

## Boosting connectivity in our regions

### Labour will:

- **Establish a new \$60 million infrastructure fund for capacity and backhaul upgrades to boost connectivity**
- **Allocate \$10 million for radio spectrum for rural connectivity**

### Current status

Labour is committed to improving digital connectivity for parts of the country where there are lower levels of access. COVID-19 has once again highlighted the need for world class digital infrastructure and services across all of New Zealand. It has also showed that there is unequal access as a result of the current infrastructure network.

Significant government and private sector investment in recent years means that New Zealand is generally well placed for contemporary broadband services by international standards. However access to this connectivity is not evenly distributed between urban and rural areas and we need to continue to invest in connectivity to ensure we keep pace with new technology and opportunities. Digital services are crucial to our future economic growth. So any investment we make in supporting connectivity will assist our economic recovery from COVID-19.

As part of the COVID recovery we invested \$15 million to improve rural network capacity which includes investment to upgrade cell towers in areas that were acutely affected by capacity constraints on rural networks. We also invested an additional \$50 million funding through the shovel ready process which included extra funding for the existing Marae Connectivity Programme (which has already connected over 120 marae around the country), and further investment aimed at improving capacity in rural networks that experienced congestion due to high levels of demand during the COVID-19 lockdown period.

Labour believes there is further work to be done to ensure that rural homes and businesses are able to enjoy the benefits of improved social and economic outcomes made possible by a reliable broadband connection. That is why we are rolling out two initiatives to better support connectivity in the regions that need it the most.

### **\$60 million infrastructure fund**

Labour will create an infrastructure fund targeted at increasing connectivity underserved regions of the country, focusing on Manawatu-Wanganui, Auckland rural area Otago, Gisborne, the Hawkes Bay (including Central Hawkes Bay), West Coast, Taranaki, rural areas of Wellington, Wairarapa, and Southland. This expands on the Crown Infrastructure Partners funding that has already been announced which had a priority focus on Te Tai Tokerau, Bay of Plenty, Waikato, top of South and Canterbury.

A recent survey by Federated Farmers of their membership found that around 68% of respondents have download speeds of 20Mbps or less, and nearly 24% are operating with download speeds of just 0-5Mbps.

The survey also found that mobile coverage also remains a concern, with around one in three farms surveyed indicating only up to 50% of their farm gets a connection and nearly a quarter get 25% of farm coverage or less.

New Zealanders are demanding more data, accessed at faster speeds, to run increasingly sophisticated applications and this requires higher capacity in our networks. There has been growth in usage at an average of 40 percent per annum. This growing demand is already putting pressure on some rural areas, where the earlier iterations of the Rural Broadband Initiative are now unable to meet demand.

While RBI One originally provided access to connectivity for many rural households and businesses, the increasing demand for data has overloaded some of that earlier provision. For example, ten years ago when RBI began, a five megabit per second connection might have sufficed for the way people were using data at the time. However, the advent of digital platforms such as Zoom, streaming live sports or Netflix have rendered those connection speeds unworkable.

Analysis has shown that the number of households which are unable to access broadband at speeds of at least 20 Mbps or more within “stop-sell” areas (where a cell tower becomes oversubscribed) is at least 10,000 (out of 24,476 addresses). Crown Infrastructure Partners have said they will undertake further work to quantify the scale of the growing problem across the whole RBI One area.

We want to provide direct funding to support the infrastructure in underserved areas and boost connectivity. We will work with Crown Infrastructure Partners, network providers and local authorities to identify these pockets requiring investment. This work will build on the wider digital programmes we have rolled out in Government but will seek to target regional areas where we need a tailored solution given the lack of connectivity in the region.

We know there is no longer a ‘one-size-fits all’ approach and this fund will be used to roll out a programme of investments that are focused on:

- Accessing capacity upgrades
- Backhaul upgrades and replacements
- Enhancing infrastructure in areas of need

This funding will act as a much needed technological injection for our regions that have fallen behind our urban area levels of connectivity. The Ministry of Business, Innovation and Employment (MBIE) will be responsible for leading this work and will identify the worst affected areas, focusing on but not limited to the priority areas set out above.

To address the capacity issues of fixed wireless broadband, there are a number of options, including subsidising the building of in-fill mobile towers where existing towers are reaching capacity, extending the fibre network where possible and subsidising equipment upgrades for households at the edge of the existing tower coverage. It may also be possible to work with wireless internet service providers to fund niche, case-by-case solutions.

### **\$10 million to support additional rural connectivity**

Broadband capacity in non-urban areas is continuing to face pressure and releasing additional radio spectrum would enable an expansion of services. Currently suitable spectrum is limited, which impacts on providers’ ability to increase their capacity and coverage to non-urban areas. Labour will seek to identify suitable spectrum that could be freed up and made available to support regional connectivity.

The deployment of wireless internet connectivity services in rural areas will prevent rural communities from falling behind in the roll out of this next generation connectivity and prevent

deepening the urban/rural divide that already exists in regard to connectivity and access. However, without access to suitable spectrum, the full benefits that connectivity can realise for rural communities are limited as mobile network operators cannot economically deploy this outside of urban areas.