



# Benchmarking Broadband

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New Zealand's path to generating global broadband envy

September 2013



# New Zealand's broadband story

## Fast broadband availability has increased significantly

- ▶ Lines capable of >10Mbps have increased from 27% to 90%
- ▶ High speed capability now covers 64% of broadband lines
- ▶ We will be a top ten OECD fibre leader when UFB build is completed in 2020

## We are a broadband growth leader in the OECD

- ▶ In 2012, we were the \*highest-growth broadband market
- ▶ NZ is now 16<sup>th</sup> in the OECD for broadband penetration
- ▶ We have the highest level of broadband penetration for our wealth

## Users are not getting the best experience available

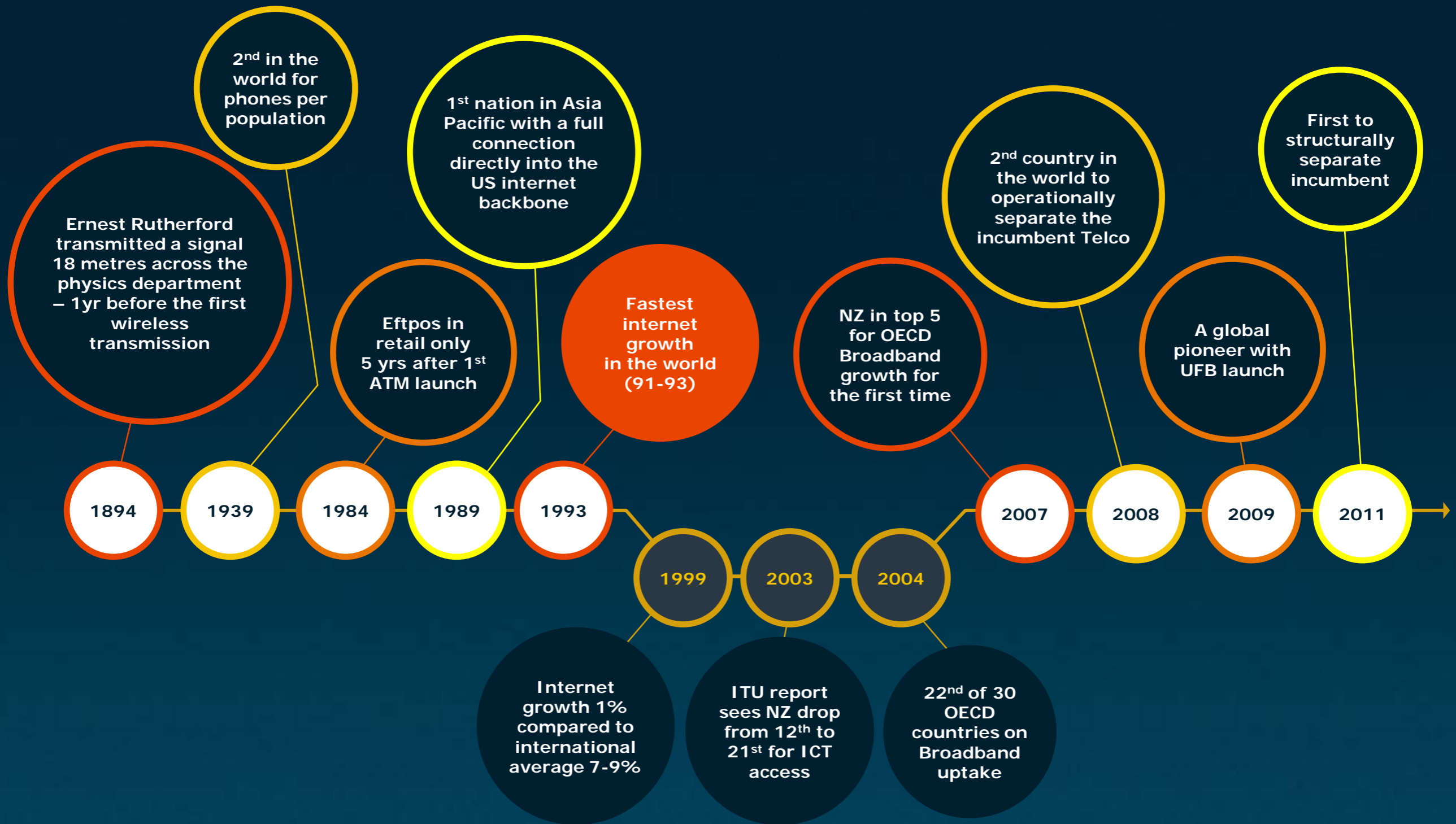
- ▶ Peak and average broadband speeds lag the world
- ▶ Contributing factors include home wiring/WiFi equipment, devices, backhaul provisioning, content servers
- ▶ Many users are not on the best broadband available

