



3 November 2009

File No: 1-CO-1-2

Rural Broadband  
ICT Regulatory Group  
Ministry of Economic Development  
PO Box 1473  
Wellington 6140

Dear Sir or Madam

### **Response to Government Proposal for Comment on the Rural Broadband Initiative**

Thank you for the opportunity to contribute to the national debate about the roll-out of ultra fast broadband to rural areas, focussing initially on schools. This response is based on the Council's contribution to the LGNZ's single combined submission to the three discussion documents covering recent Government initiatives to roll-out ultra-fast broadband across New Zealand, particularly rural New Zealand. For a small, rural authority such as Rangitikei District Council, the resources required to make a full contribution to these papers within the timeframe presents challenges. Nonetheless, our elected members have had the opportunity to workshop the issues raised in the documents and this letter summarises our current thinking.

The District, in common with many, is struggling to maintain its existing, essential strategic infrastructure assets. It has put in place a long-term capital programme that will ensure that these are maintained to acceptable standards but this has come at a substantial cost to our ratepayers. The impact of year-on-year above inflation rises in the average rates bill is compounded because the population is declining and ageing. Although this does not necessarily mean a drop in the number of ratepayers, it does mean that an increasing proportion of our ratepayers will be in smaller households and on fixed incomes. Affordability of rates is our primary concern and the Council is not in a position to consider further investment of ratepayer funds in new Council-owned infrastructure.

However, Council welcomes the Government's acknowledgement of the importance of ensuring connectivity for rural residents, particularly to support the competitiveness of our key industries, agriculture and tourism. Council has previously submitted to Government on this point and remains extremely motivated to use our current infrastructure capital programme to support the extension of communications infrastructure. This would need to be as part of a planned programme of external investment from private and public sources to most efficiently "join the dots" between the existing pockets of high-speed broadband coverage within the District.

The existing pockets of coverage for high-speed broadband consist of a mixture of fibre spurs and wireless repeaters. The recent partnership between Vodaphone and Farmside has improved the satellite service - the lowest speed now offered is 512Kb/s - but there is a

significant installation cost for the consumer<sup>1</sup>. Independent service providers have worked with small groups of customers to extend coverage through wireless repeaters (for example, Inspired Networks and Airstream). The most extensive fibre network in the District currently belongs to Telecom/Chorus. There is little or no open access infrastructure. Council supports the need for government funding to be technology neutral and to support open access systems. However, Council would be willing to make its road opening/trenching works available to telcos in line with Sector best practice whether or not the resultant infrastructure was open access. It would also be willing to enter into public/private partnerships where there is no residual liability to the District's ratepayers. Council would concur with the Sector view on whether or not such partnerships should be limited to open access infrastructure.

Council would also embrace any Sector developed protocols to streamline consent processes and permit new deployment technologies. It strongly supports a collective conversation / collating the learning from trials completed, underway or planned in order to develop consistent Sector-wide protocols. Council would be eager to implement any recommendations that can be done at little or no additional cost on our rates. Any costs (capex and opex) need to be transparent and evaluated as part of the collective conversation/ collation of learning.

Specifically on the Rural Broadband Initiative, Council would urge the Government to look at trade-offs in terms of the roll-out programme. Council recognises that Fibre-to-the-Premise (FTTP) is the ideal solution for high speed broadband but also that the "digital divide" between urban and rural school students will be exaggerated by even the slightest delay. The Government will have difficulty striking the balance between FTTP and speedy roll-out. Council would suggest that the Government should be mindful:

- Of existing disparities in provision
- That "quick and dirty" in the first instance doesn't preclude later investment in upgrades
- That "quick and dirty" technologies (micro/shallow trenching, wireless repeaters, hanging cables from power poles etc) can have quicker pay-back periods and therefore can represent good value for money

Thank you again for the opportunity to provide this input.

Yours faithfully



Denise Servante  
Senior Policy Analyst

---

<sup>1</sup> \$1,500 – \$2,000 for an installed satellite dish (NZ Herald 22<sup>nd</sup> October 2009) plus any monthly fees