

The Role of Broadband in Sustainable Communities

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Agenda

- Role of communication
- Telecom's investment
- Investment challenge
- Closing the investment gap
- How we start



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CONNECTING
NEW ZEALANDERS

Telecom

ferrit.co.nz
IT'S SHOPPING ON THE INTERNET

gen-i

AAPT
TELL IT LIKE IT IS

Telecom

Wholesale



Chorus

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Chorus

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Communication plays a central role in the creation and continuance of sustainable communities

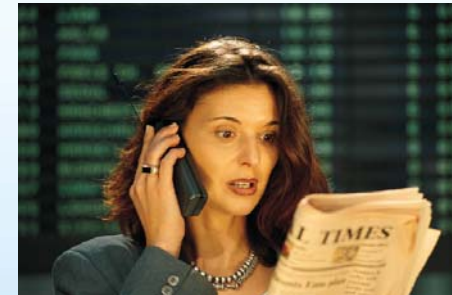
RESOURCE UTILISATION



KNOWLEDGE SHARING



ACCESS TO CURRENT NEWS & INFORMATION



COMMUNICATION

ACCESS TO PRODUCTS & SERVICES



SOCIAL INTERACTION



ENTERTAINMENT





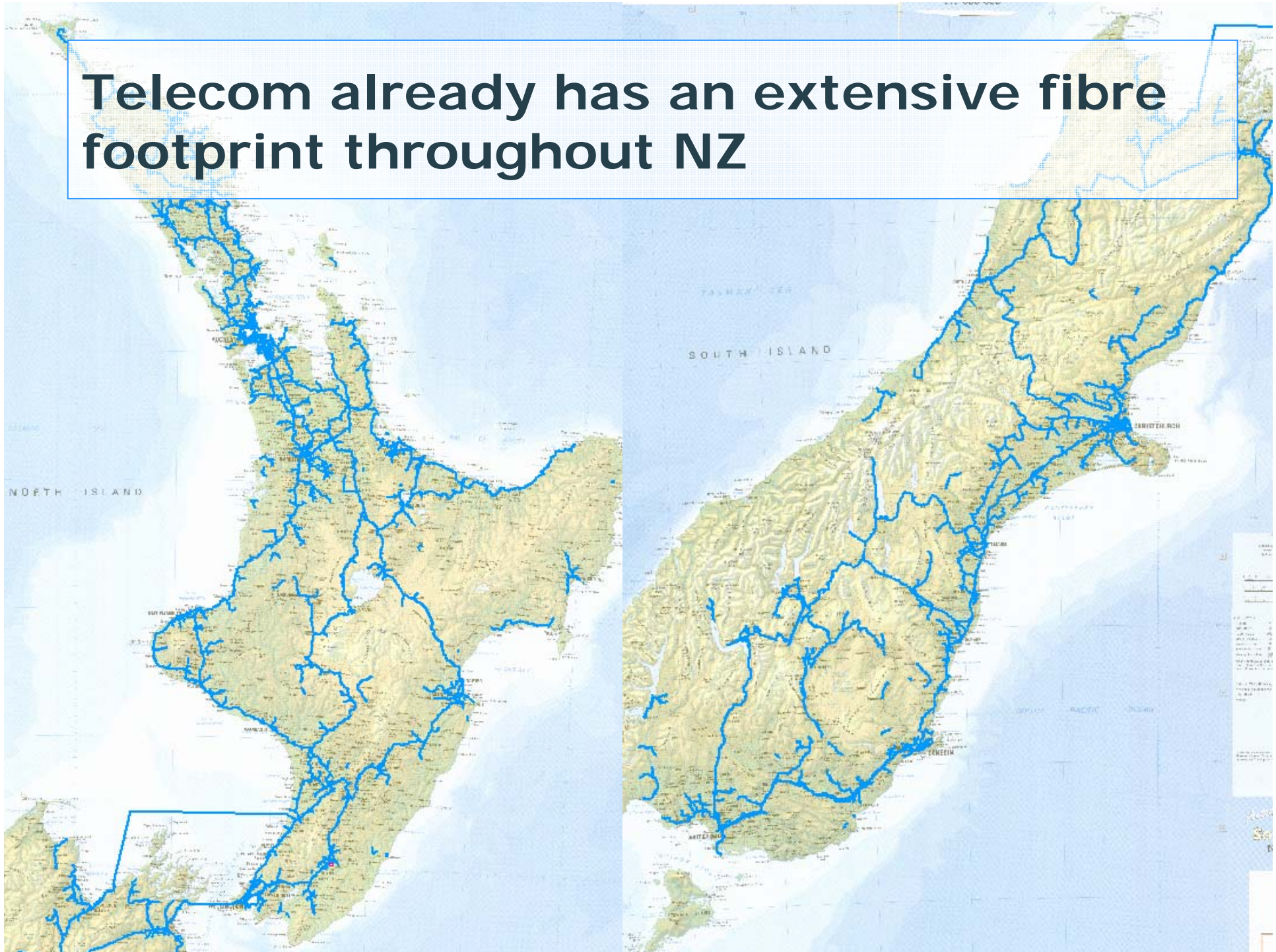
Broadband connectivity is changing the nature and speed of how individuals interact with their communities

