

3 May 2006

IMP/1/12/4

- MEMORANDUM -

TO: The Mayor  
CC: Council Elected Members  
FROM: MINISTRY OF ECONOMIC DEVELOPMENT  
SUBJECT: Deployment of Broadband in New Zealand

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**Purpose**

The purpose of this submission is to ask your council to consider high-speed broadband as communications infrastructure that is critical to a region's, city's, town's or community's economic, social, cultural and environmental well-being and development. As with other critical network infrastructure, councils play a key role in providing access to broadband for the benefit of their communities.

**Introduction**

It is recognised worldwide that broadband is an *accelerator* of economic development. The benefits are both direct and indirect. Broadband services provide increased economic development opportunities for growth in existing and emerging industries. Access to broadband facilitates increased e-business, reductions in commuting, enhanced communication services and can increase overall business efficiencies.

Because of the potential that broadband represents, it has become a focus for Government attention. As part of its Digital Strategy, the Government is promoting the deployment of broadband. Broadband is generally provided by telcos under competitive market situations – Government's primary concern is in promoting a pro-competitive regulatory regime for the benefit of users. Overseas, increasingly, deployment of broadband is provided by open-access fibre networks and achieved by partnerships between local government, public institutions, central government and the private sector. Under the Digital Strategy the Government has made funds available through the Broadband Challenge to support these partnerships to roll out open-access fibre to urban and metropolitan areas and remote and under-served communities.

## **Why local government involvement?**

One of the key functions of councils is to provide and maintain infrastructure for the well-being and development of their communities and business. It is increasingly recognised that ensuring access to broadband and communications infrastructure is as important as providing access to roads and water. And often broadband/communications infrastructure is installed within or "twinned" with other infrastructure such as roads and gas reticulation. Therefore, councils have an important role, along with central government, in facilitating, building or contributing to building high-speed communications infrastructure.

While, it has traditionally been the function of telecommunications service providers to build communications infrastructure, there is a growing realisation that the deployment of broadband fibre networks is something that communities and councils can do for themselves. The cost of such networks can be high - the high costs are often in laying cable (which local authorities can have some influence on) not the cable itself or the services running across the cable. However, as with other infrastructure and in keeping with the life of the asset, councils are able to look to ROI of around 20 years. And as mentioned above these networks are often achieved through partnerships which enables the investment burden to be spread.

There are excellent exemplars of community-based/regional fibre networks in Auckland, Wellington, Nelson/Tasman and Invercargill and growing sense of the opportunities in other centres.

## **What councils can do to deploy and/or facilitate the deployment of broadband**

Councils can facilitate the deployment of broadband by:

- Developing a strategy for information access and communications infrastructure.
- Investing in and planning for communications infrastructure (regarding it as an asset rather than a service).
- Partnering with central government, public institutions and the private sector to spread the investment burden.
- Requiring subdivision developers to lay fibre in new subdivisions.
- Installing ducting for fibre when roads are open.
- Allowing open access to ducting.
- Encouraging utilities and your works department to notify and coordinate works.
- Establishing common standards for ducting and installation to minimise installation costs.
- Providing access to redundant services.

## **Submission**

The Ministry of Economic Development requests that your council considers ways in which it can build or contribute to building or can facilitate broadband fibre networks in order to contribute to the well-being and economic development of your community and of New Zealand.

Reg Hammond  
Manager Information Technology and Telecommunications Policy

**For more information on deployment of broadband please contact the Ministry of Economic Development - Peter Macaulay at [peter.macaulay@med.govt.nz](mailto:peter.macaulay@med.govt.nz) or Anne Yau at [anne.yau@med.govt.nz](mailto:anne.yau@med.govt.nz)**