

## **Big opportunities for Northland in undersea cable deal with Hawaiki**

*Auckland, Monday, 29 July 2013* – Northland is poised to score a major technological and economic coup with the signing of a deal that could see the New Zealand link of a proposed international submarine cable project worth hundreds of millions coming ashore in Whangarei.

New Zealand-based Pacific submarine cable developer and owner Hawaiki Cable Limited is planning to build a \$US350M submarine cable system to carry vast quantities of electronic data between Australia, New Zealand, Hawaii and the west coast of the United States.

The cable could be operating within as little as two years and will be the second fibre optic cable network linking New Zealand with the rest of the world, bringing true competition to the market and providing security of supply necessary for the country to host international data centres.

In what is being described as a huge coup for the North, Hawaiki has signed a Memorandum of Understanding with regional economic development agency Northland Inc to land the new cable in the Whangarei area.

Under the agreement, Hawaiki commits to bring its cable ashore in the Whangarei area and build associated land-based infrastructure (including its cable landing station) in Northland.

Northland Inc will aid both the landing and the funding of the cable, including sourcing local investors and promoting funding through the Northland Regional Council's Investment and Growth Reserve. The agency will also facilitate consents and permits required to land the cable, including the necessary addition to the east coast's undersea Cable Protection Area.

Hawaiki Cable Limited CEO Rémi Galasso says the system, which has a design life of 25 years, will be based on 100 Gigabits per second (Gbps) wavelength technology and deliver more than 20 Terabits per second (Tbps) of design capacity.

That's enough speed to send about 468 DVDs in one single second, and it is hoped that as well as accelerating the development of a potentially lucrative data centre industry in this country, it will also ultimately lead to much cheaper Internet access for end-users.

Mr Galasso says the way the system has been designed means it will also have the option to connect to the main trunk a number of Pacific Islands located next to the cable route, including Norfolk, New Caledonia, Vanuatu, Fiji, Wallis, Samoa and American Samoa.

Northland Inc Chairman Colin Mitten says the MoU has been under discussion for almost six months and while its finer points have still to be negotiated, construction of the Hawaiki submarine cable would mark a critical milestone for both Northland and New Zealand's economy.

"This MoU has the potential to bring direct and indirect benefits worth millions to Northland's local economy alone," says Mitten. "Our plan is to develop information and communication

technologies (ICT) to substantially strengthen Northland's economy, which is currently based on the primary sector industries, as well as create new job opportunities.

"With the Hawaiki cable landing in Whangarei, we will be able to propose very competitive solutions for local and foreign investors, willing to benefit from our green power, ICT infrastructure, stable economy, climate and world class environment."

Mr Galasso says the Hawaiki cable would remove the sole remaining barrier to the development of a data centre industry in this country and complement the existing cables its competitors owned, which land in the Auckland area.

"We very much believe in the potential of New Zealand for ICT," he says. "All the ingredients necessary for the development of a datacentre industry, including political stability, a temperate climate, green power and educated workforce are already available here. The missing link is submarine cable diversity with a direct access to the United States."

He says three conditions governed the selection of the Hawaiki cable New Zealand landing site:

- A different location from existing submarine cables to protect security of supply in the event of natural disaster, like an earthquake or other unforeseen event
- Access to existing land-based data transfer networks
- Availability of green power for future development

"Whangarei scored the highest in all categories and made the decision easy. On top of that, I believe Northland Inc's strategy for the economic development of the region is remarkable. Its plan to co-invest in Hawaiki clearly demonstrates that Northland is building for the future generation," says Galasso.

The MoU signatories expect to finalise definitive agreements within the next few months and see the cable operational by autumn 2015.

## **Ends**

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