Telecom plays a central role in connecting New Zealanders to their communities



- We have extensive broadband and mobile coverage where New Zealanders work, live and play
- We connect New Zealand to the rest of the world
- We employ more than 7,000 people scattered between Invercargill to Dargaville

Telecom already has an extensive fibre footprint throughout NZ

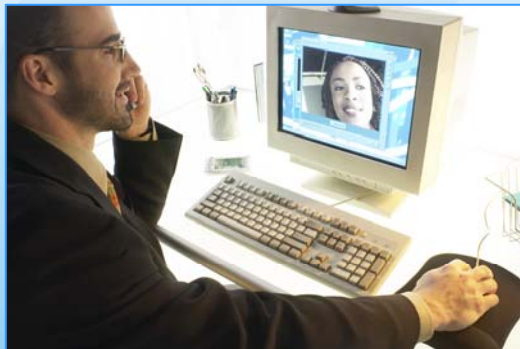


Our commitment:
**Build a *world-class* access network
enabling the delivery of broadband
connections between *10Mbps and 20Mbps*
to *80 per cent* of New Zealanders by the
end of *2011***



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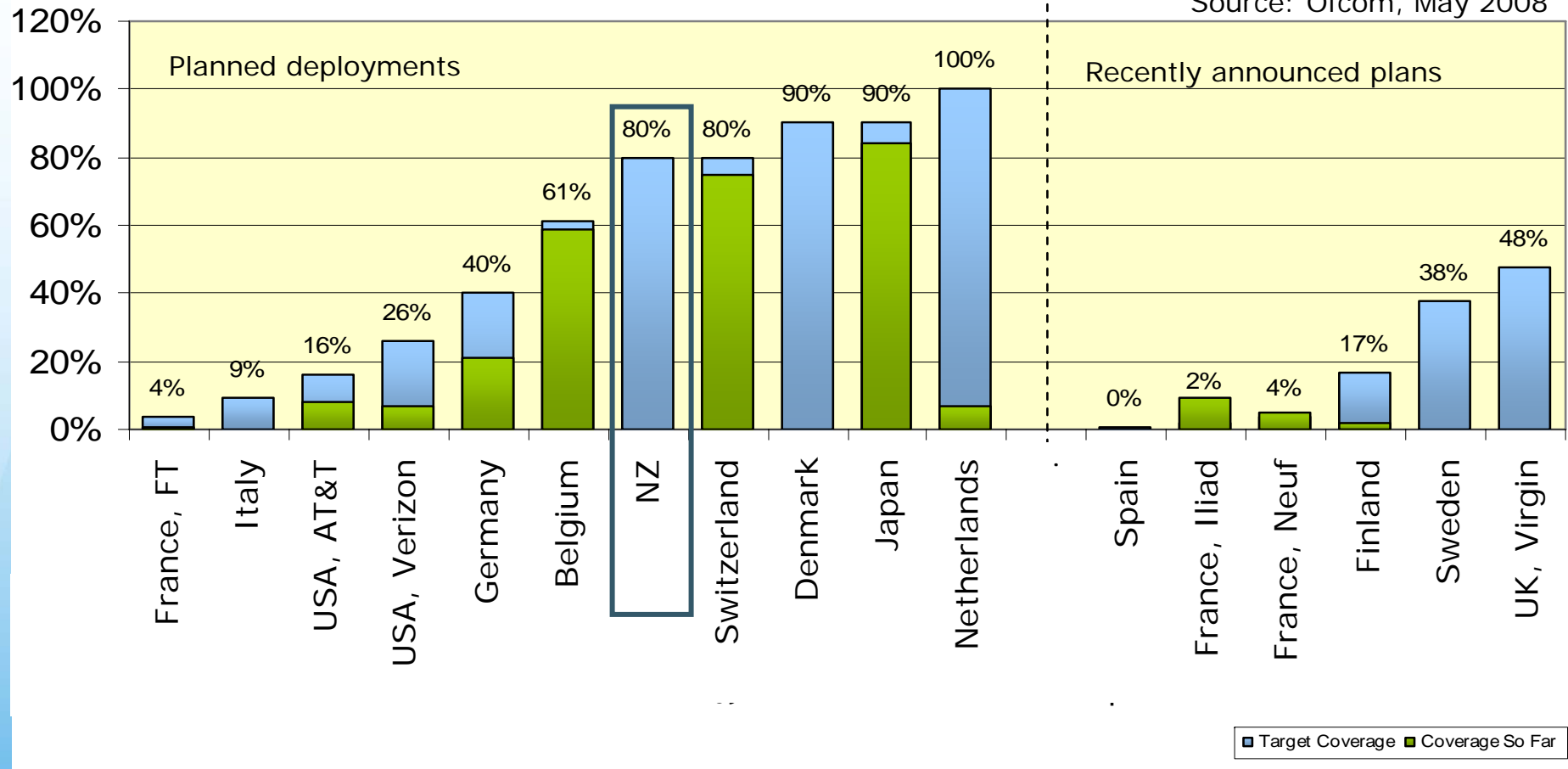
Our FTTN commitment delivers enough bandwidth for products and services now and in the future



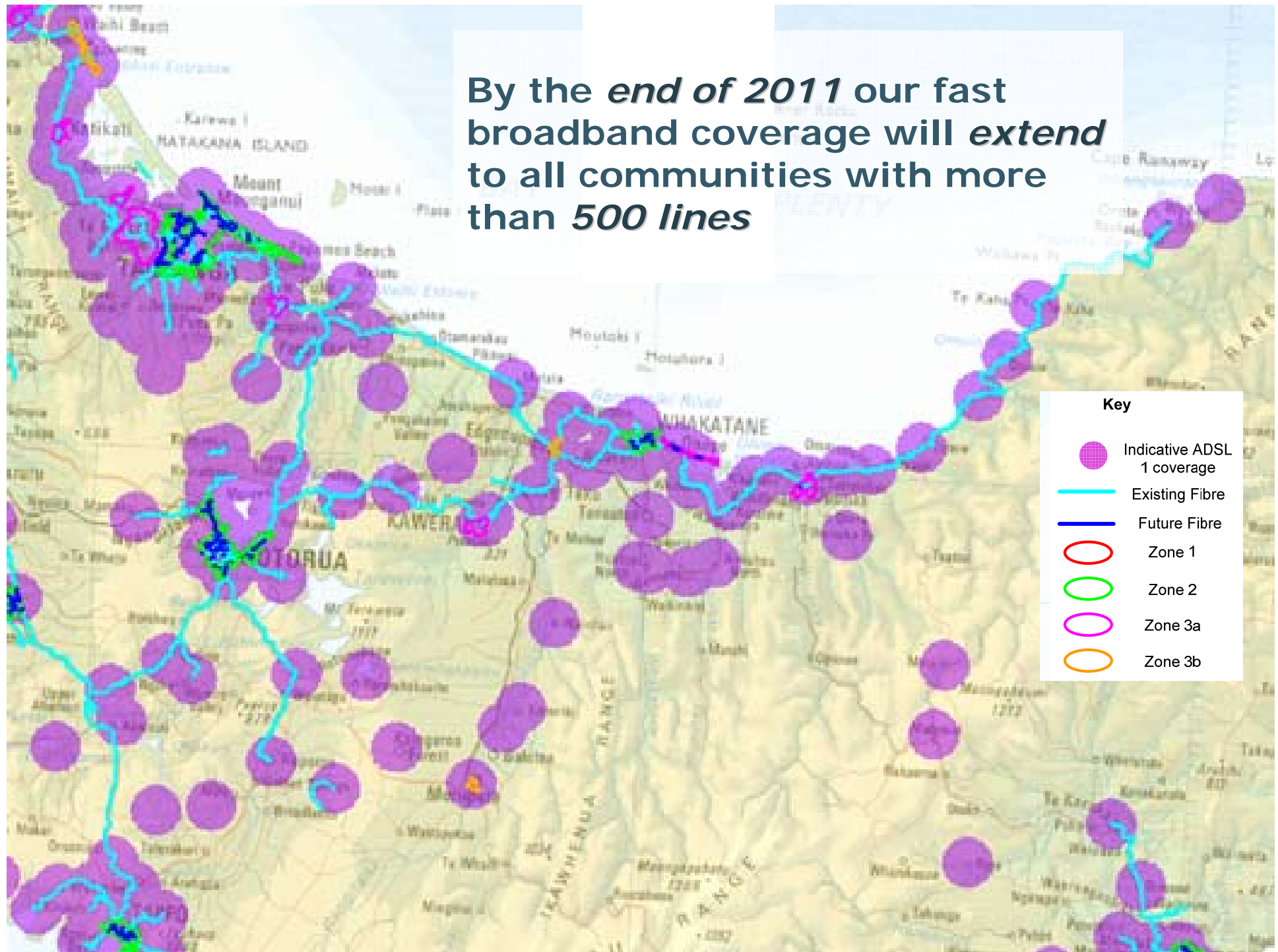
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Delivery on this commitment will position New Zealand well in world rankings

