



Media Release

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Christchurch City takes full ownership of its digital future

Enable Services Limited (**ESL**) and Christchurch City Holdings Limited (**CCHL**) have today announced that an agreement has been reached with Crown Fibre Holdings Limited (**CFH**) to change the structure of the Crown's investment in the Christchurch UFB project.

Under the agreement, the Crown investment changes from equity to debt, funding an interest free loan to CCHL, with ESL becoming the sole shareholder in local fibre company Enable Networks Limited (**Enable**) as of 29 June 2016.

ESL Chairman, Mark Bowman said, "It was always planned that Enable and its world-class fibre infrastructure would become fully owned by Christchurch City. Shifting this plan forward is possible because of the tremendous success of the business and the way in which the people of greater Christchurch are embracing fibre broadband."

"The time is right for the local stakeholders – ESL, CCHL and the Christchurch City Council – to fully own Enable as we deliver this critically important fibre broadband connectivity to our city."

The Christchurch City Council supports the decision for the city to take full ownership of Enable.

Chair of the Strategy and Finance committee, Councillor Raf Manji said, "This is an excellent outcome for the Christchurch community. Fibre broadband is an increasingly critical enabler of both social and economic growth in our community. Fully owning our own fibre infrastructure and Enable – a business growing into a commercial success – puts our city in a unique and strong position."

"Understanding of, interest in and demand for fibre broadband from the Christchurch community has exploded in the last year – reinforcing the strength of Enable's business and the potential for fibre broadband to deliver economic and social benefits to the local community.

Christchurch families are living increasingly connected lives with more devices and more online entertainment options and are now racing to connect to fibre broadband.

"Order volumes have more than doubled in the last six months and we now receive well over 2,500 each month. The conversations have shifted from 'what is fibre?' to 'I want it at my house' in record time," added Mr Bowman.

In Rolleston, over half the community now enjoys fibre broadband with uptake in suburbs like Halswell and Burnside approaching 40 percent.

For the 3,500 local businesses connected, fibre broadband has removed the tyranny of distance from being a Christchurch, Rolleston or Rangiora based company. Local businesses can connect with customers and collaborate with partners wherever they are in the world. The opportunity for local businesses to become true innovative leaders on a global scale is greatly enhanced by fibre connectivity.

“It’s no wonder we are seeing around 300 businesses each month order fibre broadband delivered over Enable’s network,” added Mr Bowman.

Enable has delivered its network to every school in Christchurch and almost all are now connected to fibre broadband. This means children right across the city and in the surrounding towns are experiencing new ways to learn through a wealth of online education tools – and teachers are able to deliver on the future vision for education in the city.

CFH CEO, Graham Mitchell said, “CFH is pleased that the UFB rollout and uptake in Christchurch and Rangiora is now at a point of maturity such that it’s timely to streamline the funding arrangement with CCHL and Enable. CFH retains its existing contractual rights and oversight with respect to the UFB deployment, service levels and products.”

CCHL Chairman, Bruce Irvine said, “Bringing full ownership of Enable forward presents a number of immediate and long-term benefits for the business and for CCHL without having any impact on our overall investment in the business,”

“The development of this key infrastructure asset is being funded commercially and by Central Government – without drawing on any ratepayer funding. Yet, the City will own 100 percent of the asset as it grows to be as large as Orion in both scale and shareholder return.”

“This move provides the autonomy to determine capital structure, shareholder returns, funding and key operational decisions through a simplified operating model – and to guide the development of this entity in its formative years to ensure maximum benefits for the Christchurch community.”