

# Ultra-Fast Broadband Initiative and Key Users

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# Invitation to Participate

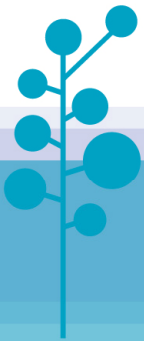
Released on 21 October

Co-investment partner selection process is now underway

Multi-stage process

Includes preferred commercial model and technical requirements (dark fibre and Layer 2 services)

Respondents are invited to innovate and provide alternative proposals, but must also submit a compliant bid and demonstrate the value in the alternative



Ministry of Economic  
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*Manatū Ōhanga*

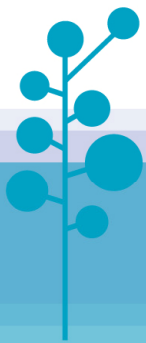
# Assessment Criteria

## Eligibility Criteria:

- Technical/commercial ability to execute
- Financial capability
- Minimum technical specifications for network
- Open access requirements

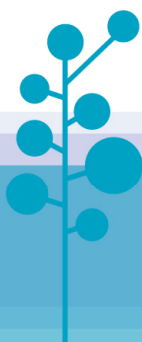
## Evaluation Criteria:

- Proposed coverage (premises passed)
- Cost of the network build and the price of services
- Proposed build schedule
- Competitive benefits
- Degree of duplication of existing networks



# Timetable

Milestone	Date
ITP Released	21 October 2009
Notices of Intention to Participate close	13 November 2009
Last date for participants to ask questions about the ITP	11 December 2009
Answers to all outstanding participant questions provided	18 December 2009
Closing date for submission of proposals	29 January 2010
Preliminary shortlist of proposals notified	To be determined by CFH
Shortlisted proposals identified and respondents notified	To be determined by CFH
Negotiation of terms of agreements with shortlisted respondents	To be determined by CFH
Final binding offers received from shortlisted respondents	To be determined by CFH
Formal agreements with successful shortlisted respondent(s) completed and signed	To be determined by CFH



# Crown Fibre Holdings

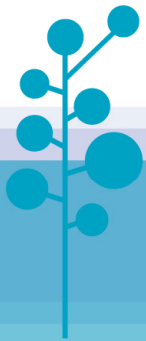
Crown Fibre Holdings is being formed

Board announced 29 October

CEO position being recruited

CFH will assume responsibility for the partner selection process and for managing the Crown's investments

Will be a managed transition from MED



# Commercial Model

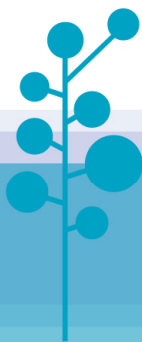
Reflects the key economic problems preventing private investment

high-fixed costs, coupled with uncertain uptake

Government is therefore proposing a model where:

the Crown will shoulder the majority of the uptake risk  
private partner takes on network deployment and business execution risks

these arrangements will apply for an initial 10-year period



# Commercial Model

## What this means for the Crown

- directs investment at key economic problem

- caps total investment

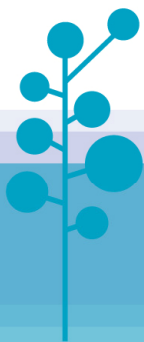
- provides a recycling mechanism that means Crown capital can be spent more than once

## What this means for the partner

- economics appear much like a network that is fully utilised at all times: pay for only for what's used, get all profits

- progressively get higher proportion of voting shares as uptake occurs

- strong incentives to drive uptake



# Making the most of Ultra-Fast Broadband

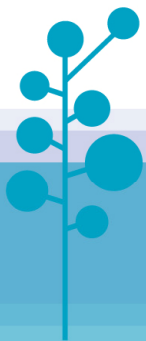
*Fibre available to 75% of New Zealanders in 10 years, with a priority focus on business, education and health users*

*Where government can really influence use:*

Schools

Health Providers

Digital Switchover



# Schools *context & drivers*

97% of New Zealand Schools (and 99.7% of students) will have to broadband speeds of 100Mbps or greater

*“Schools are becoming pen and paper islands in a digital world”*

## **Economic**

1.  
*Schools may lose opportunity presented by Government commitment to broadband*

2.  
*Increased costs and reduced value for money due to fragmented purchasing*

## **Educational**

3.  
*Student performance held back by lack of access to digital learning services*

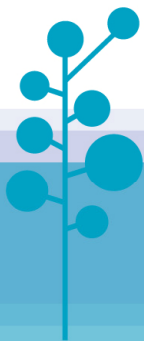
4.  
*Reduced teacher productivity due to outdated ICT tools and services*

## **Effectiveness**

5.  
*Less efficient school administration due to outdated ICT tools and services*

## **Equity**

6.  
*Increasing digital divide due to uneven distribution of digital tools and capability*



# Schools *vision and solution*

## Future vision...



A future where **young people** are placed at the centre of digital education through their access to educational content and research topic information.



**Teachers** will select from a broad range of electronic teaching resources and will participate in professional networks.



**School administration** will mirror best-practice productivity and efficiency systems to ensure informative data can be collected, shared, and compared with other datasets from leading education agencies.

## ... enabled by broadband in schools

PROVIDE CORE INFRASTRUCTURE

A. National Education Network  
"Procurement of broadband connectivity"

B. School infrastructure  
"Getting broadband from the gate to the classroom"

C. Hardware  
"What plugs into the wall"

ENHANCE CONTENT AND SERVICES

D. Content and Services  
"What is delivered over broadband"

TRANSFORM LEARNING AND TEACHING

E. Professional Development  
"Transforming teaching practice for a digital world"

# Health Providers

High uptake of broadband but at low speeds

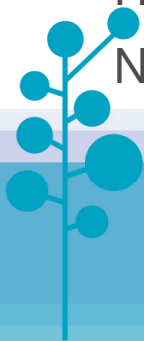
Most urban hospitals have fibre access now

Faster Broadband can enable the delivery of new health care delivery models by supporting:

- Integrated Family Health Care Centres
- Video Conferencing
- Diagnostic imaging
- Home-based telecare

Faster broadband to be considered in the proposals for Integrated Family Health Care Centres

National Health IT Board to be established

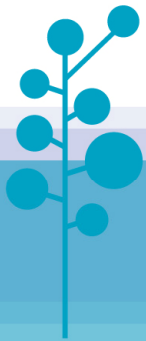


# Digital Switchover

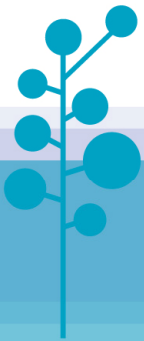
Switchover from analogue to digital television is anticipated by 2015

Approx 60% of NZ households currently have digital TV

Switchover will support digital programme content that can be delivered via ultrafast broadband



[www.med.govt.nz/ultra-fast-broadband](http://www.med.govt.nz/ultra-fast-broadband)  
[www.med.govt.nz/rural-broadband](http://www.med.govt.nz/rural-broadband)  
[www.med.govt.nz/facilitating-broadband](http://www.med.govt.nz/facilitating-broadband)  
<http://www.rsm.govt.nz/cms>



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