



## COVERSHEET

<b>Minister</b>	Hon Paul Goldsmith	<b>Portfolio</b>	Media and Communications
<b>Title of Cabinet paper</b>	Approach to expiring or unused rights for national mobile services	<b>Date to be published</b>	30 June 2026

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
June 2026	Approach to expiring or unused rights for national mobile services	Office of the Minister for Media and Communications
8 June 2026	Approach to expiring or unused rights for national mobile services CBC-26-MIN-0028 Minute	Cabinet Office
March 2026	2300 MHz and 2600 MHz management right review: Targeted Consultation on approaches to allocations	MBIE

### Information redacted

YES / NO (please select)

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Some information has been withheld for the reason of Confidential advice to Government.

## Commercial In Confidence

Office of the Minister for Media and Communications

Cabinet Business Committee

## Approach to expiring or unused rights for national mobile services

### Proposal

- 1 This paper seeks policy decisions on the desired use and allocation of several bands of radio spectrum currently allocated to mobile services.

### Relation to government priorities

- 2 Radio spectrum is a key input for the provision of communication services and use of wireless technologies by many businesses, consumers and government agencies in New Zealand. Effective management of radio spectrum supports economic growth, connectivity and national security through the lawful use of radio spectrum for commercial and public benefit.
- 3 Delivery of the Defence Capability Plan 2025 requires radio spectrum access.

### Executive Summary

- 4 This paper seeks high-level policy decisions to allocate spectrum between mobile network operators, the New Zealand Defence Force and Māori. The proposals respond to feedback to public consultation and strike a balance between providing investment certainty to existing users and enabling competition in the long-term.
- 5 Across three spectrum bands with expiring or unused rights, I propose:
  - 5.1 for 2300 MHz spectrum, to create new 20-year rights and renew 70 per cent of Spark's existing rights at a price set by reference to independent valuations, continue to set aside spectrum for Māori to support ongoing negotiations on access to spectrum and make up to 20 MHz available for defence operations.
  - 5.2 for 2600 MHz spectrum, to create new 20-year rights and renew 70 per cent of Spark and One NZ's existing rights and directly offer 30 MHz to 2degrees (2degrees does not currently hold any spectrum in these bands), set aside 50 MHz for non-national use and auction any remaining spectrum to mobile network operators. Spectrum offered directly to mobile network operators will be priced at 20 per cent above the reserve price for auction.
  - 5.3 for 3400 MHz spectrum, delegation of decisions on future use of 3400-3460 MHz for either national or non-national. This is a minor clarification to earlier Cabinet decisions.

- 6 To enable timely allocation of spectrum in 2027, I also seek delegated authority for technical and administrative matters.

## Background

- 7 Management rights in the 2300 MHz and 2600 MHz radio spectrum frequencies will soon expire<sup>1</sup>. These rights have significant commercial value and are currently used by two mobile network operators (Spark and One NZ) for national and non-national mobile services (4G and 5G) predominantly servicing wireless broadband in busy and urban areas. Rights are also held by Tū Ātea, a Māori-led telecommunications service provider.
- 8 When Management Rights expire, the spectrum reverts to the Government, and any services using this spectrum must cease. The expiry of Management Rights is an opportunity to consider long-term spectrum needs of spectrum users and ensure the use of radio spectrum delivers public benefits.
- 9 High-level policy decisions are being sought now to guide the administration of the radio spectrum regime and provide industry with direction and enable informed investment decisions ahead of new rights being allocated.

## Allocation of new Management Rights in 2300 MHz and 2600 MHz

### *Policy objectives for expiring rights in 2300 MHz and 2600 MHz*

- 10 In the context of the 2300 MHz and 2600 MHz bands, the recommended policy objectives for the effective management of expiring rights are:
- 10.1 **Continuity:** Operators, particularly incumbent right holders, have access to spectrum and investment certainty to maintain the connectivity needs of users.
  - 10.2 **Choice:** New Zealand users can choose and use the best wireless technologies for their needs and for the public benefit.
  - 10.3 **Efficient use:** Spectrum is fully allocated in a way that enables efficient use of the spectrum.
  - 10.4 **Competition and Growth:** Spectrum-related industries are competitive to enable innovation and growth that supports New Zealand's economic development.
- 11 In addition, the proposals in this paper also take into account **transparency** and **ease of implementation** to ensure Cabinet's decisions are proportionate and consistent with administrative best practice.
- 12 These policy objectives also support the Crown's interest in generating revenue through the process and price that is set to allocate these commercially valuable spectrum rights. An independent valuation estimates

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<sup>1</sup> Specifically, rights between 2300 MHz to 2395 MHz (the 2300 MHz band) expire in 2030 and rights between 2500 MHz to 2690 MHz (the 2600 MHz band) expire in 2028.

the market value of spectrum allocated to mobile network operators could range between Confidential advice to Government Valuations are based on prices for spectrum allocated overseas.