## And while we love the internet we are not using it to be more productive

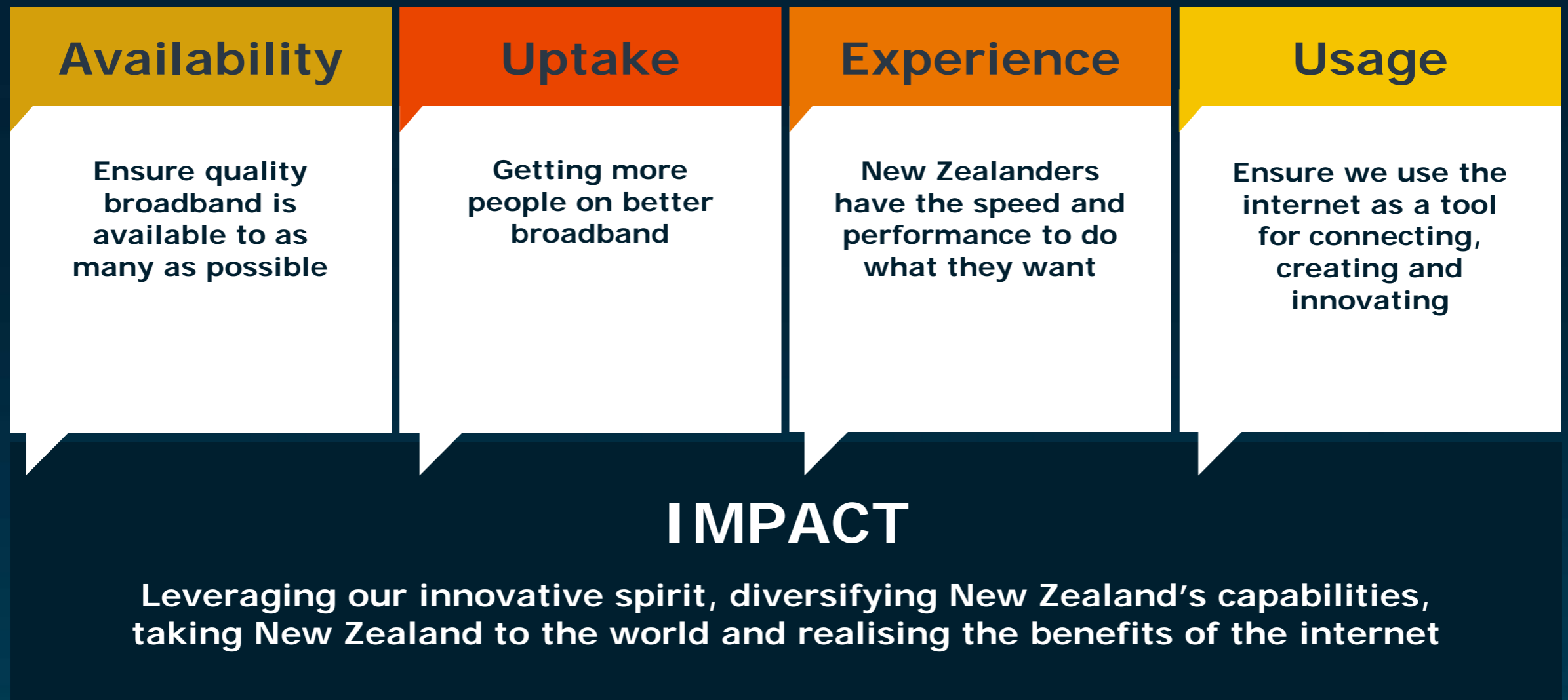
- ▶ 7<sup>th</sup> in the world for internet usage, 17<sup>th</sup> for economic utilisation
- ▶ Fibre opportunity is for \$33 billion in economic gains over 20 years

