



# Vodafone response to RSM Draft Five-Year Spectrum Outlook 2022-2026

28 February 2022

## Introduction

1. Thank you for the opportunity to provide our views on the Radio Spectrum Management's (RSM) draft five-year spectrum outlook 2022-2026.
2. Vodafone New Zealand is one of Aotearoa's leading connectivity companies and we offer a range of broadband, mobile and technology products. We are focused on creating a better future for Aotearoa New Zealand through remarkable technology solutions that simplify lives and businesses and operate New Zealand's largest 5G network. We maintain almost three million connections with consumer, business, public sector and wholesale customers via Vodafone and Farnside, New Zealand's rural broadband specialist. We're proud to help other Kiwi businesses to thrive by partnering with world-leading brands to offer best-in-class ICT services. Vodafone New Zealand is owned by Infratil and Brookfield Asset Management and we are a partner market in the Vodafone Group, one of the world's largest telecommunications companies. For more information, please visit [www.vodafone.co.nz](http://www.vodafone.co.nz).
3. Vodafone welcomes the draft five-year spectrum outlook. Access to spectrum in the right bands is key for our ability to provide mobile connectivity, and roll out new technologies, such as 5G, across New Zealand. The more spectrum that is available, the less infrastructure is required to deliver and enhance connectivity to New Zealanders, including customers in regional and rural parts of the country. It is therefore encouraging to see RSM plans to carry out a review and re-plan of key spectrum bands, consider



sharing of spectrum and review regulatory frameworks in the next five years. We have set out our views on the draft outlook below.

## Our response

### 600MHz

4. We note that RSP Work Plan Priorities include 'Review and re-plan 600 MHz spectrum, including technical consultation.' We welcome this priority. This low frequency spectrum is scarce, and it is therefore critical to maximise available spectrum in this band.
5. However, 600MHz is not mentioned under allocation design and implementation plans for this period. It is therefore unclear whether RSM plans to allocate 600MHz before or after 2026.
6. While it is encouraging that RSM plans to progress work on a review and re-plan of the 600MHz band, we strongly urge for the allocation of spectrum in this band to Mobile Network Operators (MNOs) to take place within the next 5 years too.
7. The draft outlook report highlights 600MHz spectrum as one of the key bands for the nationwide rollout of 5G. Vodafone has already made progress on the rollout of 5G in urban parts of the country. 600MHz will be critical for the extension of the 5G network to rural New Zealand, as propagation characteristics of this band are best for areas with lower population density.
8. In addition to 5G rollout, 600MHz is also important for adding capacity to rural broadband networks. The quality of rural connectivity is a live issue, and one of the key priorities for MBIE and its Future of Connectivity strategy (as noted in this draft outlook). Allocation of 600MHz to mobile operators will help unlock improvements in rural connectivity, which is why we strongly believe that allocation of this band should be accelerated.
9. We understand that clearance of this band is a dependency for allocation and have engaged with RSM on this. We believe that there are a number of viable options available for clearing this band within the time frame to enable the allocation before 2026.
10. We also urge for this band to be made available exclusively for mobile operators' use. This will likely double the amount of sub 1 GHz band used by MNOs which would bring significant benefits to New Zealand's communities, businesses and the economy, particularly in rural areas. In the meantime, current constraints on the availability of this spectrum should be specifically acknowledged in any objectives set by Government regarding the enhancement of regional and rural connectivity.



## Regulatory settings for satellite operators

11. The draft outlook notes that RSM will 'provide information on regulatory settings for satellite operators.'<sup>1</sup>
12. We recognise that the new generation of fixed satellite broadband providers offer an alternative for connectivity in the hardest-to-reach parts of New Zealand. However, under the current licencing regime, they are effectively using radio spectrum for free. As large overseas companies offering fixed satellite broadband become more established in the New Zealand market, the direct competition with domestic MNOs that operate 4G and 5G networks will increase.
13. There is no justification for MNOs to face an unequal cost structure for spectrum access than is faced by satellite operators, particularly when the wider economic contribution of MNOs and the regulatory framework they are subject to as domestic connectivity providers is taken into consideration.
14. There are a few possible licence options that would help level the playing field by bringing the spectrum cost per customer or spectrum cost as the portion of relevant revenue on par with the system for the IMT MNOs. These include:
  - a. Licencing individual user equipment on an annual fee basis
  - b. A one-off fee similar to what MNOs pay for using the cellular spectrum.
15. We look forward to seeing the update from RSM on this issue. In particular, we would like to see an explicit objective included in the work programme to ensure that any party accessing spectrum to provide communications services in New Zealand faces similar costs.

## Future spectrum policy

16. Minister Clark's announcement on 2 February 2022 recognised Maori interests in spectrum and indicated that there will be "*a role for Māori in spectrum policymaking*". We note that RSM's draft five-year spectrum outlook 2022-2026 does not reference such role. To the extent a role is envisaged that would alter RSM's proposed workplan or approach on the issues discussed in draft, it is important that early clarity is provided on these and that industry is provided with a further opportunity to be consulted on the implications of any change in approach. Equally, industry looks forward to early

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<sup>1</sup> Draft Five Year Spectrum Outlook 2022 – 2026 by Radio Spectrum Management, December 2021, p. 14



engagement and consultation on any changes to update existing regulatory settings under the Radiocommunications Act as suggested in section 3.4 of the draft outlook.

## Contact

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