

Media Release

8 November 2011

Christchurch City set to benefit from ultra-fast broadband project

The Christchurch City Council and Government partnership to build an ultra-fast broadband network for Christchurch was officially launched today, and the project is set to deliver significant benefits to the city.

“In 2007, the City Council and Christchurch City Holdings Ltd (CCHL) recognised the potential of fibre services as an enabler for local business by funding the establishment of Enable,” said CCHL Chairman, Bruce Irvine.

“Today marks the beginning of a much bigger project that is already creating hundreds of new Christchurch-based jobs and is expected to generate many years of dividend returns to our city.”

In May 2011, Enable won the contract to partner to build the new fibre network that will connect up to 182,000 homes and commercial premises in the city and surrounding centres over the next eight years.

The partnership model means the City will own a significant share of this valuable infrastructure asset once it is built.

“It is good news that a local company, that the City owns a considerable share of, will manage the build of the Christchurch part of one of the largest and most significant infrastructure developments New Zealand will ever see,” Christchurch Mayor Bob Parker said.

“Having our city connected to an ultra-fast broadband network is one of the first steps for us as we rebuild our city for the 21st century. As a local company focused solely on the interests of local residents and businesses, Enable will play an important role in realising our vision for the future.”

Mr Irvine added that there are considerable financial benefits for the City as well.

As customers are connected to the network and revenue is generated, profits will return to the Council and, therefore, the people of Christchurch. The network is expected to have a lifespan of decades and the future dividends to Council are estimated to be between \$1.7 billion and \$3 billion.”

Over 200 jobs at Enable and its contractor Transfield Services (New Zealand) Ltd are being created immediately in order to build the new fibre network – and more will follow.

“A project of this scale – that generates new jobs now – is much needed in Christchurch as we look to recover from the earthquakes. But the long-term positive impact of UFB on the city’s economic development is even more substantial.”

An analysis of the potential economic impact of the UFB project completed by the Canterbury Development Corporation (supported by Market Economics Ltd) indicated that the UFB network will generate 3,307 extra jobs in Christchurch by 2031 when compared to projected employment without UFB.

“This exciting project is set to turn the already successful Enable venture into a strategic asset that rivals other CCHL-owned investments – such as the Christchurch Airport, Orion and City Care,” said Mr Irvine.

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About Christchurch City Holdings Ltd

Christchurch City Holdings Limited is the 100%-owned infrastructure investment arm of Christchurch City Council. It is the majority shareholder of Orion New Zealand Limited, Christchurch International Airport Limited, Lyttelton Port Company Limited, Enable Services Limited (formerly Christchurch City Networks Limited), City Care Limited, Red Bus Limited and EcoCentral Limited.