

Economic Development Programme Manager's report

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| TO | Economic Development Committee |
| FROM | Ben Dunbar-Smith - Economic Development Programme Manager |
| DATE | 21 February 2016 |
| SUBJECT | November 2105 - February 21065 - Programme Manager's report |

1 Purpose of Report

This report is to update the EDC on the work of the Economic Development Programme Manager in the November 2015-February 2016 period.

2 Background

This report will cover the wide range of projects which are underway that have made progress over the Christmas-New Year period.

1) Broadband: The Government has written an update letter on the progress regarding the decision-making regarding fibre roll-out. However despite the Government's requirement for the Council to provide a rapid response to the competitive bid by 3rd July last year, it seems that the Ministry of Business Innovation and Employment (MBIE) has yet to reach a decision on which towns will receive broadband upgrades across the nation, or to what extent any potential upgrade might cover in each town.(See Attachment A)

The February 2016 letter from MBIE states that following the Council's bids to provide information towards the bid process, the tenders closed with the telco suppliers in late October. However four months later the process has not been concluded, and the MBIE letter informs Council that the final list of towns to be included in the UFB programme will be announced "once commercial negotiations and contracts have been successfully finalised". There is no date given for this conclusion. Previously MBIE announced that five towns on the Coromandel - Thames, Whitianga, Whangamata, Coromandel and Tairua-Pauanui - were on the "long list" for upgrades. As far as advancing the cause of the Coromandel, Council has agreed to set aside a provision of \$125,000 in the Long-Term Plan to support the broadband bid, if required (subject to Council decision making on the actual expenditure). In addition, the Economic Development Committee has an allocation of \$51,000 a year towards promoting broadband upgrades. Staff have ensured that potential bidders are aware of this potential support from Council towards their bids.

As regards the Rural Broadband Initiative (RBI2), MBIE are now assessing the response from councils from the July 2015 bids. This means that there will be even longer delays for rural broadband (as opposed to fibre in the towns) as the MBIE letter states that the rural broadband suppliers will only be invited to submit tenders once the areas for fibre deployment have been finalised. Similarly the Mobile Blackspot Fund which aimed to improve mobile coverage on high tourist routes or on state highways with safety issues has also been delayed "while policy development is underway."

1a) Improving broadband through Council support:

Given that the Government's process for rural broadband appears to be a lengthy one, Council staff have been advancing solutions to improve broadband across key areas of the Peninsula.

The Economic Developing Committee had previously approved a \$15,000 grant to improve broadband connection to the St John Ambulance head office in Thames. This involved providing a fibre link from the nearby school to the St John headquarters at the northern end of town. Feedback from St John indicates that this fibre upgrade has made a significant difference to the efficiency of their service, particularly in videoconferencing with satellite sites and in improving the capability of their internal broadband functions.

Bruce MacDonald, the St John District Operations Manager for Hauraki and the Coromandel, says the ultra-fast broadband now available through the fibre connection has made a huge difference to their operations. "We can have 15 to 17 people working flat-out on computers at the same time and on the old system it was hair-pulling," he commented. "On the old ADSL (asymmetric digital subscriber line - delivered over copper phone lines with a limited bandwidth available) connection it would take too long to open the applications we use that provide us with information to help us make decisions. With the fibre-optic connection the applications open instantly and we can make decisions instantly when we are managing emergency incidents."

Mr MacDonald also says in the past when they used teleconferencing to help manage emergency events, the audio was poor quality because it was using a lot of bandwidth and staff wouldn't be able to work on their computers. "It was severely restricting our communications," he said. "And we now have the option of video-conferencing, which we couldn't do before. This will save a lot of travel - it's quicker and more efficient."

The fibre link to St John has also allowed the Waikato based broadband provider, Lightwire to enter into an arrangement with St John to utilise the fibre capacity to put a mini-tower on the St John building to beam wireless broadband across the northern end of Thames. Initial testing showed 80 MB download and 20 MB upload, according to Lightwire technicians. Another repeater tower is being erected on the old Post Office building in order to provide capacity across the remainder of Thames. The Lightwire company are now undertaking a direct marketing campaign to those premises and houses within the central area of Thames that are capable of receiving the upgraded broadband to encourage uptake. The Lightwire pricing ranges from \$70 a month for 50GB of data on a six month contract with the ability to add a phone line, going upwards in stages to 750GB of data for \$155 per month.