Source: Ofcom, May 2008

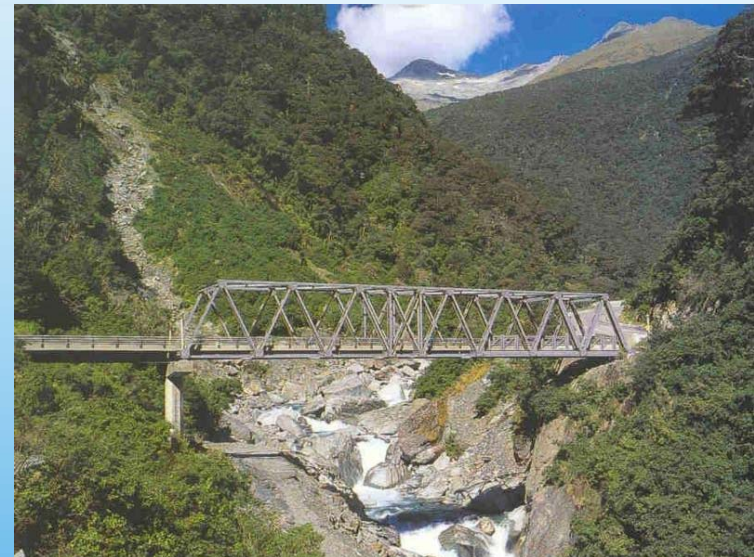


By the *end of 2011* our fast broadband coverage will *extend* to all communities with more than *500 lines*



However, provision of fast broadband service to some parts of our country is more challenging than others

- Topography
- Remoteness
- Population density
- Network configuration
- Demand



We are committed to *leave no stone unturned* to find a way that we can extend our infrastructure footprint *past 80 per cent*

