

Crown Infrastructure Partners – RBI2/MBSF expansion announcement – Questions and Answers

Who is Crown Infrastructure Partners?

Crown Infrastructure Partners (**CIP**, previously Crown Fibre Holdings) is a Crown-owned company responsible for implementing the rollout of broadband and mobile networks under the Ultra-Fast Broadband (**UFB**) and Rural Broadband Initiative phase two/Mobile Black Spots Fund (**RBI2/MBSF**) programmes.

CIP is also tasked with developing and implementing new alternative commercial models for financing bulk housing infrastructure (an announcement was made on this recently at Milldale on 13 November).

CIP was formed in 2010 originally to implement the UFB programme. During 2017 and 2018 CIP has carried out a tender process to implement the RBI2/MBSF programme and its expansion.

What is the RBI2/MBSF programme?

RBI2 involves rolling out broadband connectivity infrastructure progressively into rural New Zealand, with the aim of increasing the availability of enhanced broadband access throughout rural New Zealand.

The first contracts for the RBI2/MBSF programme were announced in August 2017 (see earlier fact sheet at <https://www.crowninfrastructure.govt.nz/wp-content/uploads/2018/09/UFB-and-RBI-programmes-fact-sheet-7-March-2018.pdf>). These first contracts provided for approximately 74,000 rural households and businesses to receive broadband coverage between 2017 and the programme's substantial completion in 2021.

The Mobile Black Spot Fund (**MBSF**) involves rolling out new cellular mobile coverage to State Highways with 'black spots' (i.e. no mobile coverage from any operator), and to key tourist areas, supporting safety on State Highways and enhancing visitor experiences at key tourist destinations.

The first contracts for MBSF involves rolling out new mobile coverage for over 1,000 kilometres of State Highway black spots and more than 100 tourist areas, to be substantially completed by 2021.

What is the RBI2/MBSF expansion being announced today?

The RBI2 expansion builds on the original contracts entered into in 2017 by a mixture of extending/amending existing contracts between CIP and 9 existing partners, and CIP entering into new contracts with 8 more partners.

In combination with the RBI2/MBSF contracts first entered into in 2017, by the end of the programme there should be enhanced broadband available to approximately 99.8% of the population.

In total, CIP now has 18 partners across the country rolling out RBI2 connectivity infrastructure.

The target for the RBI2 expansion is to deliver enhanced broadband to a further approximately 10,000 rural households and businesses, including approximately 5,300 rural households and businesses in the surge regions⁽¹⁾ and off-shore islands (Great Barrier, Chathams, and Stewart Island).

For MBSF, the expansion target is to provide an additional approximately 365 kilometres of new mobile coverage on State Highways (adding to the 1,041 kilometres already contracted for), and mobile coverage for a further 59 tourist sites (in addition to the 108 already contracted for) around the country.

West Coast and Milford Sounds fibre links

The announcement of PGF funding for fibre links from Fox Glacier to Hawea and from Te Anau to Milford Sound will support the RBI2/MBSF programme, by providing fibre ‘backhaul’ to the many mobile towers to be located along the existing large mobile black spots.

When will the RBI2/MBSF expansion programme be complete?

The expansion programme aims to be fully complete by 2023, noting that a substantial portion will be completed before then.

While the existing RBI2/MBSF programme aims to be substantially complete by 2021, the additional infrastructure being deployed for the expansion will be in even more remote parts of New Zealand and so the time frame for completion is necessarily longer.

How is the RBI2/MBSF expansion being funded?

There was \$105 million available for the RBI2/MBSF expansion programme, with CIP already managing the RBI2/MBSF programme and now its expansion.

An additional \$40 million investment from the Provincial Growth Fund for the RBI2/MBSF expansion was announced on 15 November, to be allocated across six surge regions – Northland, Bay of Plenty, Tairāwhiti, Hawke’s Bay, Manawatū-Whanganui and the West Coast, and a further \$5 million for West Coast additional tourism mobile coverage was announced on 29 November.

¹ The regions that are the highest priority for investment in regional development from the PGF are Northland/Tai Tokerau, Bay of Plenty, Tairāwhiti/East Coast (Gisborne), Hawke’s Bay, Manawatū -Whanganui and West Coast.