Lightwire Field Technician Aleks Skomski installs the wireless broadband site to the roof of the St John ambulance station in Thames

1b) Lightwire to Kauaeranga Valley

The Department of Conservation centre at the Kauaeranga Valley is one of the most highly trafficked visitor options in the wider Thames area. However until recently the broadband service in the area has been poor-to-non-existent, which has meant that DOC staff have struggled to provide efficient visitor services, and the tourists have been unable to book online at the centre or access their Internet capacity. Given that tablets are now considered a crucial part of the younger generation's travel experience, the lack of broadband capacity in the area has been seen as a significant disadvantage. The Department of Conservation have recently contracted Lightwire to install a mini-transmitter on a hill adjacent to the centre so that broadband capacity can be improved. The Lightwire transmitter became operational in early February, and is currently reporting speeds of 30MB download and 10 MB upload for each computer, with the capacity to take up to 20 computer devices.

In addition, the Lightwire technology has already been providing a service lower down the Kauaeranga Valley with a tower erected in the middle of last year, and is currently attracting sufficient subscribers (a minimum of 20) in order for this to be a stand-alone commercial operation for the company. TCDC has been supportive of these two improvements to broadband through staff time and engagement, but with no monetary support. However the direction of these types of micro-towers is seen as an answer for many of the smaller beach communities around the Peninsula which currently lack adequate coverage.

1c) Vodafone tower: Vodafone is also currently working on completing its \$655,000 tower up on the hills above Kauaeranga Valley which will significantly improve cellphone coverage in the Kauaeranga and Kopu areas. It is worth noting that while the micro-tower Lightwire-type wireless broadband can provide Internet and domestic phone facilities, these types of operations cannot improve mobile coverage. This is why the Vodafone tower is so important to the Kauaeranga, Kopu and wider Thames area. In addition the Vodafone tower will be able to also offer significantly faster broadband speeds, as well as enhanced mobile. Council has been supportive of the Vodafone tower, which was consented in 2013 but experienced lengthy delays due to the inability to provide mains power to the site. This has been overcome with the Vodafone decision to make this Kauaeranga tower as the first major off-grid cellphone tower on the New Zealand mainland (this functionality is already available on Great Barrier Island which does not have mains power). The Economic Development Committee's grant of \$7500 towards the Vodafone tower is to support this off-grid initiative. The tower is due to be completed in late March/early April this year, and was to have been completed sooner but ran into difficulties with site access across the river due to heavy water flows during the construction of the ford in the New Year period.

1d) Options to support broadband coverage in other Peninsula centres:

The Economic Development programme manager was approached by Opito residents to try and find a way to increase broadband capacity to the beachside town. Regarding this as a potential test site for future expansion to other beachside townships with poor coverage, the ED programme manager attended the Opito Residents and Ratepayers meeting at Auckland Anniversary weekend along with Murray Pearson from Lightwire.

From the technical discussion at the meeting, it became clear that getting coverage to this remote community will require a series of interlinked mini-towers as the wireless broadband operates by line of sight. To make the service viable Lightwire will need to negotiate to connect into the Te Rerenga School which has fibre installed as part of the Government's broadband initiative. From there a mini repeater up on the BlackJack Hill could beam improved broadband down into Otama, Matarangi and most of Kauotunu. A second repeater on a hill overlooking Opito Bay would be required to provide the upgraded coverage to the Opito Bay residents.

In order for this triple-repeater tower process to be financially viable the company has indicated it would need a minimum of 40 subscribers, plus any support Council can provide for this multiple-relay site. The Opito Residents and Ratepayers have indicated that they may come to the Economic Development Committee for some kind of financial support in order to provide this test environment for coverage to Opito. Staff will be holding a public meeting in Kauotunu with Lightwire to discuss the proposal with locals in early March.

