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Committee Wellington Regional Strategy Committee
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Submission on Rural Broadband Initiative

1. Purpose

This paper presents an outline of the need for a regional submission on the Government's Rural Broadband Initiative (RBI).

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

Details of the RBI were released for comment on 29 September (Attachment 1 - Rural Broadband Initiative Proposal for Comment and Rural Broadband Initiative press release and Q&A as Attachment 2) and submissions are due on 30 October. This timing hasn't allowed development and pre-circulation of a submission for the WRS Committee, but it is appropriate that a submission is made on behalf of the region and channelled through the Committee.

Broadband is a priority for the regional strategy and rural issues cover several councils, notably those in the Wairarapa.

The RBI as proposed is a strong fit with broadband objectives for the region and our work to date in this area. A submission would allow us to confirm our support for this proposal and, importantly, signal that part of our region would be an admirable candidate for first-phase implementation.

4. Comment

The RBI concept is for broadband in rural areas to be significantly upgraded by pushing out fibre-optic connectivity to rural schools. Broadband in schools is seen as delivering significant public good benefits, in education terms but also improving the viability of rural communities, where the school is often the hub.

In addition “spillover” benefits are anticipated because a fibre connection to the heart of a rural locality would provide a point of connection for fibre runs to farms, or backhaul for wireless and cellular options.

In our region there are approximately 20 schools that would meet the definition of rural, with around a dozen in the Wairarapa. The remaining rural schools elsewhere are relatively few and some could be connected by other means (e.g. Te Horo School could be served from a breakout from fibre running along the NIMT railway line). The proposal is therefore to focus on the Wairarapa area.

The Wairarapa schools are “strategically” located to serve their rural communities, several of which are very remote. A network that connected all these schools (and potentially, extensions to communities like Riversdale Beach) would indeed provide a skeleton network and a first stage of connectivity for significant portions of the Wairarapa rural community (approx 5,000 people in total).

At the point when the RBI is finalised, expected to be late 2009 or early 2010, a formal project proposal would need to be developed in conjunction with one or more private sector partners.

The role of councils in this could be to facilitate the planning processes required and to bring together stakeholders such as the schools themselves and Federated Farmers. Although clearly the proposal would include a significant element of government subsidy, our expectation is it would also need ongoing customers and revenues to be a viable commercial proposition. That assessment would be the responsibility of the private sector bidder (or bidders).

The output from this stage of the process would be a submission to the RBI, and it could be worthwhile to have some preliminary discussions with stakeholders and potential bidders.

5. Communication

Ongoing communication will be made to the Committee as required.

6. Recommendations

That the Committee:

- 1. **Receives** the report.*
- 2. **Agrees** to the need to make a submission to the Ministry of Economic Development’s proposals for a Rural Broadband Initiative, with submissions due 30 October 2009.*
- 3. **Agrees** that due to the timing, the key points to be raised in the submission will be consistent with this paper, with the final text to be signed off by the Chair.*

Report approved by:

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Attachment 1: Rural Broadband Initiative Proposal for Comment
Attachment 2: Rural Broadband Initiative Press Release and Q & A