Who are CIP's new partners delivering the RBI2/MBSF expansion programme?

CIP has entered into partnerships with several new companies to deliver the RBI2/MBSF expansion:

1. **Evolution Wireless Limited** to provide broadband in Opotiki and Whakatane districts;
2. **Kiwi WiFi Limited** to provide broadband in the Tasman and Nelson regions;
3. **Lightwire Limited** to provide broadband in Waikato and Bay of Plenty regions;
4. **Strata Networks Limited** to provide broadband in the Auckland and Northland/Tai Tokerau regions;
5. **Thepacific.Net Limited** to provide broadband in the Marlborough and Tasm an regions;
6. **VelocityNet Limited** to provide broadband in Southland;
7. **Zelan Limited** to provide broadband in the West Coast; and
8. **WiFi Connect** to provide broadband to the West Coast and Bay of Plenty.

These are in addition to CIP's existing partners to deliver the RBI2/MBSF programme and its expansion:

9. **Rural Connectivity Group (RCG)** – a joint venture of the three mobile network operators 2degrees, Spark and Vodafone (providing both rural broadband and mobile cellular coverage in all regions of the country);
10. **Gisborne.net** to provide broadband in Tairāwhiti and North Hawke's Bay;
11. **Wiz Wireless** to provide broadband in Wairarapa, Wellington;
12. **Inspire.net** to provide broadband in Manawatū and Whanganui region;
13. **AmuriNet** to provide broadband in North Canterbury;
14. **AoNet** to provide broadband in King Country, Manawatū and Whanganui region;
15. **Ultimate Broadband** to provide broadband in Central/South Canterbury;
16. **Primo Wireless** to provide broadband in Taranaki;
17. **Unifone** to provide broadband in Otago; and
18. **NZ Tech** to provide broadband in Central Hawke's Bay.

What service/technology is being used?

WISPs use point-to-multipoint wireless networks to connect each household or business, to provide enhanced broadband typically at 25 Mbps or faster download speeds.

RCG uses mobile-based technology to provide broadband to households and businesses, and mobile cellular services to tourists, motorists and mobile customers.

What are the targets for connectivity for the RBI2/MBSF expansion?

The below table summarises the RBI2/MBSF targets by region. Please note that these are targets, and may change over time as more detailed planning and costing is carried out by partners.

The table lists what the contracts target to cover:

- Total households and businesses that are targeted to receive enhanced broadband coverage;
- Total marae that are targeted to receive enhanced broadband coverage;
- Total State Highway black spot kilometres to receive new cellular mobile coverage;
- Total number of tourism sites to receive new cellular mobile coverage; and
- Total funding committed for all of the above, for each region.

Note that surge regions are listed first in the table, followed by other regions.

Rural Broadband Initiative Phase Two/Mobile Black Spot Fund expansion					
Region	Total households and businesses	Marae ⁽¹⁾	State Highway KMs	Tourism Sites	Total funding
Tai Tokerau / Northland	1,364	22	15	1	\$14.8m
Bay of Plenty	983	16	25	-	\$8.4m
Tairāwhiti / East Coast	369	2	31	4	\$7.8m
Manawatu-Whanganui	1,021	7	27	3	\$6.1m
Hawke's Bay	166	-	6	4	\$3.6m
West Coast ⁽²⁾	727	-	108	16	\$24.7m
Islands ⁽³⁾	324	-	-	-	\$5.6m
Surge & Islands Subtotal	4,954	47	213	28	\$71.1m
Auckland	646	-	6	1	\$5.6m
Waikato	1,007	4	49	3	\$16.6m
Taranaki	354	3	16	1	\$2.8m
Wellington	145	-	-	3	\$3.7m
Top of the South / Te Tau Ihu ⁽⁴⁾	1,306	-	15	4	\$7.3m
Canterbury	438	-	49	12	\$12.3m
Otago	482	-	14	2	\$5.9m
Southland / Murihiku	639	-	2	5	\$7.2m
Non-Surge Subtotal	5,017	7	152	31	\$61.4m
Grand Total	9,971	54	365	59	\$132.5m

⁽¹⁾ Marae are subject to change and require further clarification. Where a district crosses regions the Marae has been counted into one region

⁽²⁾ West Coast Region includes \$5m for additional MBSF

⁽³⁾ Islands are Great Barrier Island, Chatham Islands and Stewart Island

⁽⁴⁾ Top of the South / Te Tau Ihu are Marlborough, Tasman and Nelson

What are the targets for connectivity for the whole RBI2/MBSF programme, including the expansion?

