

Investment opportunity for Council

A recent decision by Ōpōtiki District Council to invest in an internet solutions company is seen opportunity to “unlock Ōpōtiki’s potential” and bring high-speed internet to Ōpōtiki and the East Coast cheaper and sooner.

At a full council meeting earlier this year, it was agreed that the Council would take a 30% stake in Evolution Networks, a wireless internet provider based in the Bay of Plenty. This decision was subject to a number of final questions answered and fine-tuning and these were signed off in a confidential meeting of the Audit and Risk Committee in September.

Ken Young, Ōpōtiki Councillor, said that it was an opportunity for the community to benefit on a number of levels.

“We discussed this at length in Council and were comfortable that the economic and social benefits have been carefully balanced against any risks of the investment,” Cr Young said.

The government’s rollout of ultra-fast broadband is being run through the Ministry of Business, Innovation and Employment. But that service is still several years from reaching Ōpōtiki.

“The indication we have from central government and from major providers like Spark, is that the focus is on urban areas – they can get a large chunk of the population in a smaller areas which is a win nationally. But that doesn’t help smaller towns like Ōpōtiki or rural areas with tough landscapes for coverage like the east coast. Any service from the national suppliers is likely to be at least five years out.

“Roll out of high speed internet is also prioritised based on councils showing a financial commitment themselves. Other councils have got around this by putting money into contestable funds for suppliers to apply to, or subsidising the roll-out through a provider. We have chosen a different path,” Mr Young said.

The decision is significant for businesses in the district who have understood the necessity of high-speed internet for many years.

NZ Mānuka Chief Executive Karl Gradon, said that it was the single biggest thing the council could enable to make it easier to do business in the Ōpōtiki District.

“You cannot under-estimate the importance of high speed internet to making a business viable. We have already signed up to Evolution Networks and have seen a significant improvement to our business already – things like making full use of the file sharing facilities of Windows Sharepoint and easier contact with international customers. Modern business just can’t be done with a slow connection. To communicate or to grow an online presence or cover all the telecommunications needed to do business. And anything that can bring high speed internet to Ōpōtiki sooner is a win for all of us,” Mr Gradon said.

Evolution Networks has innovative technology that allows their wireless internet to operate in difficult or hilly terrain which is a big win for small or isolated communities on the east coast.

Rikirangi Gage, Chief Executive Officer, Te Runanga o te Whānau, said that it would bring some big changes to the smaller communities on the East Coast.

“We have a real focus on making sure that the communities are connected so that our children, who have internet access in school, can go home and have internet at home as well. At the moment in most places there is very little or no connectivity except for fibre in the schools.

“So we are working closely with Evolution Networks to provide both land and infrastructure to enable the connectivity to reach up the coast to our isolated communities,” Mr Gage said.

Council’s Finance and Corporate Services Manager, Bevan Gray, explained that the decision was also an opportunity to provide another source of income for the Council.

“We are certainly more rates-reliant than most councils nationally, that is, rates are far and away our main source of income. And we have been very sensitive to that fact as it can put a lot of pressure on ratepayers. Other councils have profit-making investments from ports to properties and stocks and shares. This is an opportunity to provide a service to the community, to leverage government investment, and to provide an income stream that isn’t rates driven. And it is in line with other infrastructure assets that the council owns.

“While enabling the provision of high speed internet is something fairly new, historically, the provision of infrastructure for residents and businesses in a community is something that councils have always done. Internet is today’s version of electricity or roads,” Mr Gray said.

The benefits of fast broadband are economic, social, and even environmental, for example allowing landowners with consented water takes to use automated telemetry data for water takes and college students to access educational resources online.

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