\*OECD broadband connections per 100 population

# NZ can be a leader – it has happened before

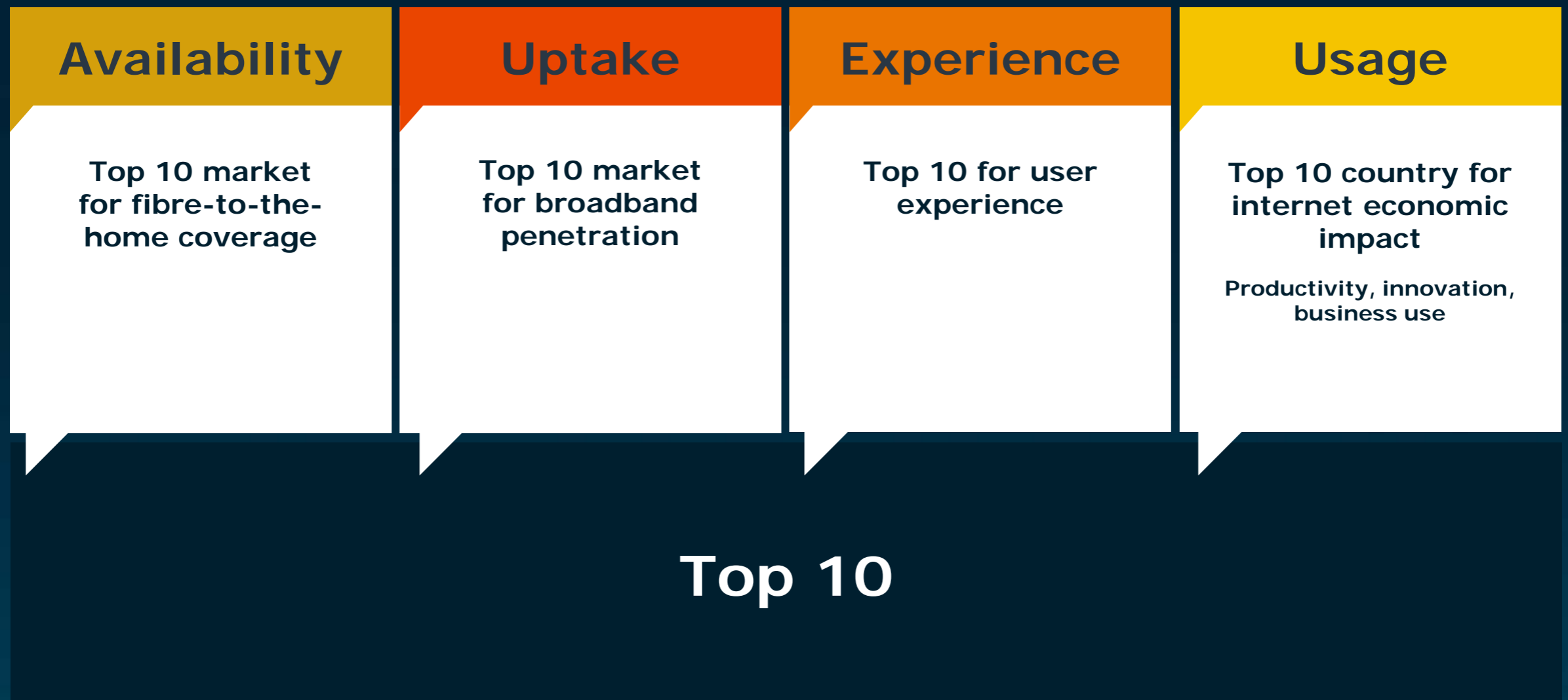


# To realise the potential