



Chorus - in your neighbourhood,
every day

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Why do we need fibre?

Businesses: support business improvements, business resilience, increased productivity and innovation

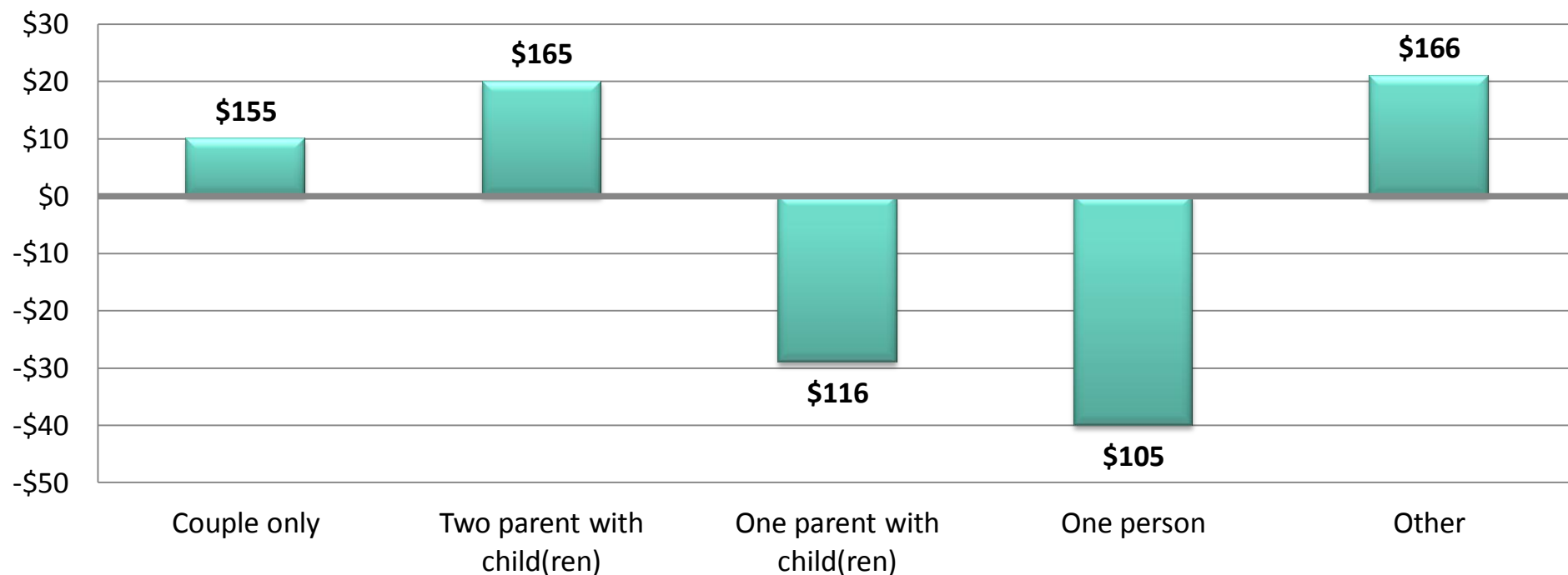
Schools: enhance and support the learning environment, utilising on-line educational tools and collaborative learning

Households: getting a great experience, with internet services working as they should, while having multiple devices accessing the internet simultaneously; more pictures in high definition (TV, video, gaming); and utilise cloud services