*Spectrum to be used for mobile services and defence operations*

- 13 Access to 2300 MHz and 2600 MHz has been sought by multiple spectrum users – mobile network operators, New Zealand Defence Force (NZDF), advanced aviation sector, Space Operations New Zealand, non-national service providers (e.g. wireless internet), private network operators and Māori.
- 14 Most of this spectrum is currently used for additional 4G capacity, predominantly servicing wireless broadband in busy and urban areas. This means it is not heavily used for core network services (like calling). Mobile network operators expect this spectrum will be critical to meeting future data demand.
- 15 I consider that the policy objectives will be best met by continuing to allocate the 2300 MHz and 2600 MHz spectrum mainly to **mobile services**. Based on growing data demand, international trends and technology availability, MBIE expects this spectrum to be used heavily for 4G and 5G wireless data and direct-to-device services in the next 20 years. Direct-to-device is an emerging technology that can reduce the reliance on legacy terrestrial networks by allowing consumers to use mobile phones to communicate via satellites. 2600 MHz is best suited for this service.
- 16 In parallel, I recommend making some spectrum available for **defence operations** in these bands, particularly around defence training areas, to improve defence capability and national security. Delivering the objectives of the Defence Capability Plan requires spectrum access and the NZDF has identified 2300 MHz and 2600 MHz as key bands to utilise equipment they currently hold and support interoperability with our defence partners. NZDF does not have exclusive access to any spectrum above 1000 MHz which has been a growth area for modern defence equipment communication use. NZDF currently relies on dispensations and leasing spectrum from private companies to meet its spectrum needs. This is costly and creates uncertainty, thereby constraining capability development.
- 17 A package of proposals that will enable both uses and achieve the desired policy objectives are outlined below. With spectrum supply exceeding operator demand, the proposed allocations pragmatically balance competing interests and get close to meeting desired holdings for all existing mobile network operators, Māori and NZDF.

**Creation of 20-year rights upon expiry**

- 18 I propose new 20-year rights be created and assigned to commercial operators at a price that reflects the commercial value. New rights may consist of multiple consecutive rights for a shorter duration to give effect to technical or administrative requirements if deemed necessary by MBIE.

- 19 This approach is also consistent with previous spectrum allocations and ensures future allocations provide adequate certainty, incentivises efficient use and minimises administrative burden on MBIE and commercial operators.
- 20 20 years is the maximum duration authorised by the Radiocommunications Act 1989 and preferred by submitters to the public consultation.

**70 per cent of rights held by Spark and One NZ are renewed to provide investment certainty and continuation of services**

- 21 Spark and One NZ currently use the 2600 MHz band to support 4G services and deliver an emerging direct-to-device service. This spectrum is used alongside other spectrum holdings and supports service quality and network resilience, particularly in urban and high-demand areas.
- 22 Renewing approximately 70 per cent of Spark and One NZ's current holdings, rounded to the nearest 10 MHz for technical efficiency, provides both Spark and One NZ with certainty over a material portion of their existing spectrum holdings. This level of renewal gets both operators close to their desired holdings in the 2300 MHz and 2600 MHz bands, while allowing a small portion of spectrum to be redistributed. This approach balances continuity and investment certainty to incumbents with the objective of encouraging competition in the provision of services. It also enables us to support the spectrum needs of other users – namely NZDF.
- 23 Incumbent operators may still face some additional operational costs as a result of any spectrum lost from these proposals. Feedback indicates the impact may be sub-optimal but manageable for individual operators. Additional costs from these proposals will be limited and proportionate. I consider this to be justified given, without this redistribution, these costs would fall more heavily on 2degrees and NZDF as they procure new equipment to meet commercial or strategic objectives.

