



File No. 7.5-2015

29 JUN 2015

Mr James Lothead

By email: [fyi-request-2786-d8a6148f@requests.fyi.org.nz](mailto:fyi-request-2786-d8a6148f@requests.fyi.org.nz)

Dear Mr Lothead

Thank you for your email dated 29 May 2015, regarding broadband in Gleeson RD, Waiuku.

The Government is committed to lifting New Zealand's broadband performance, and the first phase of the Ultra-Fast Broadband (UFB) and Rural Broadband Initiative (RBI) programmes is well on its way to delivering faster speeds to 97.8% of New Zealanders by 2020.

The 33 candidate areas for the first phase of the UFB rollout were selected on forecast population size to the year 2021, provided by Statistics NZ. Waiuku was selected through this process. However, the precise boundaries were determined by commercial negotiations with Local Fibre Companies, which for the Auckland area is Chorus.

In general, rural areas are often more expensive to provision due to difficult terrain, geographical isolation and low population densities. However, prices for telecommunications services were set at the same wholesale level for both rural and urban areas when contracts were negotiated in 2011. Retail Service Providers (RSPs) then add on other services such as internet, email, etc., which then creates a retail price. Retail prices for broadband and telephone services are commercial decisions for each individual RSP.

Under the RBI, some residents along Gleeson Road are already able to access fixed wireless broadband, as indicated on the Vodafone coverage map. The map also indicates that further parts of Gleeson Road will be able to access RBI services with the next 12 months. Residents are able to check their specific address for coverage online through Vodafone's website coverage maps at: [www.vodafone.co.nz/network/rural/](http://www.vodafone.co.nz/network/rural/).

The RBI fixed wireless broadband service is currently based on 3G technology, ensuring minimum peak speeds of at least 5 Mbps. Vodafone is also progressively upgrading their network to 4G services and will have over 150 sites 4G capable by December 2015. This service is managed by Vodafone but residents will be able to choose from a range of RSPs. A list of RSPs is available here: [www.med.govt.nz/sectors-industries/technology-communication/fast-broadband/rural-broadband-initiative/rural-broadband-initiative-service-providers](http://www.med.govt.nz/sectors-industries/technology-communication/fast-broadband/rural-broadband-initiative/rural-broadband-initiative-service-providers).

As you note, Chorus coverage maps do indicate an upgrade for the area by June 2016. This upgrade will mean residents will be able to access a more consistent and reliable broadband experience, ensuring minimum peak speeds of 1-5 Mbps depending on residents' precise location. Actual speeds experienced will depend on factors such as distance from the cabinet that serves a particular address, equipment and software used, a building's internal wiring, and the RSP plan.

RBI upgrades of fixed line broadband services form part of a wider RBI upgrade to infrastructure in the area. RBI upgrades may, for example, expand the capacity of a cabinet (the number of premises the cabinet can service). In some areas, this can mean that upgrades may not materially increase the

minimum peak speeds you personally experience, but would extend faster broadband services to the area as a whole, so that more people in the area can access fixed-line broadband via that cabinet. This is part of the balance struck in setting up the RBI, where the Government sought to maximise the number of New Zealanders who could access broadband.

You ask whether there are penalties for an indicated upgrade schedule date being delayed. While the Government is committed to lifting New Zealand's broadband performance, deploying the UFB and RBI programmes is a large-scale project. It takes time to put this infrastructure in place throughout the country, which is why the initiative has been given a nine year timeframe.

Under the RBI, Vodafone has been contracted to implement a fixed wireless network to facilitate access to broadband for people located in rural areas and beyond the reach of cable based networks. The fixed wireless network will also extend the reach of cell phone coverage into rural areas, as it continues to be rolled out until 2016.

Vodafone has an obligation to cover a specified number of households rather than a requirement to build specific cell towers. Specific locations for new cell towers to be built are commercial decisions for telecommunication companies, which in the case of RBI is Vodafone.

Further details about the RBI contracts between the Ministry of Business, Innovation and Employment (the Ministry) and Chorus, and the Ministry and Vodafone, can be found online through: [www.med.govt.nz/sectors-industries/technology-communication/communications/broadband-policy/rural-broadband-initiative](http://www.med.govt.nz/sectors-industries/technology-communication/communications/broadband-policy/rural-broadband-initiative). The agreements between the Ministry and both companies for the provision of RBI services are publicly available and can be found through this website.

The Government is actively seeking ways to improve both broadband and mobile coverage in rural and more remote areas of New Zealand. As you may be aware, Hon Amy Adams, Minister for Communications, recently announced the Government's decision to extend both the UFB and RBI programmes, and establish a new Mobile Black Spot Fund, with combined funding of up to \$360 million, meaning an even greater percentage of New Zealanders will have access to fast broadband. It is intended that mobile and broadband coverage will be expanded to many communities across New Zealand under these programmes, rather than a select few towns or communities.

In order to prioritise areas for deployment of the extension to the these programmes, Minister Adams announced a selection process led by the Ministry of Business, Innovation and Employment. The first stage of this is a Registration of Interest (ROI) process. The ROI seeks information and commitments from local authorities on how they intend to prepare communities within their district to take advantage of broadband or mobile investment, and demonstrate how broadband infrastructure will benefit their communities. Councils have until 10 July 2015 to make a submission. You may wish to contact your local council regarding the potential inclusion of your area in these programmes.

Yours sincerely



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