunications will be introduced into the House in 2016, which will reduce the time taken to install UFB down shared driveways or in other instances where the consent of more than one party is required.

Councils also play an important role in new subdivisions, by requiring telecommunications easements that enable fibre networks to be installed and maintained as a condition of development. We would encourage you to ensure this is a standard part of your RMA approval process.

MBIE would like to thank all the councils for your support with these programmes.

As the UFB procurement process is underway, any questions you may have in respect of UFB should be directed to CFH.

We will keep you informed about progress on our other telecommunications programmes.

Yours sincerely



Jane Tier
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