

# Broadband fact sheet

## – an introduction and overview of Wellington City Council's vision for the City



### A quick definition of broadband

Broadband is short for 'broad bandwidth'. In general terms, it refers to high capacity telecommunications networks, which take the form of a fibre optic cable, copper wire or wireless signal. How well it performs is measured in bits per second (bps) bandwidth, which determines how much information or data can be transmitted and how quickly.

### Broadband is important in today's world

Over the last 10 years, the telecommunications sector has undergone unprecedented change. High capacity broadband networks are fast becoming a 'must have' infrastructure for internationally competitive cities. Businesses, investors and skilled workers expect cities to provide affordable, very high speed, universally available broadband. This is happening in many cities around the world, and Wellington needs to follow suit to capture the significant potential economic and social benefits.

### The benefits of broadband

Overseas studies confirm there are real economic benefits to communities with widely available broadband. These include an increase in jobs, greater economic activity, small business creation and growth and a rise in household wealth. There are numerous other social and residential benefits, including better work-life balance, transport and environmental benefits (as more people work from home) and more innovative educational and healthcare delivery (video nursing, school video conferencing).

**New Zealand lags behind in broadband uptake, ranking 22 out of 30 in the OECD for the number of households with broadband connection.**

### The current situation in New Zealand...

New Zealand lags behind in broadband uptake, ranking 22 out of 30 in the OECD for the number of households with broadband connection. While the Government recognises broadband as a priority and has provided some funding, it encourages regions or cities to take the lead. Most local commentators expect there to be ongoing investment in closed access network infrastructure by private sector providers but not at a pace that will provide fast, cheap broadband in acceptable timeframes. This is because providers have no incentive to invest for the long term.

### ... and in Wellington

Wellington is fortunate to have had significant investment for over 10 years from companies like TelstraClear, Telecom and Citylink. We don't want to understate the importance of these investments but we would like to raise the bar. One of our objectives is to have unconstrained open access, so this is likely to involve higher speeds than what we currently define as broadband.

### Current internet use by Wellingtonians

The Council's recent resident's satisfaction survey shows 88% of Wellington city residents use the internet and almost 50 percent have broadband access. The Council expects usage to increase if high capacity broadband is more readily available.

**Wellington City Council is being proactive** The Council recognises that the provision of high performance broadband is strategically important to the city and is rapidly becoming a basic necessity like water supply, sewerage, and roads. This importance is reflected in the Wellington Regional Strategy, which has identified broadband, and better international air links, as key to enhancing the region's future economic growth.



Wellington City Council is in a unique position to facilitate discussions and partnerships between different sectors to ensure the city gets what it needs. It has formulated a vision for broadband, which Councillors have agreed to.

**Absolutely**

**POSITIVELY**

ME HEKE KI PŌNEKE  
WELLINGTON CITY COUNCIL

**Wellington**

**The Council's vision for the future:** By 2012, the Council wants all of Wellington city to have affordable access to high performance, open access broadband infrastructure and services that meet the ongoing needs of the city's residents, businesses and investors.

#### **The Council's key objectives**

To meet its vision for the future, the Council has identified the following objectives as being essential for a high performance broadband environment:

**Open access:** so that private service providers compete on service not access to the network itself

**Symmetrical capacity:** so that you can send information and receive it at the same speeds and capacities

**Very high capacity:** so that Wellington's current and future globally competitive individuals and companies, e.g. Weta Digital, Icebreaker, Trade Me, can be confident of having access to advanced services

**Comprehensive and affordable coverage:** so that all residents in Wellington city have access to fast, affordable broadband, not just those in the CBD.



#### **Infrastructure options**

Wellington would take a staged approach to deploying a fibre optic network across the city, starting by setting up a fibre backbone, with extensions to neighbourhood streets and homes made of wireless, fibre or copper.

#### **Potential cost**

Preliminary costings for setting up comprehensive high performance broadband networks across Wellington city range from \$15 – \$40 million but it is important to understand that ratepayers will not be asked to bear the entire cost of the project. Several costing models will be explored, including private/public partnerships and user pays. It's possible this could mean that the Council would have no need to invest, as the private sector may deliver what we seek.

#### **The Council's next steps**

The Council will formally ask potential industry partners for their help in how best to turn its vision into a reality. Working together will help to determine the most appropriate business model, mix of technologies, technical details, financial options and respective roles for the Council and industry partners.



#### **The full report**

*If you would like more detailed information about the Council's broadband initiatives, you can find the Council's full report, titled 'ICT Policy - Enabling Economic Transformation Through Broadband' on [www.Wellington.govt.nz/haveyoursay/meetings/committee/Strategy\\_and\\_Policy/2007/01Mar0915/pdf/01\\_broadband.pdf](http://www.Wellington.govt.nz/haveyoursay/meetings/committee/Strategy_and_Policy/2007/01Mar0915/pdf/01_broadband.pdf)*