**30 MHz in the 2600 MHz band is offered to 2degrees to enable more competition in the mobile market – particularly in the provision of direct-to-device services**

- 24 2degrees does not currently hold spectrum in either the 2300 MHz band or the 2600 MHz band. Furthermore, it holds significantly less spectrum overall than Spark and One NZ (2degrees holds 16 per cent of the overall spectrum available for mobile services, Spark and One NZ hold 33 per cent and 34 per cent respectively, with the remainder held by Māori and utilised by mobile operators and other users). Large spectrum disparities are likely to create constraints on smaller operators and may impact the competitiveness of the industry in the future. The spectrum holding disparities in New Zealand are out of step with comparative jurisdictions which have spectrum distributions between 25 to 40 per cent. All mobile network operators have identified the 2600 MHz band as being critical for meeting future data demand and supporting emerging services, including direct-to-device connectivity.
- 25 Analysis and consultation feedback indicates 30 MHz is the minimum required for commercially viable deployment of mobile services and direct-to-device.

26 Directly offering 30 MHz to 2degrees enables access to this band without requiring a full reallocation, reduces uncertainty for all operators and is more efficient to administer overall.

**Set aside spectrum for Māori, non-national services, and defence operations**

27 To provide public benefit, strengthen national security and support economic development in other sectors, I propose to set aside the following spectrum:

27.1 **25 MHz for Māori in 2300 MHz** (i.e. a full renewal of Tū Ātea’s current spectrum holdings in this band) to give effect to Cabinet’s decision to negotiate spectrum allocation to Māori at an agreed price [CAB-25-MIN-0376]. The setting aside of spectrum will demonstrate the Crown’s intention to negotiate in good faith while allowing allocations to industry to proceed. The spectrum set aside for Māori will be conditional on an agreement being reached on payment terms. This provides flexibility to reallocate this spectrum to other users if negotiations are unsuccessful.

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27.2 **Up to 20 MHz in the 2300 MHz band for defence operations** to support defence capability where current and future needs cannot reasonably be met in other bands. This spectrum will be made available gradually, as NZDF’s spectrum needs evolve, and limited to specific areas (such as bases or training areas) with conditions to manage risks to other users in the band. Confidential advice to Government

27.3 **50 MHz in the 2600 MHz band, between 2575 MHz and 2620 MHz, for non-national use**, consistent with existing arrangements. This spectrum needs to be set aside to provide a technical barrier to manage interference. This preserves flexibility for regional, private, and other localised applications and ensures that national commercial allocations do not preclude other legitimate spectrum uses.

28 Redistributing spectrum away from commercial operators will reduce the financial return to the Crown from this spectrum Confidential advice to Government  
However, given our priorities to increase New Zealand’s defence capabilities, I consider this trade-off to be justified.

29 MBIE will apply shared-use arrangements, where technically feasible, to enable efficient use of spectrum. This could allow additional spectrum to be made available to Spark or other operators, when it is not in use by NZDF, to meet future spectrum needs. Shared use is being considered in other jurisdictions and will inform technical arrangements.

**Auction any remaining spectrum in the 2600 MHz band**

- 30 After allocations outlined above are implemented, any remaining spectrum in the 2600 MHz band will be allocated by auction. Auctions will enable the market to determine the most efficient user of residual spectrum.
- 31 A full reallocation by auction would prolong uncertainty and risk significant spectrum loss for incumbents, which would likely stall investment. Consultation feedback indicated this would cause significant disruption to the current market with material commercial implications.
- 32 This approach avoids the risks associated with a full reallocation by auction, while ensuring that surplus spectrum is allocated transparently and in a manner consistent with established spectrum management practice.

**Spectrum offered to mobile network operators at 20 per cent above the reserve price to ensure efficient utilisation**

- 33 Spectrum offered directly to mobile network operators in 2600 MHz will be priced at 20 per cent above the reserve price, reflecting the value of certainty associated with direct allocation. This pricing approach is intended to discourage speculative holdings and ensure that spectrum is acquired only where there is a clear intention to deploy services.
- 34 The price for spectrum offered to Spark in 2300 MHz will be set by reference to independent valuations alone as this band will not include an auction and the market value of the two bands are different.