Families and couples spend \$10 to \$20 more on telecommunications per month

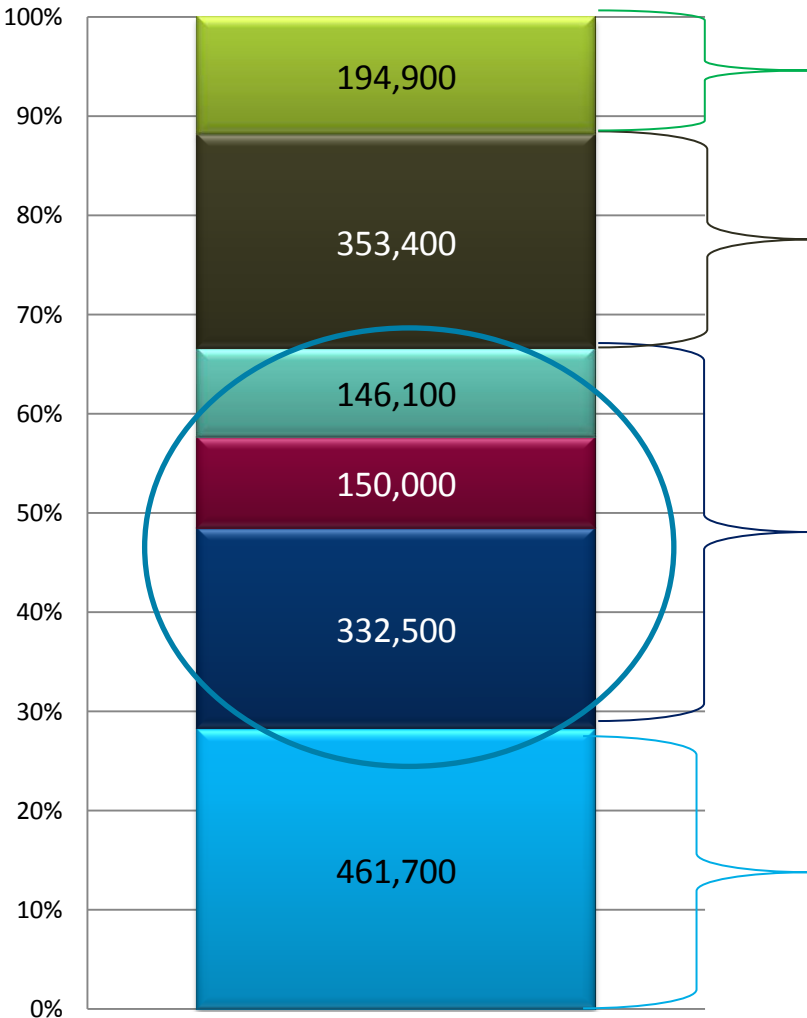
Average monthly household spending on telecommunications relative to NZ average, June 2010



The average NZ household spent \$145 per month on telecommunications services in 2010

Breaking down household demographics

NZ Household Composition



ALL OTHER HOUSEHOLDS: 12% of NZ Households

- Includes flatters in rental accommodation

ONE PERSON HOUSEHOLDS: 22% of NZ households

FAMILIES: 38% of NZ households

- Single parent households – 9%
- Couples with adult children at home – 9%
- Couples with dependent children – 20%