At this stage Lightwire have not finalised any sites and are still in negotiations with landowners and neighbouring residents. Therefore any approach from the Residents and Ratepayers Association is not likely to occur before the next Economic Development Committee meeting on 31 May. However this report is to provide advanced knowledge of the initiative which is currently being explored (see Attachment B)



The light wire towers stand approximately 7 m tall with antennae attached, and are solar powered.

If this Opito option can be successfully developed, then a similar process could be applied to other seaside communities such as Onemana which have been contacting TCDC staff and councillors about their lack of broadband capacity.

1e) Whitianga phone connection capacity

Another issue which has emerged is an apparent inability of residents in Whitianga to obtain new phone connections. Staff have received correspondence from Peter Abrahamson from Whitianga Waterways noting that “as a developer we install all the infrastructure so new homes can connect up to the network as the cables are at their boundary. This is a requirement from TCDC and is certainly expected by any person purchasing within the development.”

“The issue that is emerging is that when people go to hook up they are being told by Chorus via their provider that no infrastructure exists. This is not correct as the real issue, as I understand it, is that there is no capacity in Whitianga for them to connect to. Chorus has not been investing in the main network so that we can hook up to it.

“Any new connection is being asked to pay \$2800 and potentially wait three months for a connection to be installed. I am sure you would agree this is totally unsatisfactory and certainly making it all look Third World.”

This correspondence has been further reinforced by a conversation with a resident of Whitianga who has been asked to pay \$18,000 to connect to a phone line.

Staff have been in touch with Chorus to see if there is a way of resolving the issue. If the major corporate providers cannot provide an answer to this problem, then another alternative would be to support a small-scale provider such as Lightwire to offer a solution. If a Lightwire tower could be erected by the school and beamed across Whitianga, then this kind of wireless broadband can provide an option of a domestic phone line (over the Internet, as opposed to via copper in the ground). Staff are currently investigating both these issues, and proposed to report back the May meeting.

2) Electric vehicles:

Electric vehicles are beginning to become more popular in New Zealand, and a network of charging stations is being established in the main centres. However the Coromandel Peninsula raises some problems for electric vehicles, given that the distance from Auckland or Hamilton is at the limits of the current range for electric vehicles (as opposed to hybrids which have backup capacity in petrol motors).

Therefore staff have been supportive of moves to establish electric vehicle charging points at various sites around the Peninsula. Currently the Kopu Café has installed a EV charger on the side of its premises at the businesses own cost. The cafe owners see the potential for encouraging electric vehicle owners to stop and charge their vehicles for an hour or so on their way from Auckland or Hamilton.



Apart from the Kopu Cafe charging point, T3 is sponsoring an EV charging station for the Thames township which will be installed once a suitable site is located. Staff are also working with the EV enthusiasts to find a suitable place for an EV 'Fast Charger' in Thames.

Electric vehicles have a range of 120-140km, and take between 30 minutes and 5 hours to charge, depending on the car and charger. Filling up at the Kopu Café, for example, costs \$2.50 /per hour. Electric cars have no clutch or gears, and accelerate more quickly and smoothly compared to typical petrol cars.

In addition Spark (the telecom company) is planning to convert one of its phone boxes at the Pauanui turnoff to become a "slow charger". This will provide a charging facility for electric vehicles that venture over the Kopu-Hikuai.

EV converts are doing a promotional drive from Kaitaia to Bluff this year and will be stopping in Thames overnight on 10 April.

3) World War 1 Memorial Forest: In December 2015, the council's bid for \$122,205 from the New Zealand Lotteries to assist with completion of Stage II of the WW1 Memorial Forest project was successful. However subject to an earlier Economic Development Committee commitment, these funds have not been utilised until the full Council could consider the Stage II Project at its meeting on 24 February 2016. This council meeting has given the go-ahead to the planting of a further 5000+ trees which will commemorate the Battle of the Somme (Stella Evered Reserve at Purangi), Passchendaele (the new Whitianga cemetery), and the completion of the Gallipoli Forest at Cathedral Cove. Work on the planting of these forests is scheduled to commence around Anzac Day 2016.