benefits of broadband we need to perform across all areas





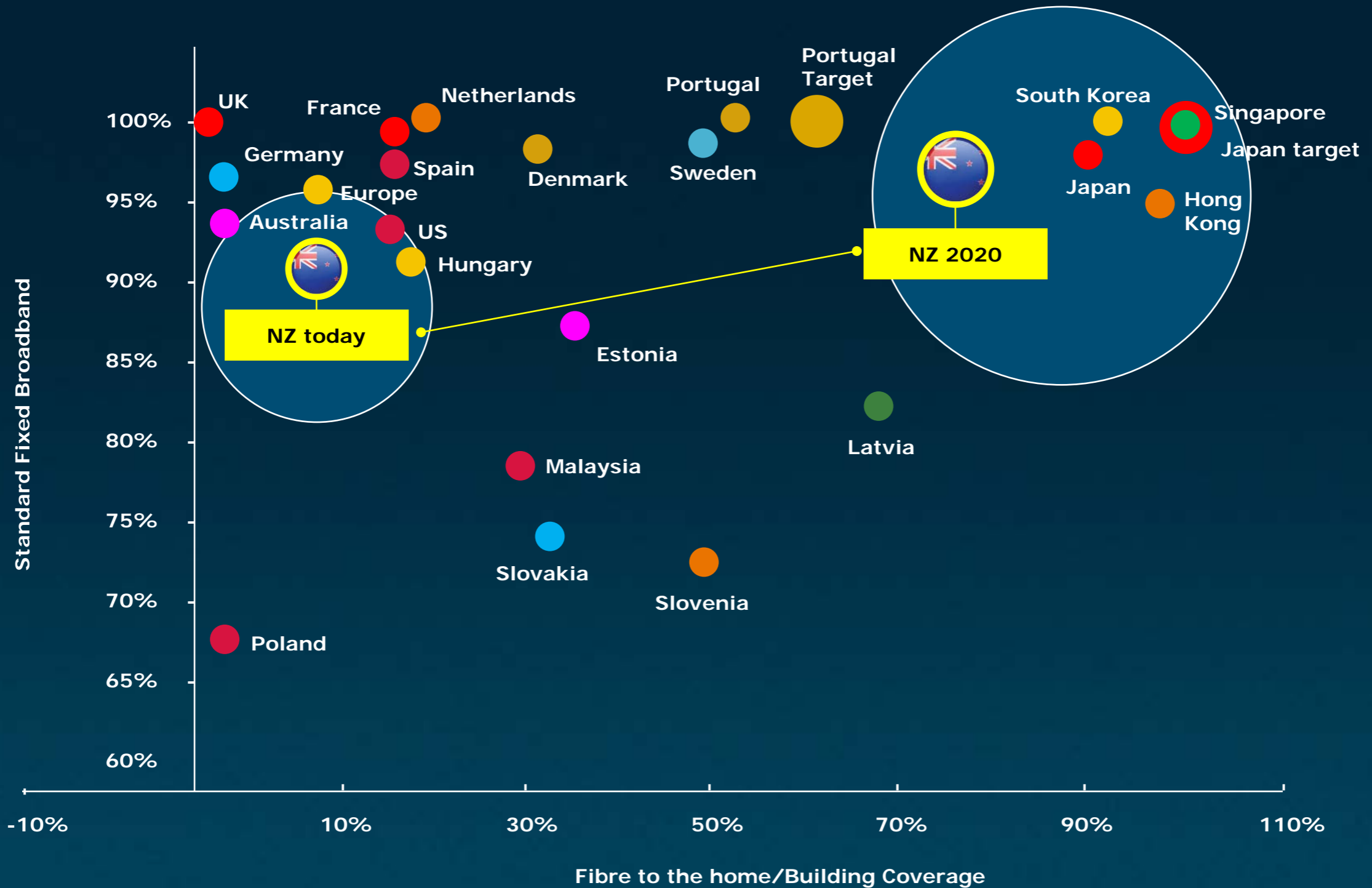
# Chorus believes we can be a top 10 market in these areas





