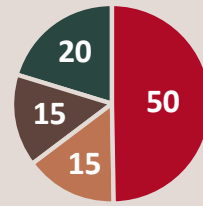


What makes up wholesale broadband prices in New Zealand?

The Commission has been asked to model the cost of building and operating New Zealand's copper line broadband network from scratch, in order to set the monthly wholesale price Chorus can charge internet providers. Averaged over five years, this infographic is designed to illustrate the costs that make up the **\$37.89** monthly price we have set for this network for Year 1.



Cost breakdown (%)

- Civil engineering, cables and joints
- Network assets
- Business administration
- Operating costs

Civil engineering, cable and joints

Construction costs, including planning, consents, trenching, cable laying and joining and the costs of the physical infrastructure (cables and joints).

Total = **\$18.87**

EXCHANGE

Network assets

Buildings, exchanges and cabinets.

Total = **\$5.73**

Business administration

Standard overhead business costs including payroll, IT, rent, insurance, maintenance, etc.

Total = **\$7.66**

Operating costs

Running and maintaining the physical network, including repairs.

Total = **\$5.63**