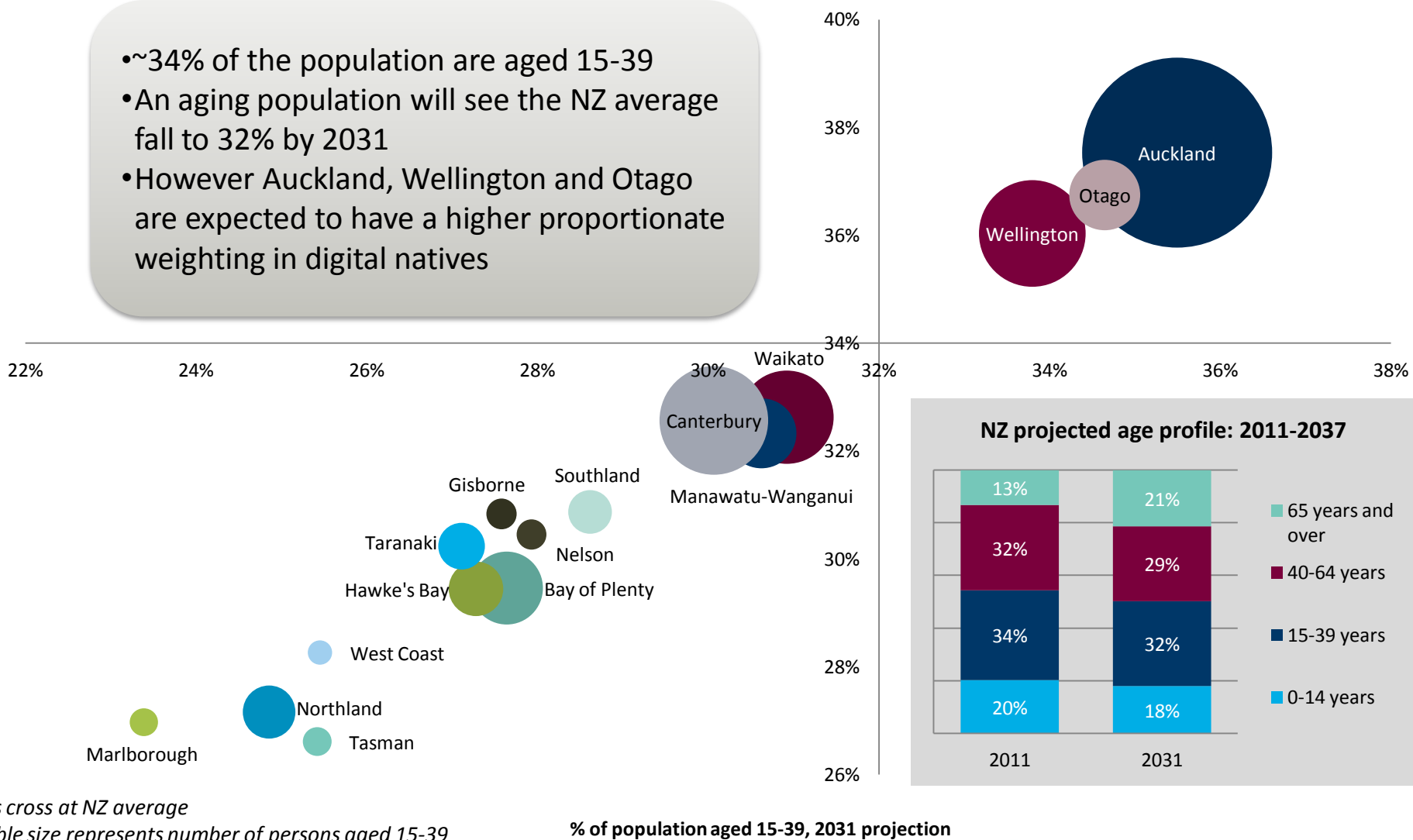
COUPLE ONLY: 28% of NZ households

- Includes both young couples and empty nesters

The growth in 'Digital natives' (15-39 year olds) is in Wellington, Otago and Auckland

- ~34% of the population are aged 15-39
- An aging population will see the NZ average fall to 32% by 2031
- However Auckland, Wellington and Otago are expected to have a higher proportionate weighting in digital natives