In addition, staff been working to find corporate donors to support the WW1 Forest project, as well as raising money from members the public and RSA and military organisations. A successful approach has been made to the Barkers menswear company who are intending to sponsor trees through their customer's purchasing power. Barkers have approximately 30 stores throughout New Zealand, and a database of more than 100,000 customers. They propose to launch a campaign around Anzac Day this year to encourage uptake of the WW1 Forest project through providing a portion of the purchase price of menswear articles towards individual trees. The final details of this sponsorship proposal are currently being worked out, but Barkers have indicated that they regard this as a multi-year project.

In addition the Navy is planning to come to Whitianga around Anzac Day this year, and proposals are being worked on to integrate their engagement with the WW1 Project. Similarly fundraising efforts will be undertaken with the national RSA, and with other military units that may have an interest in sponsoring trees.

Now that a decision has been made by Council on the next stage of the WW1 Forest project, it is proposed that the project management for the WW1 Memorial Forest project will be shifted to the Parks staff. The funding line and expenditure approval is proposed to remain within EDC (with Ben Day as project executive), but the day-by-day operational control will transfer to Parks., while the Economic Development program manager primarily focuses on advisory support.

4) Events Guide and Food Trail:

The Summertimes magazine, which is distributed to all ratepayers, provided an internal section highlighting the multitude of events occurring in the Coromandel over the summer period. Realising that not all visitors would have access to the magazine, the Economic Development staff working in conjunction with TCDC communications team put together a giveaway "Events Guide" for distribution through information centres throughout the Coromandel. A copy of the guide will be distributed at the Economic Development committee meeting, which highlights the wide variety of events available on the Coromandel. The guide, which was accompanied by posters, enables visitors looking for something to do over the holidays to select a number of events to attend across the Peninsula.

Economic Development staff have also been working with Communications on the creation of a Food Trail, which is designed to encourage visitors and locals alike to tour the Peninsula on a culinary quest. A separate paper on the Food Trail is attached to the agenda from the Communications and Marketing Manager Lurna White.

In addition, Economic Development staff have been working with Fullers Ferries to foster the links between Auckland and Coromandel. This has involved reproducing television commercial-style promotions for Fullers to run on their ferries, as well providing print collateral. In early March the marketing team from Fullers will be spending two days on the Peninsula undertaking filming, and exploring the venues which they currently promote such as Hot Water Beach, New Chums and the Barry Brickell railway. This will be hosted by Destination Coromandel in conjunction with economic development and communications staff.

5) Arts Strategy:

The draft Arts Strategy, which has previously been reviewed by the Economic Development committee, is currently undergoing a consultation process with arts groups and iwi until 11 March. Once this is completed, a summary document will be produced by TCDC communications ready for distribution by late March.

This summary document, along with the draft strategy and “ward-specific” action proposals, will then be circulated to Community Boards at workshops in late March/early April. This document will propose the development of an advisory group comprising key members of the arts community who will help drive the strategy. TCDC’s role will be to act as a partner to this advisory group, not as a funder.

Once the feedback from the Community Boards has been obtained in workshops, the draft Arts Strategy will be formally circulated to Community Boards in May. Following this the Arts Strategy will come to full Council for consideration in June 2016. If the arts strategy is adopted, Council will be asked to nominate a member to sit on the Arts Advisory Board. If adopted, one of the first roles of the Advisory Board may be to consider development of an “Arts Trail” which could complement the “Food Trail.”

6) Marketing for Kopu Business Park:

Economic Development staff are continuing to work on better marketing and promotion of the Kopu Business Park. Design work for the engineering to upgrade the sign erected on the western side of the bridge (completed and consented in 2013) is now awaiting engineering approval. Costs for raising the sign another 2 metres will come from the Kopu marketing budget. Staff have also been working with TCDC’s Infrastructure team on securing NZTA land at the Kaiwhenua block, which will form an important part of the entranceway to Kopu and is likely to assist with improving marketing for the area. This work is on-going.

3 Suggested Resolution(s)

That the Economic Development Committee

1. Receives the 'Economic Programme Manager's report' dated 21 February 2016.

References-Tabled/Agenda Attachments

- Attachment A** Broadband letter from MBIE
Attachment B Opito Bay Broadband Update
Attachment C Coromandel Events Guide to be distributed separately

Attachment A
Attachment A - Broadband letter from MBIE

Attachment B
Attachment B - Opito Bay Update