

Submission on discussion document: review of radio spectrum licence fees

Your name and organisation

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Organisation	New Zealand Defence Force

General questions

Questions for organisations and businesses

1	Government
2	Approximately how many licences do you or your organisation hold? 2,885
3	Before considering changes to fees, are you planning to increase or decrease the number of licences you or your organisation hold over the next five years? If yes, please indicate the expected proportion of this change. Yes. We are looking to increase the number of HF band licences to be able to support wideband HF operations by having more contiguous blocks of HF spectrum in the services we utilise.
4	What proportion of your licences do you expect will need to be modified in the next five years? Excluding the above work underway, less than 5% per year, based on the last three years data.

Questions about the proposals in the discussion document

Options for annual licence fee changes

1	What do you see as the advantages and disadvantages of option one? This option works well for licence holders who are creating and holding a lot of new licences or modifying existing ones, in that it keeps the fee rise balanced between new licences and renewals. It disadvantages those holding many licences that remain mostly unchanged as the renewal fee rise is approx. 17% higher across most of the licences they hold.
2	What do you see as the advantages and disadvantages of option two? Licence holders who have many licences but do not add to or modify them regularly would benefit from the lower renewal fee structure, reducing the impact of the required fee rise.

The impact of higher fees for the relatively small number of new or modified licences in those organisations will do little to change the attitude of the users requiring those licences to support their requirements.

3 Which option do you prefer? Why?

The NZDF prefers and supports Option Two. The NZDF currently has many licences that remain fairly static, with less than 5% new or modified licences per year. Calculating the overall anticipated fee rise based on the last three years data there is a significant difference in the costs between the options and Option Two is the most fiscally responsible choice for the NZDF, in line with Govt directives.

4 Is there any other option that has not been considered in this document? If yes, please explain this option in detail, including why it is preferable to option one and two.

Not that we've seen that is greatly different or better than what is being proposed.

5 What impact will the fee increase have on your business or entity?

Given that the NZDF is one of the eight largest licence holders, there is a significant financial implication to even the option Two fee rise. As stated in the answer to question 2 - If option Two is chosen, it is believed that that impact of the higher fees for the relatively small number of new or modified licences each year will do little to change the attitude of the NZDF users requiring those licences to support their requirements.

6 How would fee option two impact the licensing decisions of your organisation or entity over the next five years?

The costs of obtaining suitable spectrum to support spectrum dependant acquisition projects is a small percentage of the overall cost of most projects in the NZDF. It is felt that there would be little change to acquisition decisions to support the requirements of the NZDF.

Closing comments

7 Are there any other comments you wish to make?

The NZDF understands the user pays model and the requirement for RSM operate without loss whilst being able to meet the present and future needs of the radio spectrum users in an efficient and timely manner.