

Please direct any questions that you have in relation to the submission process to [Radio.Spectrum@mbie.govt.nz](mailto:Radio.Spectrum@mbie.govt.nz).

## Submission on discussion document: review of radio spectrum licence fees

### Your name and organisation

<b>Name</b>	Steve Smith
<b>Organisation</b>	Yrless Limited

### General questions

#### Questions for organisations and businesses

<b>1</b>	Telecommunication and Internet service provision
<b>2</b>	Approximately how many licences do you or your organisation hold? Twenty five
<b>3</b>	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. Increase by four to six licences
<b>4</b>	What proportion of your licences do you expect will need to be modified in the next five years? Four to six

### Questions about the proposals in the discussion document

#### Options for annual licence fee changes

<b>1</b>	What do you see as the advantages and disadvantages of option one? It would be simpler to administer. From a user perspective, the highest costs are in engineering new or modifying existing licenses, but option one spreads these costs across all users, unfairly in our view
<b>2</b>	What do you see as the advantages and disadvantages of option two?

Option two is more complex to administer, but we believe it offers a structure where those consuming the most resources pay a greater percentage of the total cost of running the system

3 Which option do you prefer? Why?

Option two is preferred as it moves the model closer to a true “user pays’ structure, where those just renewing pay a lower fee than those who obtain new or modified licenses

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.

While we agree with the principle of cost recovery and user pays, we also recognise that radio spectrum activities support essential services throughout New Zealand and globally, whether it is internet provision or essential communications (such as emergency events). For this reason, we ask that there is consideration as to whether full cost recovery is necessary, given the public good element of these services. This would mean that a proportion of the funding (say 10%) would come from general taxation, with licensees contributing the rest through their fees.

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

Not significant as the RSM licencing fees are not a significant portion of our budget

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

We believe it is fair that those requiring new or modified licenses pay for these services. Provided we are aware of the increased costs we would budget accordingly

## Closing comments

7 Are there any other comments you wish to make?

Other options could be the consideration of the use of frequencies (heavier use, greater fees) or the cost recovery of audit services.