

Please refer to:

4.3/J5621  
444449-1

2 February 2006

**Hon David Cunliffe**  
Minister of Communications  
Parliament Buildings  
Wellington

Dear Minister,

**Broadband Uptake Monitoring**

The Commerce Commission has completed its monitoring of the uptake of residential broadband services provided or supported by Telecom New Zealand Limited.

The monitoring program tracks Telecom's performance against targets of:

- 250,000 residential broadband connections on Telecom's fixed network by the end of 2005, of which
- more than a third (approximately 83,000) are supplied by Telecom's wholesale customers.

As at 31 of December 2005, Telecom reported a total of **279,123** residential broadband connections comprising 215,628 retail connections and **63,495** wholesale connections. This represents 111.6 percent of the aggregate target and 76.5 percent of the wholesale target.

The attached tables summarise the quarterly changes in the uptake of Telecom's retail, wholesale and aggregate broadband connections on the fixed network.

Yours Sincerely,

Douglas Webb  
Telecommunications Commissioner

<b>Telecom New Zealand Residential Broadband - Retail</b>			
	<b>256Kbps - 512Kbps</b>	<b>&gt;512Kbps</b>	<b>Total</b>
Quarter 3 2004	60,604	13,803	74,407
Quarter 4 2004	71,375	44,351	115,726
Quarter 1 2005	98,146	53,858	152,004
Quarter 2 2005	115,084	60,560	175,644
Quarter 3 2005	131,791	65,236	197,027
<b>Quarter 4 2005</b>	<b>146,407</b>	<b>69,221</b>	<b>215,628</b>

<b>Telecom New Zealand Residential Broadband - Wholesale</b>			
	<b>256Kbps - 512Kbps</b>	<b>&gt;512Kbps</b>	<b>Total</b>
Quarter 3 2004	36	6	42
Quarter 4 2004	7,029	50	7,079
Quarter 1 2005	15,845	2,088	17,933
Quarter 2 2005	23,037	7,246	30,283
Quarter 3 2005	32,020	15,039	47,059
<b>Quarter 4 2005</b>	<b>35,848</b>	<b>27,647</b>	<b>63,495</b>

<b>Telecom New Zealand Residential Broadband - Aggregate on the Fixed Network</b>			
	<b>256Kbps - 512Kbps</b>	<b>&gt;512Kbps</b>	<b>Total</b>
Quarter 3 2004	60,640	13,809	74,449
Quarter 4 2004	78,404	44,401	122,805
Quarter 1 2005	113,991	55,946	169,937
Quarter 2 2005	138,121	67,806	205,927
Quarter 3 2005	163,811	80,275	244,086
<b>Quarter 4 2005</b>	<b>182,255</b>	<b>96,868</b>	<b>279,123</b>