

BayBroadband

“Introducing a simple concept to a complex environment”



Agenda

- Background
- The telco environment
- Method of intervention
- Developing a business case
- The way forward
- Phase 2 report presentation
- Questions



Background

BayBroadband Initiative

- Public inspired initiative.
- Submissions made to council Ten Year Plans.
- A collective approach by councils was agreed upon.
- Involves the seven Bay of Plenty councils



Background

BayBroadband Initiative

- Phase 1** what role can Local Government play in getting better Broadband in the Bay of Plenty
- Phase 2** implementing recommendations and developing the business case
- Phase 3** implementing the business case



Background

Recommendations from Phase 1

Non-Infrastructure based

- Low cost or no cost access to council GIS mapping info to Telcos
- Aggregate council telecommunications demand
- Review and align RMA requirements across the region
- Promote education on uptake



Background

Recommendations from Phase 1

Infrastructure based

- Develop policies for new subdivisions
- Utilise council infrastructure sites for telco equipment.
- Support telecommunications ducting as part of planned road and footway works
- Explore cooperation opportunities with other stakeholders e.g. telcos, power distributors
- Be a facilitator for remote community connection
- Regional back haul open access duct network

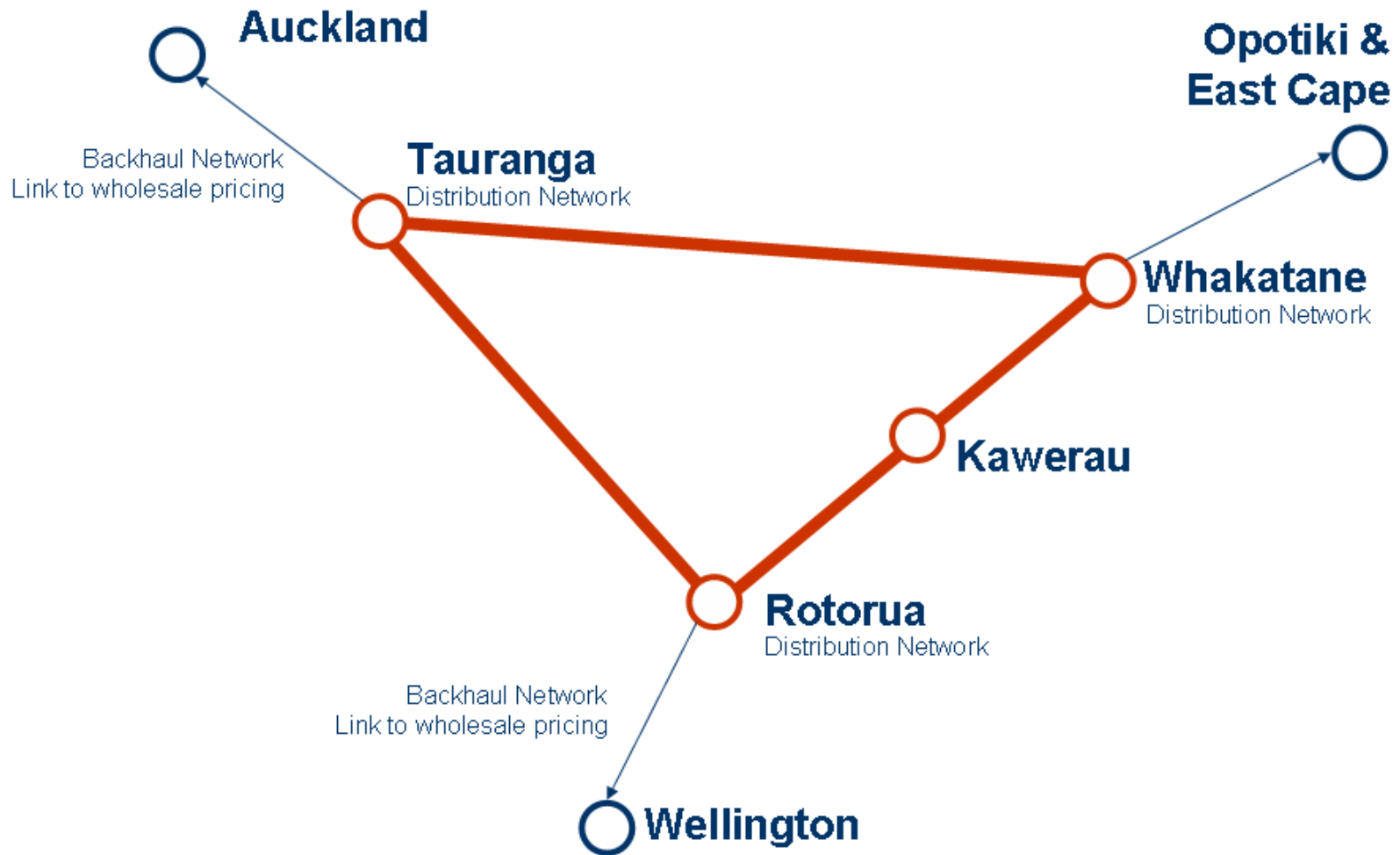


The Telco Environment

- One dominant operator - Telecom
- Service delivery and infrastructure ownership combined
- Uncompetitive – at best a duopoly
- Confused – unbundling, cabinetisation
- Overbuild of infrastructure
- Market failure – infrastructure and competition



Regional Backhaul Duct Network



Developing a Business Case Business Product

- Independently managed duct
- Provision of a secure and trusted owner
- The duct owner is not a competitor to their customers
- Income is derived from leasing space – landlord/tenant model
- Utilises strengths and opportunities



Developing a Business Case

Customers

- Telco's
- Local government
- Government
- Internet Service Providers



Developing a Business Case

Business Structure

- Create a “Council Controlled Organisation”
- Operated as a limited liability company
- Shareholders – the Bay of Plenty Councils
- Commercial Directors
- Deliver and manage the business concept



Developing a Business Case Overarching Objectives

- To be commercially sustainable
- To achieve community and economic greater good objectives
 - Engaging remote and rural communities
 - Regional social, economic and cultural benefits



The Way Forward

An entity is required to:

- Negotiate with telcos and other tenants
- To access government funding
- Act now on opportunities



The Way Forward

Two Stages

- Incubation stage
- Ongoing operation

Incubation Stage

- Establish a subsidiary under BoPLASS Ltd



Summary

- Selecting the right intervention
- Work with the telcos
- Think about what the entity is going forward



Questions?