**Delegation of technical and administrative decisions to Ministers will support spectrum to be allocated in a timely manner.**

- 35 I seek the delegation of technical and administrative decisions, within the policy parameters agreed by Cabinet, to the Minister of Media and Communications to enable timely allocation of spectrum. This includes decisions on distribution of non-national rights, allocation instruments, auction design, pricing mechanics, and design of rights (specific frequencies, licence conditions, spectrum utilisation requirements).
- 36 Acknowledging the commercial value of spectrum allocations and the associated financial implications to the Crown, I propose that the price of spectrum (for both the offers and reserve price for auction) be set jointly by the Minister of Finance and the Minister for Media and Communications. The final reserve price will be informed by independent valuations obtained by MBIE and feedback from industry to ensure the price reflects the New Zealand market and mitigates any unintended consequences of operators being priced out or curtailing investment.
- 37 This approach is consistent with previous spectrum allocation decisions, where Cabinet has set the strategic direction and key parameters, and Ministers have been delegated authority to determine administrative matters.

*No spectrum set aside in these bands for advanced aviation or radio astronomy*

38 Public consultation also surfaced a desire from other sectors to access this spectrum for other uses which, on balance, I do not recommend enabling:

38.1 **Radio astronomy for geodetic purposes:** Space Operations New Zealand undertakes observations under contract for Land Information New Zealand. Securing exclusive access to the 2300 MHz band at sites like Warkworth could enhance observation quality, but interference from other spectrum users remains an issue. Modifications to the antenna may offer a more sustainable long-term solution than allocating the whole band for radio astronomy. Costs of this may require future government investment.

38.2 **Advanced aviation** including uncrewed aviation systems (such as drones): Additional spectrum may support the development of the New Zealand's space sector and domestic supply of drones which are used by the NZDF. The spectrum needs of this sector are still evolving globally and setting aside commercially valuable spectrum now could be premature. When spectrum needs are better understood, spectrum set aside for defence operations could be shared with this sector.

39 Officials will continue to engage with industry and monitor developments to ensure spectrum needs can be met through other spectrum bands or through private commercial arrangements with Spark or Māori.

*Reallocation of 3400 MHz spectrum previously set aside for national use*

40 Between 2018 and 2022, several policy decisions were made by Cabinet to enable the roll out of 5G services. To effectively balance spectrum needs of various users, Cabinet agreed to make spectrum between 3300 MHz and 3800 MHz available to four groups: national 5G operators, Māori, regional operators and private networks [DEV-18-MIN-0311 and CAB-22-MIN-0080.03]. However, 3400 MHz to 3460 MHz has not yet been assigned.

41 I intend to direct MBIE to consult on the future use of 3400 MHz to 3460 MHz by non-national use by wireless service providers and private networks and/or national mobile use. I propose decisions on the future use of 3400 MHz to 3460 MHz, including whether this spectrum is allocated on a national or regional basis, are delegated to me as Minister for Media and Communications. Both of these uses are consistent with the allocations envisaged in earlier Cabinet decisions for 3300 MHz to 3800 MHz.

## **Implementation**

42 Further policy work and consultation will be undertaken by MBIE to inform technical and administrative decisions. Offers to industry and auctions are expected to take place in 2027 to allow new rights to be created and allocated in advance of existing rights expiring.

### **Cost-of-living Implications**

- 43 There are no immediate or direct cost-of-living implications arising from the proposals in this paper. However, costs associated with obtaining Management Rights may be passed on to consumers of communication services. This is an indirect impact which is subject to commercial decisions.

### **Financial Implications**

- 44 Costs associated with the assignment of rights will be met through MBIE's baselines which covers business-as-usual radio spectrum sales.
- 45 The proposals will generate revenue for the Crown. This revenue is usually paid into the Crown account and is available for debt reduction or spending through normal Budget processes. The extent of any financial implications will be considered in advice to the Minister of Finance and Minister for Media and Communications when determining the reserve and offer price.

### **Legislative Implications**

- 46 There are no legislative implications arising from the proposals in this paper.

### **Impact Analysis**

#### *Regulatory Impact Statement*

- 47 There are no regulatory proposals in this paper, and therefore Cabinet's impact analysis requirements do not apply.

#### *Climate Implications of Policy Assessment*

- 48 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this policy proposal, as the thresholds for significance are not met.

