

Submission template - AM /FM radio spectrum: 2031 expiry of licences and potential reassignment

Instructions

This is the submission template for the discussion document *AM /FM radio spectrum: 2031 expiry of licences and potential reassignment*.

The Ministry of Business, Innovation and Employment (**MBIE**) seeks written submissions on the issues raised in the discussion document by **5pm on 4 July 2025**. Please make your submission as follows:

1. Fill out your name and organisation (if applicable) in the table, "Your name and organisation".
2. Fill out your responses to the questions in the template. Your submission may respond to any or all of the questions from the discussion document. Where possible, please include evidence to support your views, for example references to independent research, facts and figures, or relevant examples.
3. When sending your submission:
 - a. Delete the first page of instructions.
 - b. Include your email address and telephone number in the email or cover letter accompanying your submission – we may contact submitters directly if we require clarification of any matters in submissions.
 - c. If your submission contains any confidential information:
 - Please state this in the cover letter or email accompanying your submission and set out clearly which parts you consider should be withheld, together with the reasons for withholding the information. MBIE will take such objections into account and will consult with submitters when proactively releasing submissions or responding to requests under the Official Information Act 1982.
 - Indicate this on the front of your submission (e.g. the first page header may state "In Confidence"). Any confidential information should be clearly marked within the text of your submission (preferably as Microsoft Word comments).
 - Please provide a separate version of your submission excluding the relevant information for publication on our website (unless you wish your submission to remain unpublished). If you do not wish your submission to be published, please clearly indicate this in the cover letter or email accompanying your submission.
 - Note that submissions are subject to the Official Information Act 1982.
4. Send your submission:
 - as a Microsoft Word document or PDF to Radio.Spectrum@mbie.govt.nz subject line: 'AM /FM radio spectrum: 2031 expiry of licences and potential reassignment' (preferred).
 - by mailing your submission to:

Radio Spectrum Management Policy and Planning
Building, Resources and Markets
Ministry of Business, Innovation & Employment
PO Box 1473
Wellington 6140

New Zealand

Please direct any questions that you have in relation to the submission process to Radio.Spectrum@mbie.govt.nz.

Submission on discussion document - AM/FM radio spectrum: 2031 expiry of licences and potential reassignment

Your name and organisation

Name	Stewart Macpherson
Organisation	Beach Chestnut Ltd

General questions

Eligibility criteria for renewal

1 Should the Crown restrict eligibility to those with no outstanding fees? Should there be any exceptions to this?

Yes – no exceptions. In a sector already under significant financial pressure, clarity and fairness in eligibility are critical. Allowing exceptions would undermine trust in the framework and disadvantage those who have remained compliant despite difficult market conditions.

Moratorium prior to the rights expiry

2 Please provide any feedback you have on the proposed moratorium date. In what circumstances should an exception to the moratorium on modifications be allowed?

Date agreed. Clear timeframes are important for operators to plan ahead. Exceptions should only be considered where genuine local operational needs arise, such as infrastructure repairs or technical improvements essential to serving the community.

Proposed policy objectives for the allocation process

3 What amendments, if any, would you make to the proposed objectives and criteria?

Local Commercial licences by negotiation. These stations provide a unique local service in a market dominated by networked content, so recognising their special role would be valuable. Any framework should account for the fact that they often operate at break-even levels while contributing significantly to local identity.

4 Are there other objectives or criteria you would propose? If so, what are these?

Consideration given to supporting local commercial licence holders. Their ability to remain viable is diminishing as advertising revenue for radio continues to decline and digital competitors fragment the audience. These licences increasingly perform more like a public service than a commercial operation.

Approach to pricing commercial licences

5 Which is your preferred approach and why?

Option C – although we are unsure whether this should apply to a local commercial FM licence. The sector is under more pressure than ever, so the pricing model needs to reflect the reduced proportion of advertising spend going to radio. It should be designed to sustain genuine local operators rather than burden them.

6 Is there another approach you would suggest? If yes, please explain how this approach would be implemented and how it would provide greater benefit against the policy objectives than the above approaches.

The alternative could be a full commercial licence on appropriate terms. These terms should be carefully negotiated to acknowledge that stations under these licences are operating with limited revenue potential compared to national networks. This approach would balance sustainability with fair contribution.

