BROADBAND DEPLOYMENT UPDATE



97.8%

of New Zealanders will have access to faster broadband by end 2019 (under phase 1 of UFB and RBI)

UFB

68.2% of the build in UFB1 areas has been completed. There are 240,625 users connected to UFB, a 22.4% increase in connected users since end of December 2015.

UFB uptake is 23.9%

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(V) Rural Broadband Initiative (RBI)

New tower builds and fixed copper lines upgrades have been completed.

Tower upgrades are 91.7% complete.

RBI uptake is 39.2%.

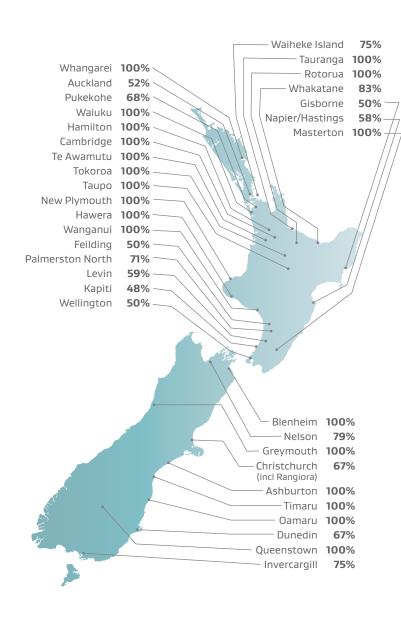
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Oriority Users

Targets for schools and hospitals have been reached.

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UFB DEPLOYMENT PROGRESS:



ULTRA-FAST BROADBAND INITIATIVE (UFB) — PHASE 1



UFB phase 1 is connecting 75% of New Zealanders with fibre to the premise by end 2019. Fibre will be capable of peak speeds of at least 100Mbps.

Highlights

- > 92 retail providers are actively offering UFB services.
- > UFB connections are now available in all **33 UFB candidate areas**. For information on whether you can connect to UFB, please contact your retail service provider or go to www.broadband.govt.nz

TABLE 1: UFB Progress at June Quarter 2016

	End users able to connect	Connected users
Added this quarter	85,116	44,016
Total to date	1,006,741	240,625

FIGURE 1A: Households and businesses able to connect

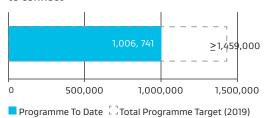
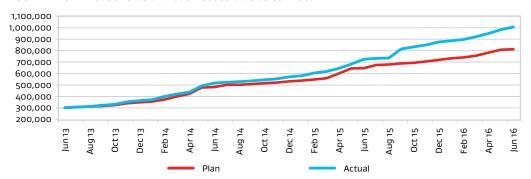


FIGURE 1B: UFB Households and businesses able to connect



→ UFB

Connecting WORLD to endless opportunities

Iconic New Zealand fashion brand WORLD wanted UFB in order to make the company more efficient and cut their technology costs. However, fast fibre delivered a whole lot more, and WORLD now offers a true Omni-channel retail experience for their clients, online and instore.

Owners, and New Zealand fashion icons, Denise L'Estrange-Corbet, Francis Hooper and Benny Castles were finding it increasingly difficult to keep tabs on what was happening across their stores. They needed a more efficient system to oversee staff and inventory management, keep employees safe, and to offer customers a world-class experience.

Their UFB connection has taken WORLD from relying on cumbersome offline processes, to using cloud-based applications powered by robust and fast connectivity. On their laptops, iPads and smartphones, and from anywhere in the world, they can check how sales are going, ensure instore displays are on point, and make sure that their staff are okay.



RURAL BROADBAND INITIATIVE (RBI) — PHASE 1



At the end of the first phase of the RBI, 90% of homes and businesses (outside UFB areas) have access to broadband at peak speeds of at least 5 Mbps. This is through fixed wireless and improved copper services (some rural homes and businesses will be able to choose between the two services). The RBI is also extending mobile coverage to rural areas across New Zealand.