% of population aged 15-39, 2011 estimate



Axes cross at NZ average
Bubble size represents number of persons aged 15-39









% of population aged 15-39, 2031 projection

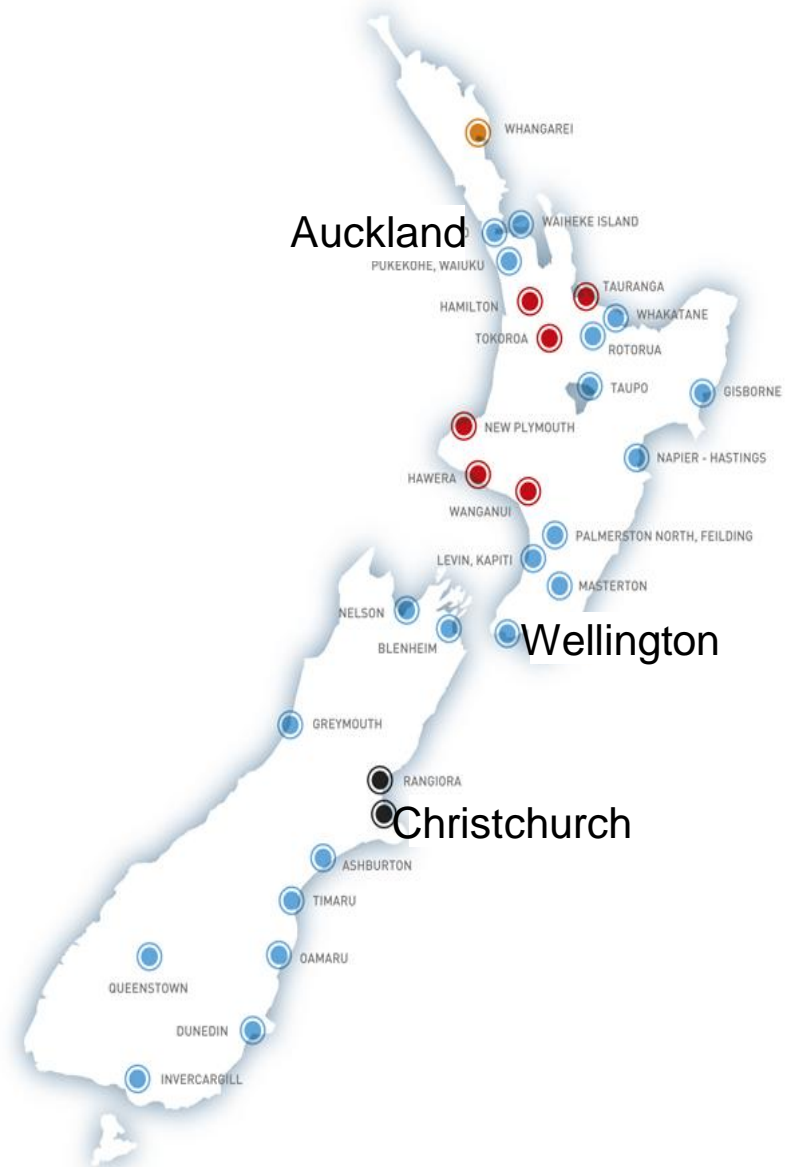


UFB revolutionises broadband

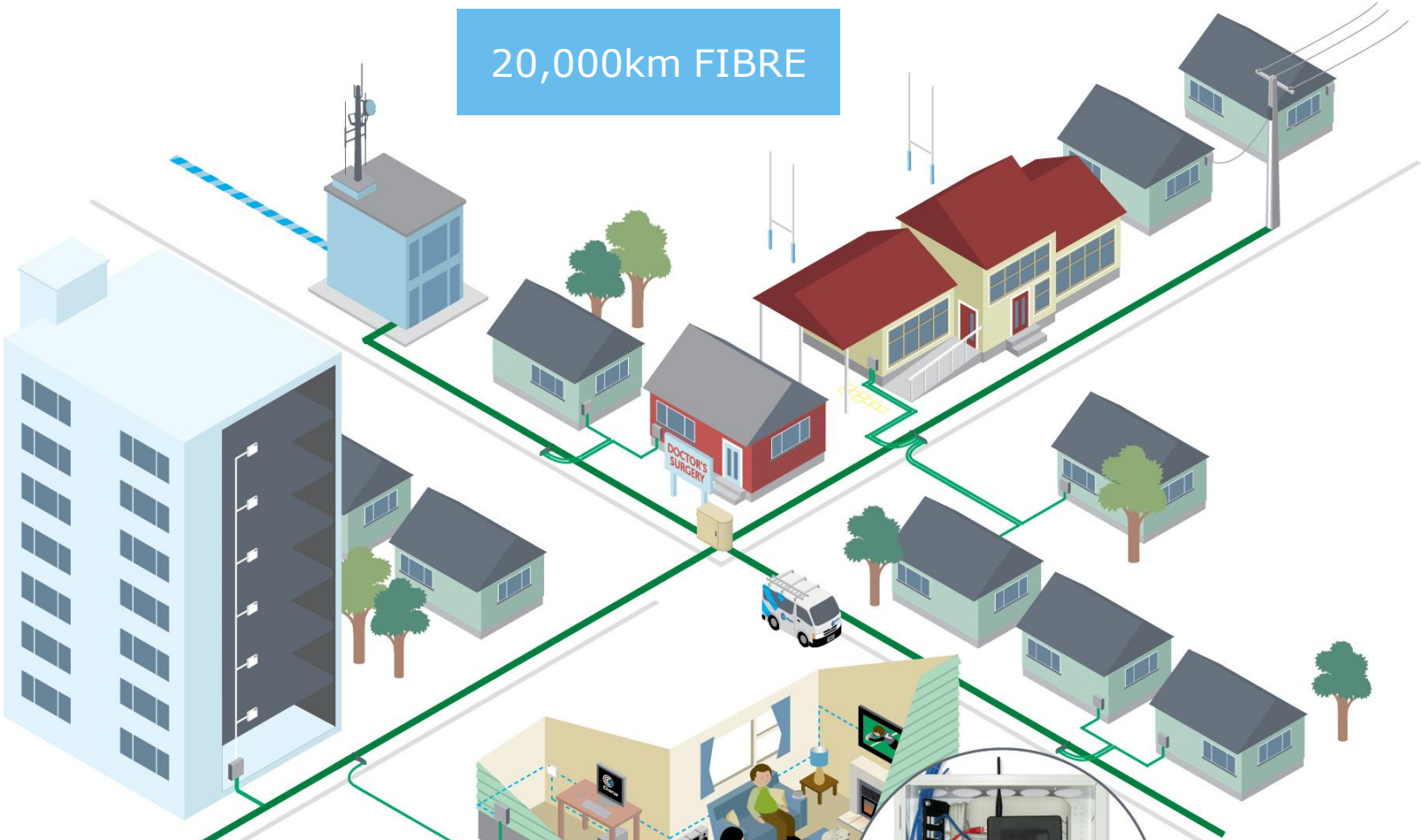
- > UFB is 100Mbps via fibre to 75% of population
- > Chorus partners with CFH in 24 regions (total 33)
- > Priority to reach schools, major health facilities and business centres by 2015
- > Delivering fibre to more than 830,900 premises by 2019

UFB Regions

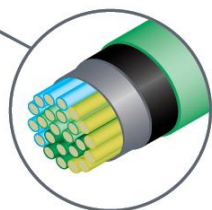
		<i>Areas:</i>	<i>% of UFB:</i>
		1	2%
		24	69%
		6	14%
		2	15%
Total:		33	100%



20,000km FIBRE



AIR
BLOWN
FIBRE



FIBRE TO
THE
PREMISES

Our deployment principles

- > Build on existing infrastructure
- > Areas of high demand and expected uptake
- > A cluster of priorities (schools, hospitals, businesses)
- > Balancing work across regions and service companies
- > Co-ordinate local works to minimise community disruption
- > Keep the community informed



What our build looks like

- > Lots of civil works
- > Cabinets are smaller
- > Fibre on the street usually underground – normal duct or air blown fibre
- > Fibre to the premise underground or aerial
- > Reinstatements in line with NZUAG COP
- > Keep the community informed



Keeping the community informed

- > Deployment briefings with Councils and Community Boards
- > Roll-out maps in community newspaper
- > 'Shed the Light' Night

PONSONBY / HERNE BAY

We're working to bring ultra-fast broadband to your neighbourhood.

Welcome to **your fibre future**

We're building a fibre network to connect homes, businesses, health facilities and schools in your area. Work in each street should be for a limited period and we'll do everything we can to minimise inconvenience to you. We thank you in advance for your patience.



We'll make an announcement when work in your area is finished. We're at the first stage of building a new fibre network and so fibre services are still in development. Your service provider will be in touch once they're ready to sign you up to their fibre offering and then arrange for us to get the fibre from the street to your place.