### **Population Implications**

- 49 Spectrum allocation to Māori businesses like Tū Ātea are intended to support Māori development and participation in the digital economy. Spectrum allocated to Māori has supported connectivity of Māori communities which is expected to continue through the commercialisation of this spectrum.

### **Human Rights**

- 50 There are no human rights implications associated with the release of the discussion document.

### **Use of external resources**

- 51 An expert spectrum consultancy was engaged by MBIE for a period of eight weeks in 2025 to advise on the market value of the spectrum bands and provide a report which has informed the policy proposals in this paper.

## Consultation

### *Public consultation*

- 52 The proposals in this paper have been informed by public consultation undertaken by MBIE between November 2025 and February 2026. Further targeted consultation was also undertaken with mobile network operators in April 2026 on spectrum allocation mechanisms.
- 53 Feedback was received from a broad range of perspectives representing mobile networks, internet and space services, amateur operators, Tū Ātea and the NZDF.

### *Agency consultation*

- 54 Land Information New Zealand, NZDF, MBIE (New Zealand Space Agency), Te Puni Kōkiri and the Treasury were consulted on this paper. Department of Prime Minister and Cabinet has been informed.

## Communications

- 55 Subject to Cabinet decisions, I will make announcements as appropriate.

## Proactive Release

- 56 I plan to proactively release this paper, with any redactions consistent with the Official Information Act 1982, on MBIE's website.

## Recommendations

The Minister for Media and Communications recommends that the Committee:

### *Allocation of new Management Rights in 2300 MHz and 2660 MHz*

- 1 **note** that rights to use radio spectrum frequencies in the 2300 MHz band (ie 2300 MHz to 2395 MHz) and 2600 MHz band (ie 2500 MHz to 2690 MHz) are expiring in 2030 and 2028 respectively and decisions on future allocation of these rights need to be taken as soon as possible.
- 2 **agree** that the desired policy objectives for allocating the 2300 MHz and 2600 MHz spectrum should be: spectrum access and investment certainty to maintain connectivity services (particularly to incumbents), choice of wireless technologies to meet consumer needs and public benefit, efficient use of spectrum, competitive industries and enable economic growth;
- 3 **agree** new 20-year rights be created and assigned to commercial operators at a price that reflects the commercial value - this may include multiple consecutive rights with a shorter duration to implement technical or administrative decisions;

- 4 **agree** that approximately 70 per cent of One NZ and Spark's existing holdings (rounded to the nearest 10 MHz) are renewed to provide investment certainty and service continuity;
- 5 **agree** that 30 MHz of 2600 MHz spectrum be offered to 2degrees to support effective competition in mobile services, including direct-to-device services;
- 6 **agree** to set aside:
  - 6.1 25 MHz in the 2300 MHz band for Māori, subject to an agreement being reached on the terms of allocation – including payment price;
  - 6.2 Up to 20 MHz in the 2300 MHz band for defence purposes as required in specific areas with conditions and/or shared-use with Spark or other operators where technically feasible; and
  - 6.3 2575 MHz to 2620 MHz for non-national use;
- 7 **agree** that any remaining spectrum in the 2600 MHz band be allocated through a competitive auction process;
- 8 **agree** that, for 2600 MHz, spectrum offered directly to mobile network operators be priced at a 20 per cent above the reserve price to support efficient use of spectrum;
- 9 **authorise** the Minister for Media and Communications to make technical and administrative decisions, in line with the policy objectives agreed by Cabinet, to support the allocation of the 2300 MHz and 2600 MHz spectrum – this includes decisions on things like distribution of non-national rights, allocation instruments, auction design, pricing mechanics, and design of rights;
- 10 **authorise** the Minister of Finance and Minister for Media and Communications to determine the price for spectrum allocations which generates revenue for the Crown and is in line with the policy objectives;

*Reallocation of spectrum in 3400 MHz*

- 11 **note** that 3400 MHz to 3460 MHz was held for national 5G services but currently remains unused and held under a Crown Management Right;
- 12 **note** I intend to direct MBIE to consult on the future use of 3400 MHz to 3460 MHz by non-national use by wireless service providers and private networks and/or national mobile use;
- 13 **authorise** the Minister for Media and Communications to determine the future use of 3400 MHz to 3460 MHz, including whether this spectrum is allocated on a national or non-national basis.

Authorised for lodgement

Hon Paul Goldsmith

Minister for Media and Communications