# How New Zealand measures up against the world

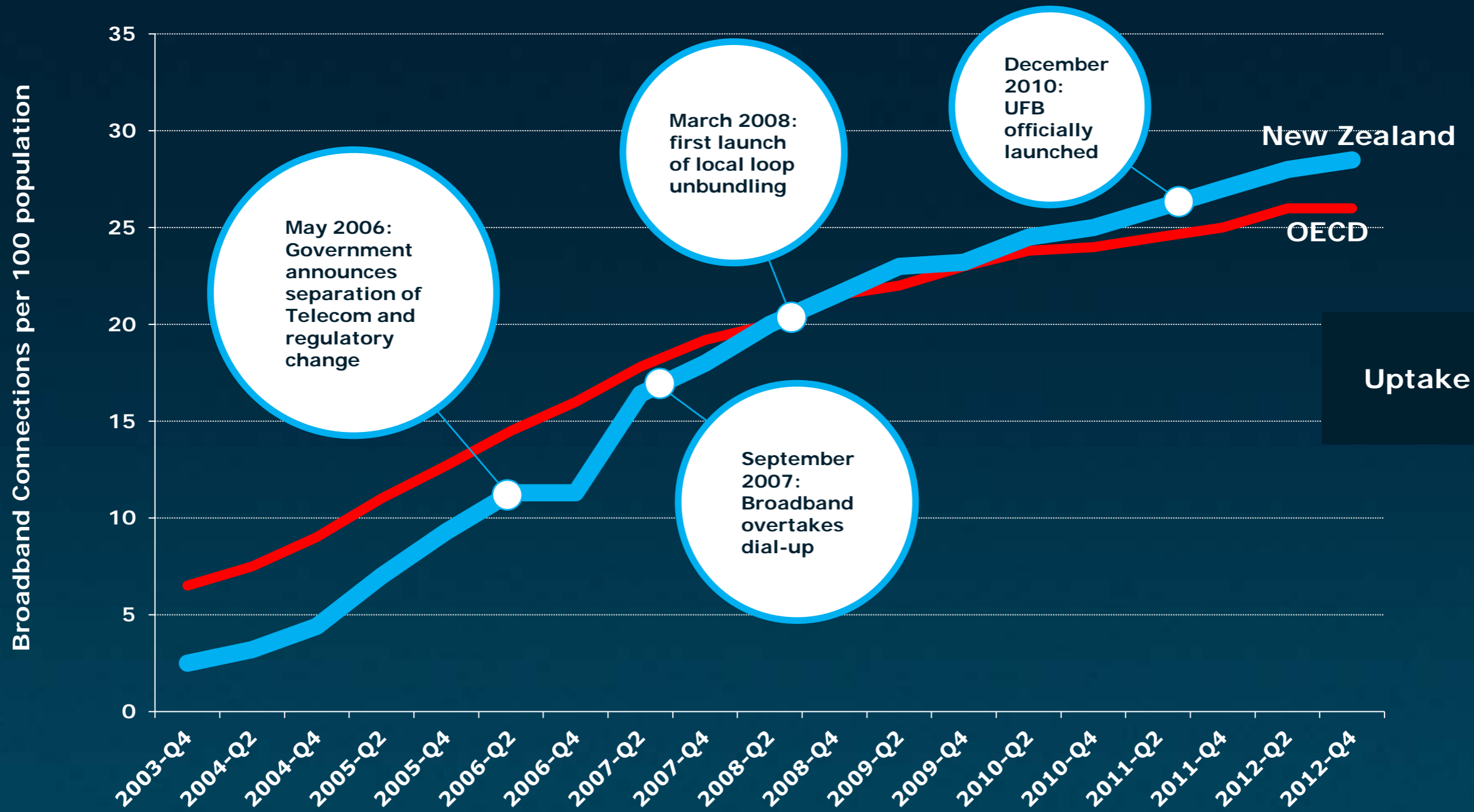
# Fibre to the home target of 75% moves us into the leadership quadrant for coverage