The below table summarises the **overall** RBI2/MBSF targets by region. Please note that these are targets, and may change over time as more detailed planning and costing is carried out by partners.

The table lists:

- Total households and businesses that are targeted to receive enhanced broadband coverage;
- Total marae that are targeted to receive enhanced broadband coverage;
- Total State Highway black spot kilometres to receive new cellular mobile coverage;
- Total number of tourism sites to receive new cellular mobile coverage; and
- Total funding committed for all of the above, for each region.

Note that surge regions are listed first in the table, followed by other regions.

Rural Broadband Initiative Phase Two/Mobile Black Spot Fund - Total Programme						
Region	Total households and businesses	Marae ⁽¹⁾	State Highway KMs	Tourism Sites	Total funding	Pop% Coverage ⁽⁵⁾
Tai Tokerau / Northland	9,199	64	112	14	\$32.3m	98.9%
Bay of Plenty	6,142	36	67	9	\$17.7m	99.7%
Tairāwhiti / East Coast	2,407	45	117	4	\$11.1m	99.9%
Manawatu-Whanganui	11,221	42	94	7	\$20.4m	100.0%*
Hawke's Bay	4,193	19	101	9	\$18.2m	100.0%*
West Coast ⁽²⁾	2,863	-	262	30	\$35.2m	99.8%
Islands ⁽³⁾	869	2	-	-	\$6.8m	88.4%
Surge & Islands Subtotal	36,894	208	753	73	\$141.6m	99.7%
Auckland	5,765	5	16	2	\$13.3m	100.0%*
Waikato	10,257	38	100	13	\$36.1m	99.6%
Taranaki	2,415	12	78	3	\$8.9m	99.7%
Wellington	3,886	3	-	5	\$11.0m	100.0%*
Top of the South / Te Tau Ihu ⁽⁴⁾	5,035	1	137	15	\$22.5m	99.7%
Canterbury	9,427	4	149	29	\$32.8m	99.9%
Otago	4,964	-	135	12	\$16.3m	99.9%
Southland / Murihiku	5,681	-	39	16	\$20.1m	99.7%
Non-Surge Subtotal	47,430	63	653	95	\$160.9m	99.9%
Grand Total	84,324	271	1,405	168	\$302.5m	99.8%

⁽¹⁾ Marae are subject to change and require further clarification. Where a district crosses regions the Marae has been counted into one region

⁽²⁾ West Coast Region includes \$5m for additional MBSF

⁽³⁾ Islands are Great Barrier Island, Chatham Islands and Stewart Island

⁽⁴⁾ Top of the South / Te Tau Ihu are Marlborough, Tasman and Nelson

⁽⁵⁾ Percentage of population who will receive >20mbps broadband, includes UFB and RBI1

* Includes rounding of between 0.02% and 0.04%

Where will the new RBI2/MBSF expansion coverage be coming to?

There are maps available on the Crown Infrastructure Partners website that show indicative coverage that will be delivered by the RBI2/MBSF expansion programme.

The maps can be found here: www.crowninfrastructure.govt.nz.

Information on the new coverage coming from the RBI2/MBSF expansion will also be available on the National Broadband Map (www.broadbandmap.nz).

This information will be progressively loaded onto the National Broadband Map during 2019.

When will the coverage be coming to particular areas? What is the schedule for the RBI2/MBSF expansion programme?

Indicative schedule information will also be available on the National Broadband Map (www.broadbandmap.nz).

This information will be progressively loaded onto the National Broadband Map during 2019.

It should be noted that the schedule for deployment can change over time as more detailed planning is carried out by partners.

We encourage interested parties to check back on the National Broadband Map over time to find the latest scheduling information.

What's left after the expansion?

There are approximately 4,000 rural households and businesses left without access to enhanced broadband coverage after the expansion. These households and businesses may be currently receiving access through satellite or other legacy terrestrial services.

CIP will be liaising with existing partners and industry to establish options to improve coverage to these households and businesses during 2019.