

Singapore NextGen NBN

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The closing of the Next Generation National Broadband Network in Singapore (NextGen NBN) is without a doubt one of the most ambitious and successful projects in the corporate infrastructure finance sector.

This project is perceived as an opportunity for the island-state to reinforce its stature as an info-communications hub and secure its role as an economic leader over the coming decades. The network is also expected to lead to new economic opportunities, business growth and social vibrancy.

The NextGen NBN stands out because it will enable the development of innovative interactive digital services to homes, educational institutions and businesses. It will also offer effective open access to retail service providers to bring about a more competitive broadband market, which will see the creation of a wider range of next generation services for end-users.

However, the project had to face several challenges such as the definition of a new business model together with the identification of the various types of players, determination of realistic target connectivity prices to be offered to consumers, identification of the structure and level of public funding required and the specification of the technical requirements.

The Project

The Next Generation National Broadband Network will provide connectivity of up to 1Gbps per second and more. The rollout plan expects to reach 60 per cent of commercial and residential premises by December 31, 2010 with the coverage rising to 95 per cent by June 30, 2013.

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The project is currently being developed under the Intelligent Nation 2015 (iN2015) master plan, which will transform Singapore powered by info-communications. In order to ensure that Singapore will realise significant economic benefits from the NextGen NBN, the awarding authority - Infocomm Development Authority of Singapore (IDA) - has designed a structure aimed at levelling the playing field, allowing the benefits of the NextGen NBN to be available to all industry players.

The NextGen NBN's industry structure is made up of three layers, each comprising a company or a group of companies that is responsible for the functioning and growth of the network.

The Network Company (NetCo) [\[Projects Database\]](#) which aims to deliver access to the entire population at an estimated cost of US\$39 billion.

The Australian government will be the majority shareholder and will establish a new company, NBN Co Limited, to build

and operate the network, which will provide 90 per cent fibre to the premises coverage delivering speeds of 100 megabits per second with remaining coverage through state of the art wireless and satellite technologies, offering speed of up to 12 megabits per second or more. Almost 6,000 kilometres of fibre optic backbone links will be rolled out for the programme.

However, the national broadband programme was due to be financed by a tender process for private parties but the government finally changed the structure as none of the national proposals offered value-for-money to the Australian taxpayer. Under the new plan, the government will initially invest Aus\$4.7 billion (US\$3.35 billion), with the overall investment from government and the private sector reaching up to Aus\$43 billion (US\$30.7 billion) over eight years.

While the Next Gen NBN project in Singapore is seen as a success in terms of its development, the broadband programme in Australia and the challenging nature of the financing has left a bad taste with potential investors.

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