

Submission on discussion document: review of radio spectrum licence fees

Your name and organisation

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Organisation	Kordia Limited

General questions

Questions for organisations and businesses

1	Telecommunication
2	Approximately how many licences do you or your organisation hold? Approx. 1500
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. Kordia is expecting to increase the number of licences held. This could be in the order of 5% per year.
4	What proportion of your licences do you expect will need to be modified in the next five years? We might modify in the order of 6~10 licences a year, but there are occasions where we need to modify a large number of licenses in one go for a particular project. These modifications are often usually just administrative changes, such as change of equipment type or change of owner.

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? Easy to follow and understand, but more expensive in the long run
2	What do you see as the advantages and disadvantages of option two? Cheaper than option 1 in the long run, but more complicated to follow and will result in more invoices to process. The cost penalty for making largely administrative modifications to licences is a concern.

3 Which option do you prefer? Why?

Kordia prefer option 2, because the cost in the long run will be cheaper than option 1

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.

Kordia agrees on option 2, however the resulting increase in costs are significant if the price increase happens at once. We ask RSM to consider the price increase and the new costs to be introduced gradually.

For example, a standard license fee renewal is currently \$130.40 ex. GST, and the new proposed amount is \$156.50 which is a 20% increase. Can this 20% be spread over 3 years? Year 1 from \$130.40 to \$139.10, year 2 from \$139.10 to \$147.80, and year 3 from \$147.80 to \$156.50. The same logic applies to all increasing / new chargeable items.

Kordia suggests that option 2 is adjusted to charge the \$406.00 fee for new licences only, not for modified licences. Does RSM expend a similar amount of effort on modified licences as on new licences?

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

The fee increase will push up the cost of goods sold and ongoing operational costs.

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

Kordia will review our license database and would like to make as many licence modifications as possible before option two is implemented. However, known upcoming modifications cannot be made far in advance.

Closing comments

7 Are there any other comments you wish to make?

N/A