Source: Point Topic, iDate, Chorus, OECD

# We are maintaining our lead on the OECD average for broadband uptake

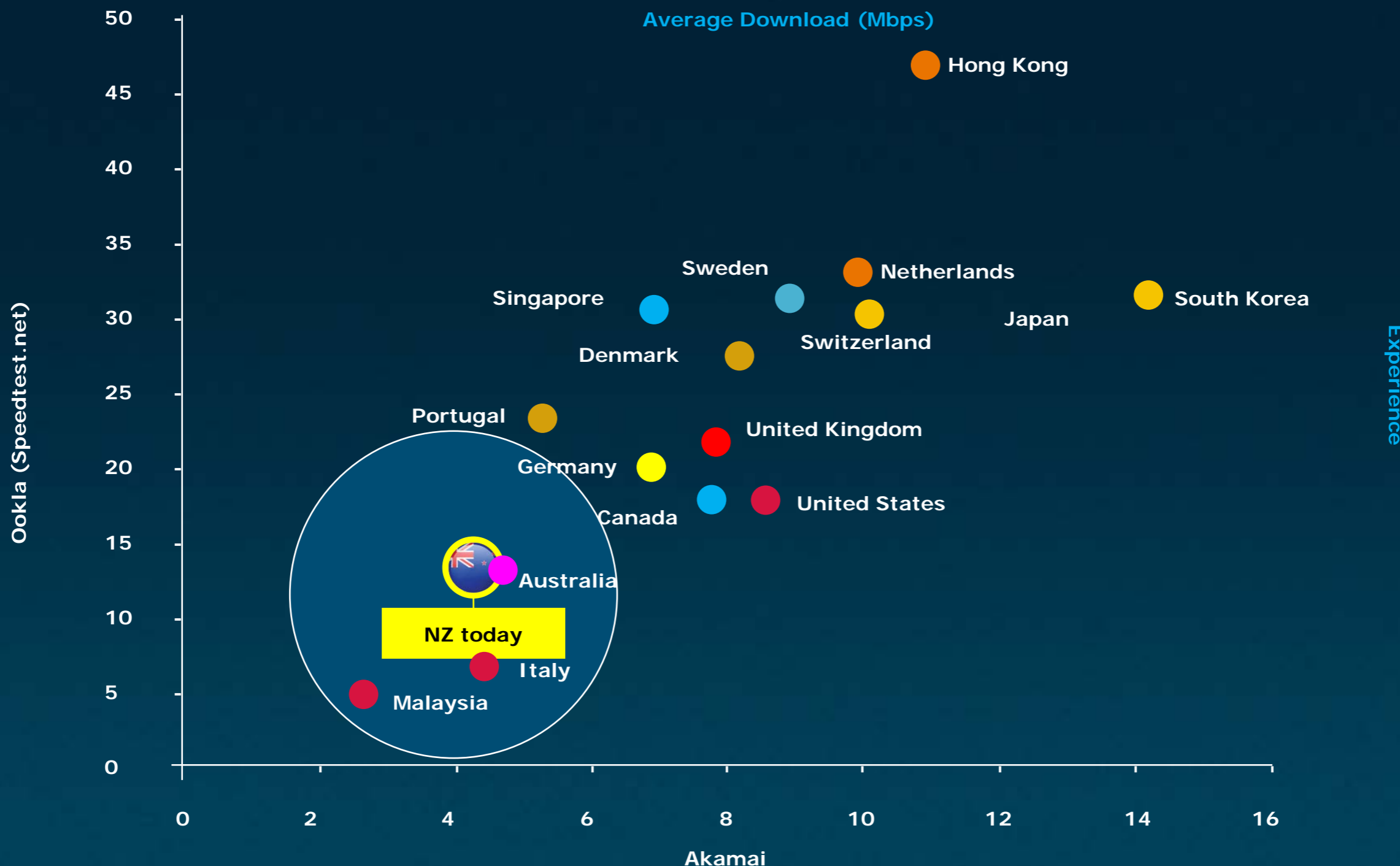
Wired Broadband Penetration Rates



Source: OECD, Chorus

