

**MARKET RELEASE**  
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## **Spark New Zealand welcomes direction of Telecommunications Act review as step towards greater certainty for industry**

Spark New Zealand welcomed today the Government's announcement of a series of high level policy decisions on the future regulation of the telecommunications sector.

The policy decisions will set the framework for a review of the Telecommunications Act which will determine how the industry will be regulated post 2020.

In particular, the review will determine how much the wholesale companies who own the fibre and copper lines networks can charge broadband retailers like Spark to provide services across their networks.

"We welcome the Government's early engagement with industry, and its commitment to determining the regulatory settings that will apply from 2020 well in advance of that date. The certainty this will provide will be an important factor in ensuring a healthy, competitive market for the benefit of consumers," said Spark's General Manager Regulation, John Wesley-Smith.

"Wholesale lines charges make up about half the cost most New Zealanders pay for their broadband, so it's important we get these charges set right. It's also important to ensure all levels of the industry have the appropriate regulatory settings to encourage continued investment in better technology and services."

Mr Wesley-Smith said Spark New Zealand supported the Government's decision to move to a common framework for regulating both fibre and copper lines charges, using a utility-style "building blocks model" pricing methodology. Spark

supported the building blocks model in principle, in its initial submission to Government on the regulatory review last year.

The Government has also signalled the Telecommunications Act review will look at ways to better support competition in the mobile market. In particular, it will look at ways to support the sharing of infrastructure through roaming and co-location of services, and also look at whether national roaming services should be price regulated.

Mr Wesley-Smith said while it makes sense for the Government to periodically review the regulatory settings in key markets, the New Zealand mobile market was very competitive, with Spark and Vodafone having deployed nationwide mobile networks and 2degrees well advanced in achieving the same. All three mobile network operators were investing in cutting-edge technologies and investing in better services for rural New Zealand and all three faced strong commercial incentives to share infrastructure where possible to minimise costs.

The Government will consult further with industry later this year on details of the Telecommunications Act review. Spark New Zealand looked forward to constructively participating in the review process, Mr Wesley-Smith said.

For further information on the review see [www.mbie.govt.nz/telcoreview](http://www.mbie.govt.nz/telcoreview)

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For media queries, please contact:

Richard Llewellyn

Head of Corporate Communications +64 (0) 27 523 2362

For investor relations queries, please contact:

Stefan Knight

General Manager Finance and Business Performance +64 (0) 27 252 9438