



Review of License Fees Framework

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Tenaz wishes to thank the ministry for the opportunity to provide comments on the Review of License Fees Framework. The proposals are very clearly documented with the reasons behind them. For some proposals however, we would like RSM to consider business value and business practices rather than only following a direct cost recovery model.

Proposal 1: Set fees based on the level projected to reduce the memorandum account balance to zero in six years, with a subsequent increase in fees to balance revenue and expenditure

To support business planning for radio network operators, it is preferred to have a stable fee for at least 10 years and therefore I would suggest to calculate the fees on a reduction of the memorandum account in 12 years with a review of fees after 10 years.

Proposal 2: Introduce a single license fee for all license classes

While the justification for this seems sound when only considering the work of RSM, I believe a flat fee increases the risk of depression of the economic value of the various licence classes. I therefore recommend to keep a variable fee structure but rather than base it on the amount of work required, use the economic value of each license class to differentiate the fees.

Proposal 3: Discontinue license categories for land mobile repeaters on a common channel throughout New Zealand (LR1 and LR2) and multiple radio transmitters on a common frequency for paging (LP1)

This proposal is fully supported.

Proposal 4: Remove the discount for online payment and reflect the discount in the calculation of the base license fee.

Like for other businesses, I expect that the ministry does incur some form of merchant cost for credit card payments and still incurs processing cost for internet banking, especially since a number of internet payments will not include the correct references.

Direct debit payments however are fully automated after the initial setup and are the most cost effective form of payment. I would therefore recommend to incentivise direct debit payment by providing a discount of 5%.

Proposal 5: Introduce a manual processing fee of \$25 to recover the administration cost of paper-based payments.

This proposal is fully supported.

Proposal 6: Remove the License Interference Investigation (LII) rebate.

The removal of the LII rebate is supported but I do urge RSM to be responsive to the follow up of unlawful interference as RSM is the only one who has the authority to address this and instigate a penalty should that be necessary to reach a resolution.

Once again, thank you for providing the opportunity to comment and I wish you all the best with the review.

Best regards,

Monique Princen