

Hon Steven Joyce

**Minister for Communications
and Information Technology**



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Media Statement

Govt announces targets for rural broadband

Communications and IT Minister Steven Joyce has today announced coverage targets for the roll out of broadband to rural communities.

He says getting fast broadband to the 25% of New Zealanders living outside the footprint of the government's urban initiative is a priority.

"Around half of rural households are coping with dial up speeds currently and that's not good enough in the 21st century."

Mr Joyce says he expects the following to happen within six years:

- 93% of rural schools will receive fibre, enabling speeds of at least 100Mbps, with the remaining 7% to achieve speeds of at least 10Mbps.
- Over 80% of rural households will have access to broadband with speeds of at least 5Mbps, with the remainder to achieve speeds of at least 1Mbps.

"Providing fibre to the vast majority of rural schools will effectively deliver the capacity to provide faster broadband to the communities they serve. Fibre backhaul is currently the primary limiting factor in the delivery of rural broadband and getting fibre to schools will address that."

Getting fibre backhaul into rural communities will also allow other technologies such as wireless and cellular to play a larger role in rural New Zealand.

Enabling rural cell phone towers to be connected to fibre will also improve mobile phone services in rural areas.

Taken together with the government's \$1.5 billion ultra-fast broadband investment initiative, the achievement of these rural targets will mean that 97% of New Zealand schools and 99.7% of New Zealand students will have access to broadband speeds of 100Mbps or greater.

Similarly, 97% of New Zealanders will be able to achieve broadband speeds from their homes and businesses of at least 5Mbps, with 91% having speeds

greater than 10Mbps.

Mr Joyce said that the initial focus will be on those areas that will not benefit from Telecom's fibre-to-the-node upgrade programme.

"Telecom's current programme will get us from 75% to 84%. The new challenge will be delivering fast broadband beyond the 84% and delivering fibre to the majority of rural schools."

Mr Joyce says he expects the rural policy to cost around \$300 million.

"It is my expectation that this policy will be delivered through a mix of public and private funding.

"We are working with urgency to deliver higher speeds to rural areas. The last thing we want is to see a rural / urban digital divide develop in this country.

"Rural communities are an integral part of our economy and we cannot afford to let them fall behind. By putting a target of six years on this part of the roll out, we will in fact achieve fast broadband in rural areas ahead of achieving ultra fast broadband for most homes in urban areas, and that's appropriate."

Further announcements on details of the broadband investment programme in both rural and urban areas will be made shortly.