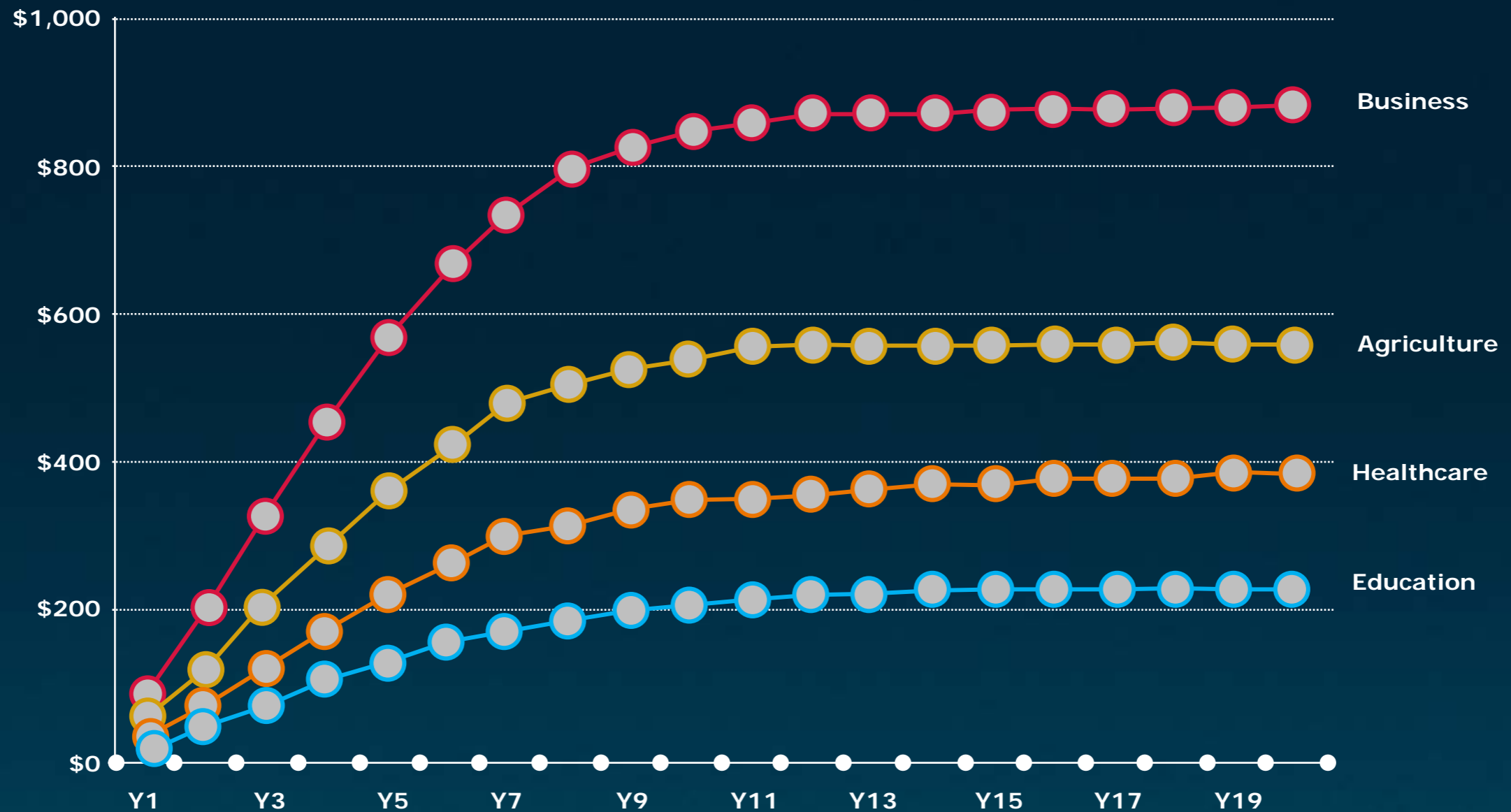


# Our broadband experience lags the world and improvement is slow



Source: Akamai, Ookla

# The prize at stake



**\$32.8 bn**

Source: Alcatel Lucent 'Building the Benefits of Broadband'

