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The Voice of the IT Community

## Urban 'Broadband Challenge' network proposals knocked back

By Stephen Bell, Wellington | Wednesday, 2 August, 2006

All five of the urban network broadband proposals submitted to the government have been sent back to their bidders for more information by the Government's Broadband Challenge evaluation team.

In contrast, five out of six of the broadband network proposals for "rural and underserved" regions have been accepted.

The urban proposals have been sent back for more information because they are larger in scale and require greater investment, says the government's Digital Strategy programme manager, Peter Macaulay. They are also subject to more stringent reporting conditions than the smaller rural projects.

Five Broadband Challenge applicants in the "rural and underserved" regions have had their applications approved and have been invited to finalise funding agreements for their projects, said communications minister David Cunliffe, announcing the government's decision earlier this month.

The successful applicants are:

- Tuhoe Education Authority — which received a grant of \$500,000;
- Waikato 2020 Communications Trust — which received a grant of \$47,000 ;
- Waitakere City Council — which received a grant of \$175,000;
- WIKarekare Trust in West Auckland — which received a grant of \$5000;
- West Coast Development Trust — which received a grant of \$600,000.

A sixth applicant, Tangimoana 2020 Communications Trust, was unsuccessful this time around but will be able to apply again in a future funding round.

The rural and underserved projects concentrate on reach and taking broadband services to large, dispersed populations.

The urban areas' projects, in contrast, focus is on increasing bandwidth to those who may already have a moderately fast digital connection.

The proposed urban networks are for Auckland City, Auckland's North Shore, Hamilton, Christchurch and Nelson-Marlborough. They all have a requirement for higher bandwidth — at least 1 Gbit/s in both directions — and are required to be "open", so other providers can use them.

Because of this and their generally larger scale, more stringent conditions regarding governance and financial structures, etcetera, will be imposed on the urban network projects, says Macaulay.

"They were good proposals but our legal team advised us that, on the basis of the information provided, due diligence could not be completed," says Macauley.

But at least one urban applicant was perplexed. Auckland Regional Council's spokesman Mark McLaughlin says it's hard to say what further information the Government wants regarding its proposed network.

"It's all in a state of flux. [The Ministry for Economic Development] might ask us for one thing, we'll say, 'We've not got exactly that information, would this do?' and they might accept that. It's a matter for continuing discussion."

Mike Garrett, spokesman for the Hamilton Urban Fibre project, says, "The government asked for about half a dozen things, including details of our project plans and the structure of our organisation, and what approach we've taken towards securing schools as anchor tenants on the network."

But Waikato has got one project accepted, he notes. A third proposal, for a network to facilitate shared services among councils in the region, was not submitted for this round of funding.

This was because of the difficulty of coordinating the input from 13 different councils. An application will be made in a future round, says Garrett.

The urban bidders have until August 10 to provide the extra information required.

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