For more information about our work, call 0800 MY FIBRE (0800 693 427) or go online to chorus.co.nz/in-your-neighbourhood



Letter drops in work areas

Important information

We're installing fibre optic cables in your street for **ultra-fast broadband**



We're working

- > Signage to provide work details



A graphic design for a Chorus work sign. The background is white. The main text reads: "We're working to bring ultra-fast broadband to your neighbourhood". Below this, in smaller text, it says "Thanks for your patience" and "Find out more at www.chorus.co.nz/in-your-neighbourhood". The Chorus logo is in the bottom left corner, and "ANY CONCERN, CALL US ON 0800 MY FIBRE" is in the bottom right corner. A small image of a white Chorus van with blue ribbons is on the right side of the sign.



Better broadband for rural areas

Rural Broadband Initiative: who's doing what?



Chorus: delivers schools objective

- Fibre to schools, hospitals and wireless sites
- Fast broadband extended deep into rural NZ
- Backhaul services over open access fibre
- Enable fibre to the premises for some customers

Vodafone: delivers community objective

- Identifies sites, builds open access towers and equips them with technology to deliver community coverage
- Manages tower co-location, with price set to cover operational costs
- Developed and manages an RBI wholesale service

154 CELLSITES

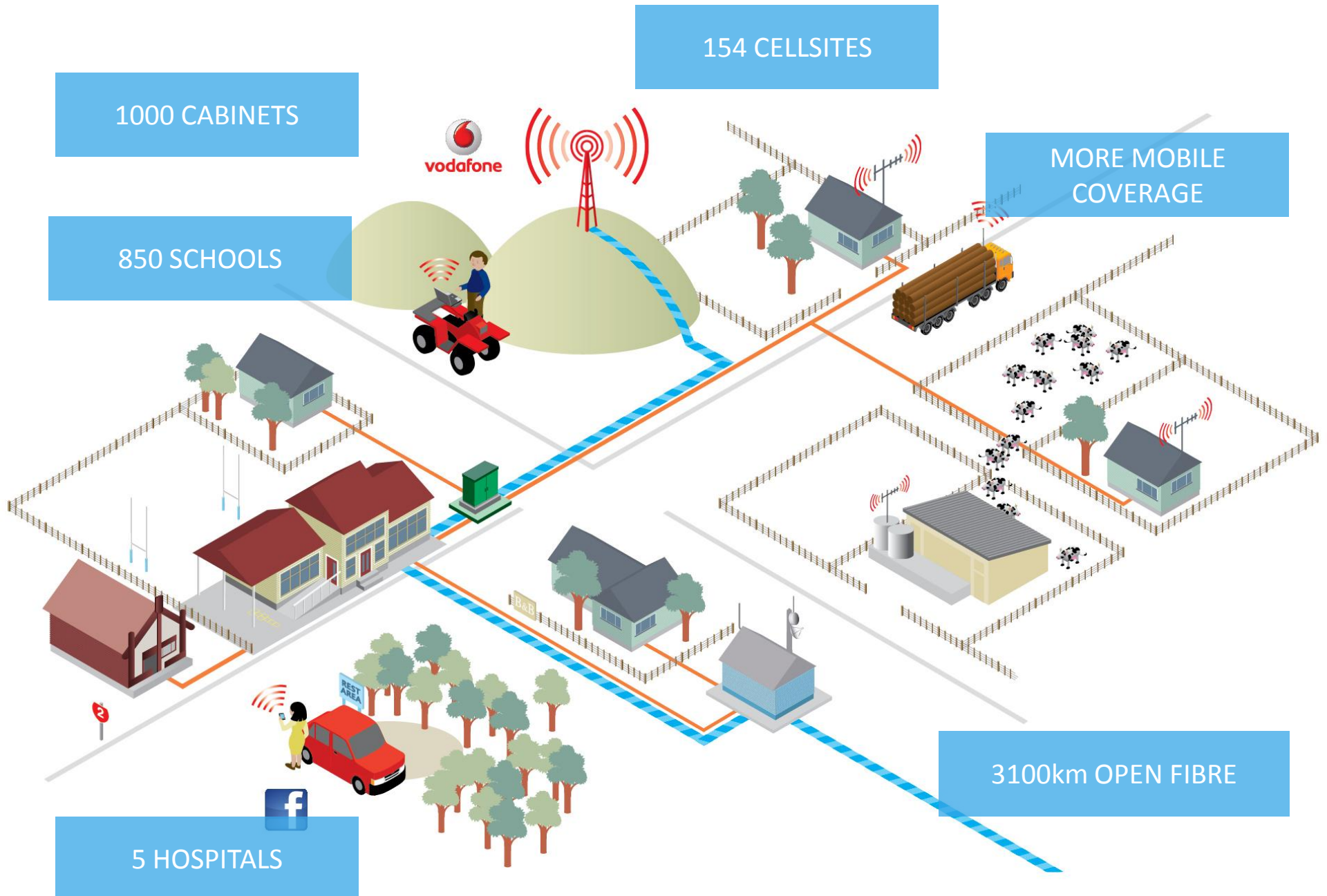
1000 CABINETS

850 SCHOOLS

MORE MOBILE COVERAGE

3100km OPEN FIBRE

5 HOSPITALS



People in Rural New Zealand



- **13% of NZ Households are in rural areas (population <1000)¹**
 - = 221,000 households, representing over 600,000 individuals
 - Most (180,000) are in areas with population <300

- **16% of rural people are Māori²**
 - Urban = 14% Māori



- **It's not just about agriculture²**
 - 86% of people living rurally do not work directly in agriculture

- **There is growth in some areas²**
 - Rural 'lifestylers' had the highest population growth rate between 1996 and 2006 (+35%)
 - Fastest growth sector for families with two or more children



- **But they are struggling to retain their youth²**
 - 15-39 year olds represent only 5% of the rural population, compared to 39% of the urban population

1: 2012 estimate based on Stats NZ Household Use of ICT Survey

2: 2006 census data (Stats NZ urban/rural profile)

The rural community is NOT homogenous



Rural – high urban influence

- A significant proportion of population work in main urban centres

22% of rural people



Rural - moderate urban influence

- A large percentage of the resident population works in a minor or secondary urban area