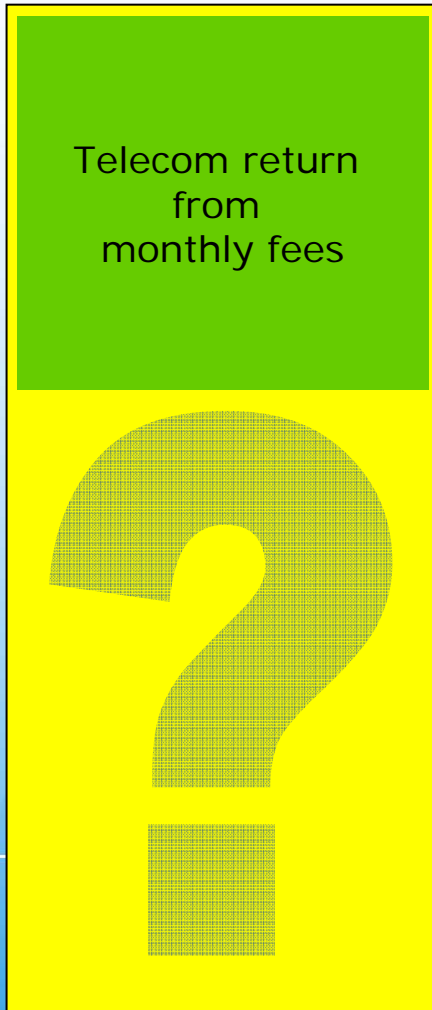
Conventional commercial deployment is unlikely to be viable. Self help and govt funding may bridge the gap.

DEMAND

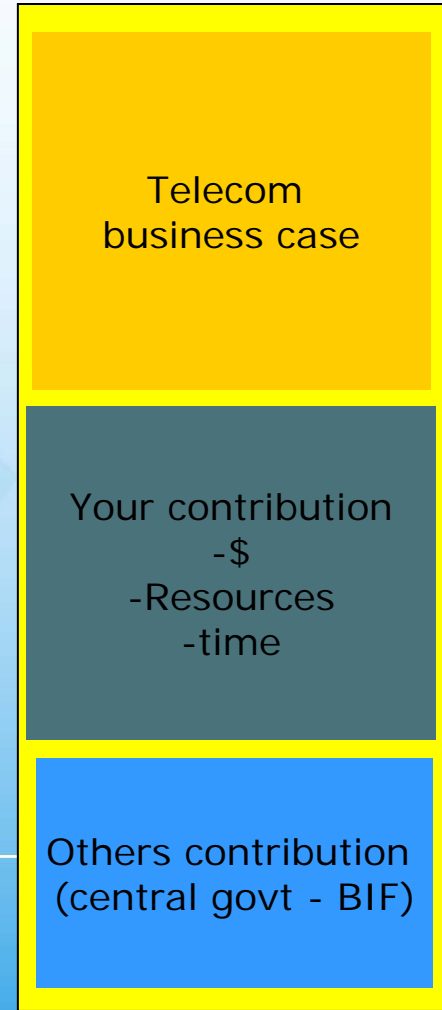
- Customer 1
- Customer 2
- Customer 3
- Customer 4
- Customer...
- Customer...
- Customer...

INVESTMENT REQUIRED

Initial investment + ongoing maintenance



RESOURCED BY ?



GAP

We've worked with local communities to meet broadband aspirations

The West Coast is sparsely populated with a challenging topography but high digital aspirations

Working with West Coast Development Trust and supported by the Broadband Challenge Fund, Telecom deployed

- 9 new DSLAMs in roadside cabinets
- 15 km of fibre optic cable
- additional 22 cabinets



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Councils have a role to play in bridging the investment gap

- **Crystallise priority areas** where the local community will reap the greatest social benefit and therefore is most likely to co-invest
- Develop a **technology plan** which sets out your regions digital aspirations
- Identify a **champion** in your region to lead the cause
- Build an understanding, capture and **communicate the needs** and demands of the geographic community that you represent
- **Aggregate demand**
- Identify **anchor tenants** in the region to help underwrite the investment
- Identify **resources** that may help us to lower the cost of deployment

Finally, world class infrastructure is not sufficient to create sustainable communities need. Adoption needs to be widespread and effectively used.



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We need to work together to extend broadband coverage in New Zealand

- Communication plays a central role in enabling sustainable communities
- Chorus, on behalf of Telecom, is taking a lead role in providing connectivity to meet the needs of New Zealanders
- Conventional commercial deployment of broadband will fall short of reaching all New Zealanders
- There is a social benefit of extended broadband coverage which will help to close the investment gap
- Chorus and local councils need to collaborate to achieve New Zealand aspirations for the digital age



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Any questions?

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For more information: www.chorus.co.nz



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