Price formula

7 Do you agree with the assumptions outlined to calculate a price offer? Why? Why not?

Formula may be correct but the value is a separate matter. Any formula should reflect the realities of the local market and the public service nature of these operations. Without such adjustments, the price could risk pushing out operators who genuinely serve their communities.

Duration of licences

8 Which of the two options do you prefer and why?

More likely 10 than 20 years. While longer durations provide stability, shorter terms allow for recalibration in a fast-changing industry. The pace of technological change means flexibility is critical.

9 Is there another option that should be considered? What would this be and why?

Perhaps a 5-year period at reduced rates. This would provide breathing space for operators while acknowledging the uncertainty of revenue streams and the ongoing shifts in audience behaviour. It would also encourage continued local investment without locking operators into unsustainable terms.

10	What licence duration would make most sense for your company/organisation? Why?
	5-10 years due to market uncertainty. The media landscape is evolving rapidly with digital platforms and AI-driven content challenging traditional radio, so shorter terms allow for strategic reassessment.
11	What should be the difference in tenure for AM vs FM, if any?
	NA

RNZ and Schedule 7 provisions in the Radiocommunications Act

13	How do the sections of the Act advantage or disadvantage your business?
	The current 20-year parameters are too difficult to assess value of a frequency given the many technological changes that now exist. A shorter framework would allow better adaptation to the reality that local radio is under increasing commercial pressure and serves a distinctive local role.
14	How might the Crown provide fairness to all licence holders?
	Be able to negotiate individual licences relevant to the local community as distinct from large network programming. This would recognise the unique contribution of local stations and their limited revenue base compared to national operators.
15	What options do you see for how the Crown might address its preference for 10-year licences, given this legislative barrier? Would you prefer the options developed are operational or legislative? Why?
	Negotiation with individual licensees therefore on an operational basis. This would allow flexibility and responsiveness to changing market and technological conditions while maintaining fairness.

Non-commercial use of AM/FM radio broadcasting spectrum

16	What changes, if any, should be made to the reservation of spectrum for iwi radio, community radio and RNZ?
Outside the scope of our licence. We respect the intent of these reservations, and our focus is on ensuring local commercial operators can continue to serve their audiences sustainably.	

Currently reserved blocks

17	Should the reservations in block 16 – 19 continue into the new right in their current form? What changes would you make, if any?
Strictly limited commercial activity. Any changes should continue to safeguard local content while ensuring spectrum is used efficiently. This balance will help sustain diversity of provision in the market.	
18	If unused spectrum was to be released, what would bring greater benefits: reassigning these licences to commercial or other non-commercial use? If non-commercial, to whom? If commercial, how should it be made available to market?
Any unused spectrum should be offered as a commercial licence via auction. This approach would maximise the chance of productive use while allowing new entrants with fresh ideas to come forward.	

Local Commercial FM licences

19	Do you agree with comparing the original intent of LCFM with the proposals in this document to determine their continuation? If not, how would you prefer they were assessed?
The original intent should be the basis for ongoing licencing. These licences were created to serve local audiences, which remains a vital objective. The value to be agreed by individual negotiation with each licence holder to reflect real-world conditions.	
20	Which option do you prefer: the proposal outlined or maintaining the status quo (Local Commercial licences remain, with strict conditions and are charged at a lesser price than commercial licences)? Please explain why you prefer this option.
Preferably a local commercial licence to be retained but if the Crown decline this plan then a commercial licence should be offered by negotiation. This recognises the fragile economics of local radio and its unique contribution in an environment of consolidation and networking.	
21	If maintaining the status quo, how should the price be calculated to account for the retention of strict content provisions in the licence agreement while acknowledging that these are commercial licences with revenue potential?

The reduced price to be negotiated should reflect the effort by the local operator to service the community. The pricing should factor in the reality that these stations operate as a public service in many respects and do not benefit from economies of scale.

22 If the proposal outlined is to progress, will there be enough time to transition by April 2031? If not, why not?

Yes. However, the intervening years must be used wisely to establish fair and sustainable terms so that local stations can plan with confidence despite industry headwinds.

Closing comments

Are there any other comments you wish to make?

Given the market conditions i.e. less advertising dollars for radio and the increased fracturing of the market by digital streaming services, any spectrum pricing needs to take these conditions into account. These licences increasingly resemble a public service and survive on break-even economics, so a low-cost framework is vital. As multinational tech platforms grow and AI further complicates the provenance of local content, protecting and supporting local radio is more important than ever.