



## **MARKET RELEASE**

**15 March 2019**

### **Spark New Zealand welcomes Government announcement on renewal of existing mobile spectrum rights**

Spark New Zealand welcomes the Government's announcement that, as expected, it will renew all the rights held by mobile network operators in the 2100 MHz spectrum band and most of the rights held by mobile network operators 1800 MHz spectrum band. The Government is holding aside a portion of existing rights in the 1800 MHz spectrum band for potential use by emergency services.

The current rights Spark and other mobile network operators hold in these spectrum bands are due to expire in 2021. The renewal rights offered by the Government will be for a 20-year term out to 2041.

Spark General Manager of Regulatory Affairs John Wesley-Smith said the Government has offered Spark renewal rights for 40 MHz in the 1800 MHz band (currently Spark holds the rights to 50 MHz in this band) and for 30 MHz in the 2100 MHz band (equal to Spark's full current allocation in this band).

Renewal rights to this spectrum are being offered by the Government at a price of \$720,000 per MHz, which would represent a total outlay of \$50.4 million excl. GST for Spark. Companies accepting renewal offers will have the option to make payment around the time of renewal in 2021, or to pay by equal yearly instalments over the following five years (with market interest rates applying). Spark intends to accept its renewal offers but has yet to determine the payment approach it intends to adopt.

"We are disappointed that the full allocation of Spark's spectrum rights will not be renewed and we will need to accommodate this in our network planning. However, the reduction of 1800 MHz spectrum is not unexpected and we are confident we can continue to provide the same level of high quality mobile services to our customers in the future as we do today.

"We also accept that the creation of a spectrum band that could be used by emergency services could serve New Zealanders well" said Mr Wesley-Smith.

Mr Wesley-Smith emphasised that the 1800 and 2100 MHz band spectrum rights are separate from and different to the spectrum rights being considered for future 5G services.

Aside from 5G spectrum, the next renewal of mobile spectrum rights - for the 2600 MHz spectrum band - is not expected to occur until late 2028 when the current rights for that spectrum band expire.



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