TABLE 2: RBI Progress at June Quarter 2016

	Households and businesses able to connect*	Connections
Total to date	293,016	114,869

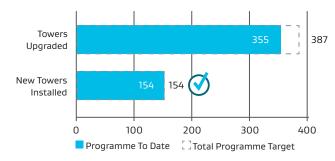
^{*}Households and businesses able to connect to both fixed wireless and enhanced copper have been counted once

Vodafone's role is the provision of fixed wireless broadband capable of peak speeds of at least 5Mbps and improved mobile coverage.

TABLE 3: Vodafone Progress at June Quarter 2016

	Towers Upgraded	New Towers Installed	Households Covered (Approximate)
Added this Quarter	17	12	9,953
Total to Date	355	154	279,430

FIGURE 2: Vodafone RBI



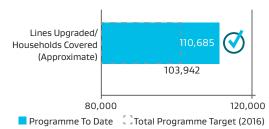
There were 1,634,652 individual mobile devices recorded as active on the new towers in the March 2016 quarter.

CHORUS' role is the deployment of fibre to cabinets, offering improved broadband services. Some residences will receive copper-based broadband speeds of up to 20Mbps.

TABLE 4: Chorus Progress at June Quarter 2016

Lines Upgraded (Approximate)	
2,343	
110,685	

FIGURE 3: Chorus RBI



RURAL BROADBAND INITIATIVE (RBI) — PHASE 1



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→ RBI

Waipu switched on with final cell site

The final cell site in the nationwide Rural Broadband Initiative (RBI) was switched on in Waipu this month, completing the world-leading programme to provide better broadband and mobile connectivity for New Zealand communities.

Since 2011 Vodafone has built 154 rural cell sites around New Zealand in partnership with the Government and Chorus, providing fixed wireless broadband and mobile coverage. Vodafone CEO Russell Stanners, who attended the cell site launch, said that connectivity and access to high-speed broadband have become essential for Kiwis living and working in rural areas.

"Being connected regionally, nationally and internationally ensures rural businesses remain competitive and keep innovating. Vodafone remains committed to extended coverage to rural New Zealand, and we will continue to invest in our network so all our customers gain access to the same benefits and opportunities as those living in urban areas," said Mr Stanners.

Tauranga-based technology company GPS-it was also at the launch of the cell site, demonstrating their innovative drone solutions for mapping farms and orchards and recording crop density. GPS-it's Matt Flowerday said that they are able to provide producers with information to support crop production and planning, and are even providing real time video analytics for coaches looking to take their sports teams to the next level.

"Having network coverage across rural New Zealand means we can send data from our drones back to our office from some fairly remote places. The RBI has been great for our business, and we hope to see this connectivity stretch even further around the country in the future," said Mr Flowerday.



PRIORITY USERS

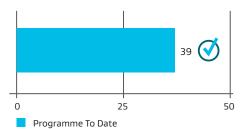


Schools have access to fibre capable of peak speeds of at least 100Mbps through the UFB or RBI. Remote schools have point-to-point wireless connections capable of peak speeds of at least 10Mbps.

FIGURE 4: Total UFB, RBI and Remote Schools



FIGURE 5: Total rural hospitals ready for service



→ RBI

Life's a beach with RBI

The Rural Broadband Initiative is bringing connectivity to some of New Zealand's most remote, rural, and best loved holiday destinations, keeping people connected even while they're living it up at the beach.

A survey of more than 7,000 bach owners by Chorus and Bookabach found that respondents were spending a substantial amount of their holidays online, with 71 percent connecting more than once a day while at the bach. In fact, 56 percent said they surf the net for more than an hour each day, whether it's to check the weather report,

stream movies on rainy days, or upload holiday snaps of the family.

People were also more likely to extend their holiday if they had reliable connectivity, with 45 percent saying they'd stay away for a week or longer if their broadband connection allowed them to work remotely. The majority of people (85 percent) also said they could work from the bach if they had broadband, letting them to get away from home for longer, and putting more money into regional economies.



■ Website

The quarterly broadband update is available in PDF format through the Ministry's website:

www.mbie.govt.nz/info-services/sectors-industries/technology-communications/ fast-broadband/deployment-progress

■ Data Sources

The broadband deployment update is compiled with information from Crown Fibre Holdings and the various companies mentioned in this update.

This update covers the June quarter (1 April - 30 June 2016).

■ Next Release

The next quarterly broadband update is scheduled for release November 2016.

Please forward any enquiries to:

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