

**David Cunliffe****6 NOVEMBER, 2008**

Broadband Investment Fund oversubscribed

Communications and Information Technology Minister David Cunliffe says the government's [Broadband Investment Fund](#) has received a huge number of expressions of interest for funding broadband rollout.

A number of organisations will now be asked to submit full applications to the Fund in February 2009.

"A critical aspect of the BIF is that it offers grants to private sector investors and groups to roll broadband out in both urban and rural areas."

56 expressions of interest (EOIs) were received, 36 were successful. These cover:

- 13 urban areas,
- 22 rural areas, and
- one application covers both rural and urban areas.

"This is a very significant level of response which shows there is wide-ranging support for the government's plans.

"There is also a good geographical spread covering cities, provincial and rural areas. We also received strong interest in funding for delivering high-speed broadband through alternative technologies, particularly in rural areas.

"Our Broadband Investment Fund promotes the best fit between the best available technology and the needs of users in the region concerned. This provides better value for taxpayers, encourages more service providers into the market and drives competition.

The Minister also emphasised that the Broadband Investment Fund would:

- not fund projects in rural areas that are already covered by existing regulatory requirements (such as the [Operation Separation Undertakings](#) and the [Telecommunications Service Obligation](#))
- focus on the incremental benefits of projects, in particular serving unmet demand and not the replacement of existing assets
- give preference to projects that offered the greatest leverage, rather than seeking the maximum BIF funding possible
- not exceed 50% of the eligible total project cost, except in exceptional circumstances for rural projects, and for urban projects lower limits would apply if more restricted access is offered.

In addition, nineteen one-stage full applications were also received which were split between urban and rural projects. These applications are still being evaluated, decisions are expected in December 2008.

The names of organisations that have been invited to submit full applications based on their Expression of Interest have been posted at www.digitalstrategy.govt.nz.

Background

The process for EOIs to date has been as follows:

- Expressions of interest were received by the Ministry of Economic Development on 30 September.
- Between 30 September and 21 October the applications were evaluated against the BIF criteria by independent assessors.

- The Digital Strategy Steering Group BIF Sub-Group met on 21 October to discuss the applications and make its recommendations to the Minister.
- The Minister made his final decisions on EOIs based on the recommendations of the BIF Sub-Group.
- Feedback will be provided to all EOI applicants (successful and unsuccessful) on following the announcement of successful applications.

For full applications there are two opportunities to submit an application:

- Under the one-stage process in September for evaluation in late October/November and decision by Cabinet in December; or
Under the two-stage EOI process, full applications from successful EOIs are due in February for decision by May 2009.
- Further information on the BIF process and criteria is available at www.digitalstrategy.govt.nz.

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