# The prize at stake (cont.)

Sector

**Business**



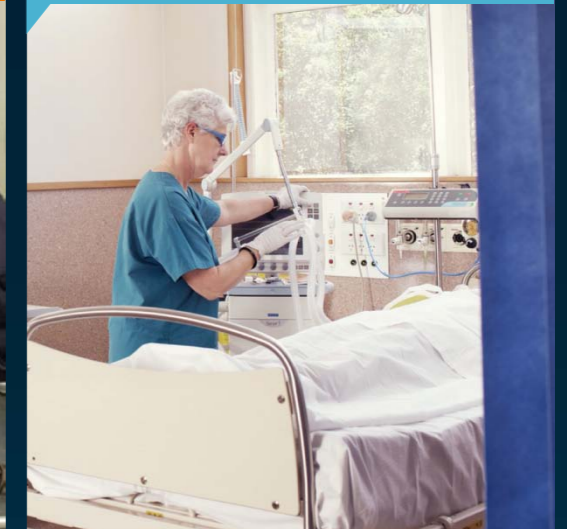
**Agriculture**



**Education**



**Healthcare**



Potential savings

**\$14.2bn**

**\$9.1bn**

**\$3.6bn**

**\$5.9bn**

# What will success look like for New Zealand?

1

Fibre demand explodes: at least a third of users in UFB areas on fibre by 2020

2

NZ creates global broadband envy as a centre of excellence for broadband innovation and productivity

3

Better broadband means better education, health and rural results; and we bridge the digital divide

4

NZ experiences economic and export growth based on internet innovation and productivity

Top 10



# Our broadband benchmarks - today

Area	Measure	Rank	
<b>Availability</b> (households passed)	VDSL: <b>51%</b>	<b>7th</b> of 33	Point Topic
	FTTH: <b>8%</b>	<b>23rd</b> of 37	iDate
<b>Uptake</b> (per 100 population)	Broadband: <b>28.6</b> Growth: <b>8.1%</b>	<b>16th</b> of 34 <b>3rd</b> of 34	OECD
	FTTH: <b>0.2</b> Growth: <b>123%</b>	<b>28th</b> of 34 <b>16th</b> of 34	OECD
<b>Experience</b>	Average Down-load: <b>4.4Mbps</b>	<b>43rd</b> of 173	Akamai
	Average Down-load: <b>13.2Mbps</b>	<b>47th</b> of 182	Ookla
<b>Impact</b>	Social Impact	<b>3rd</b> of 66	World Wide Web Foundation
	Economic Impact	<b>17th</b> of 66	World Wide Web Foundation

Average download speeds reported by Akamai and Ookla differ as they measure different aspects that influence download performance.

# Why broadband is vital

## NZ needs a new, sustainable roadmap for growth

- ▶ Exports are just 30% of the wealth we create – mostly from unprocessed commodities
- ▶ We work harder and earn less than most developed markets
- ▶ Our GDP is growing more slowly

## We face growing social challenges

- ▶ Ageing population
- ▶ Demand for skilled workforce
- ▶ Digital divide
- ▶ Urban/regional/rural divide

## Technology can transform our future

- ▶ Connecting the world to NZ
- ▶ Enabling innovation across communities
- ▶ Up-skilling our workforce
- ▶ Empowering small business

## Chorus believes NZ can create global broadband envy

- ▶ Our fibre to the home to 75% of New Zealand is bold
- ▶ Our broadband coverage and capability is high by international standards
- ▶ We need to measure our progress