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RADIO BROADCASTERS ASSOCIATION

Review of Licence Fees Framework

RBA Response to Consultation

7 December 2015

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1 Executive Summary

The RBA thank MBIE for the opportunity to present the views of its members on the licencing fees framework.

The views represented are those RBA members.

An issue that has not been raised in the Consultation Document is the proportion of the memorandum account that was gathered from Broadcasting during the period of overcharging by RSM.

Before the proposals are implemented the RBA would appreciate RSM providing a breakdown of the overcharging itemised by licence type.

The RBA asks that the fee proposals be refreshed with consideration as to whether broadcasters should be compensated at a higher rate to other licence types.

It has been eight years between licence fee framework reviews and in this time the surplus from overcharging has grown by over \$2M when it was forecast to fall. The period between licence fee reviews should not be left too long and suggest shorter than 6 years is appropriate.

The RBA notes that part of the reason for a shift of listeners away from AM is the rise of uncontrolled noise in the AM band arising from ADSL.

The RBA are available to discuss or clarify any of these views.

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3 Responses to Proposals

In general the RBA are in support of the proposals with some qualifications.

The primary qualification is that for any fees that have over been over-charged to broadcasters at a rate greater than to other licence type holders, that the fees should be reduced with higher weighting towards broadcasting.

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.*

The RBA support this approach.

However, given the rate of technology change and the amount of overcharging that has lifted the surplus of the memorandum account by over \$2M, the RBA suggest that a shorter timeframe be considered.

The outcome of conducting a review again in a shorter period would provide advantages to RSM clients.

A four year timeframe would be equally acceptable and a more timely review of this order of periodicity would assist in managing the memorandum account by lessening the risk of it remaining out of balance or moving further out of balance.

Proposal 2: *Introduce a single licence fee for all licence classes.*

The RBA support this proposal.

This proposal rightfully introduces simplicity to the licence fees regime.

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

The RBA support this proposal.

RBA members have been unable to modify licences to accommodate multiple sites. All users of the radio spectrum should be subject to equal and fair charging.

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

The RBA support this proposal and agree that the incentive should be moved away from online use and towards a dis-incentive for paper based administration.

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

The RBA support this proposal.

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

The RBA support this proposal.

Removing this provision would help simplify the fees structure.