27% of rural people



Rural – low urban influence

- Majority of residents work in rural areas – strong rural focus

39% of rural people



Rural – remote

- Minimal dependence on urban areas in terms of employment

11% of rural people

So what does this mean?

The demographics of rural NZ

- 23% of NZ businesses and 13% of households are in rural areas
- Rural industries (agriculture, seafood, forestry) make up 71% of our exports
- But the majority of the rural population does not work on the farm = diverse needs
- Life-stylers are a growing (and wealthy) part of the rural population
- But rural youth are leaving for urban areas – for education, employment and entertainment



The connectivity challenge

- Broadband has a critical role to play in rural NZ – both in terms of overcoming the inherent challenges of isolation/distance and as a platform for innovation and economic growth
- Rural uptake of ICT currently lags urban, but this is not due to lack of interest or ability – availability and affordability are key barriers
- RBI will significantly improve both the availability, affordability and capability of broadband for many rural communities – but remote rural remains a significant challenge
- Opportunity for the industry to collaborate to find a solution

How do we get more New Zealanders to use the internet as a platform for innovation?

- > A 2012 Alcatel Lucent study into the value of UFB and RBI for New Zealand found that the **efficiency and productivity gains** in just four sectors – healthcare, education, business and agriculture – **could add up to a staggering \$33 billion over 20 years.**
Much of this came through **greater efficiencies in remote working, monitoring and inventory management**, use of cloud technologies.

- > These **sectors are significant** for the NZ economy **BUT** they have been amongst the **lowest early adopters of fibre** – SO the **potential upside is enormous** if we can get these sectors **focussed on the opportunities** and **partnering to develop the right applications** to meet their needs and grow their businesses.

- > This represents a stark opportunity in New Zealand
 - **86% of kiwis use the internet everyday** – and rely on it as our main source for informing buying decisions
 - **72% of us use it to purchase goods online** (and this is not just Trade Me)
 - Yet an MYOB survey found only **35% of small to medium businesses** have a dedicated online web presence

Community Leadership Needed

What is unique about your community?

What more can be done to take advantage of our massive investment?

What's stopping you?

How can we help?



Thank you

