

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

### Your name and organisation

Name	James Valentine
Organisation	Radio Broadcaster

### 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?

Depends how outstanding a few months and a few phone call and if no payment YES  
If a payment plan in place from the past NO

#### 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?

The moratorium date should be moved to 2 April 2031, and all licences extended to 2036. By 2031, we'll have a better grasp of how many listeners use terrestrial radio versus online. Broadcasters need certainty now especially after COVID disruptions so they can focus on delivering content, not preparing for renewal five years early.

#### Proposed policy objectives for the allocation process

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

A fixed price offer preferred.

Also note below on allocation!

The current allocation system is flawed it's based on profit, not people or the communities being served. A broadcaster applied for a frequency in a small town with a population of around 1,000. No one had shown interest in over 10 years. They wanted to serve a community their main transmitter didn't reach and paid around \$500 for engineering. But instead of being granted the licence, it went to expressions of interest, then auction and sold for more than they were prepared to pay. That's not fair.

To make it worse, the broadcaster wasn't reimbursed for the engineering costs, even though MBIE used their work to sell the frequency to someone else at a profit.

If a broadcaster in a regional area needs infill to cover a population of 4,000 or less, they should be allocated a frequency directly. The current allocation system punishes those who do the work to serve small communities.

4

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

5

Which is your preferred approach and why?

All broadcasters should receive a 5-year extension on their current licences at no charge, with the situation to be reviewed in 2031.

A Price offer but based on current market conditions

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.

Approach note below at 7

#### Price formula

7

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

No, I don't agree with the assumptions used to calculate the price offer - especially the proposed \$1.16 per capita over 20 years for FM. That may have made sense in 2006 when it was set, but it's now a "Rolls Royce" rate in a market that has changed massively.

Back then, radio had strong local advertising and limited competition. In 2026, it's a different world. Stations now compete directly with online and digital platforms that have taken a huge share of the advertising market. In some areas, station numbers have doubled - meaning broadcasters are being asked to pay \$1.16 per head for a smaller slice of the pie, in a far tougher environment.

We should be adjusting down, not carrying over the same rate. A 75% reduction would better reflect the reality: not everyone listens on FM anymore. Streaming, apps, and online platforms have changed listening habits - and a big share of ad revenue now goes to digital. The pricing formula needs to reflect that shift. FM should cost less, not more.

It's also worth noting that the proposed AM rate is just \$0.06 per head - yet in some areas, AM stations still rate better than FM. That raises a serious question: is FM really worth nearly twenty times more per listener than AM? The answer is no. FM pricing must be brought into line with reality.

It's also unfair to treat commercial radio like it's just a business chasing profit. Regional stations in particular provide essential public services - civil defence alerts, weather warnings, wellbeing messaging, and local information. They do all this using their own infrastructure, with no government funding.

Surely the value of that service outweighs a per-head price that no longer fits today's conditions. With digital disruption growing and future uncertainty ahead, community service should be prioritised over revenue. Stations doing this work should be recognised - not penalised - by high renewal costs.

It would also be a positive move if the government mandated that departments spend a fair percentage of their marketing budgets on New Zealand-owned media like radio and print, rather than sending public money offshore to global digital platforms. We're here to keep New Zealand working and informed. That should count for something.

## Duration of licences

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

20 years

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

10 What licence duration would make most sense for your company/organisation? Why?

20 years

11 What should be the difference in tenure for AM vs FM, if any?

12 What duration of time of non-use would be appropriate for triggering the Crown's right to take back the licence?

3 years non-use you loose it  
reason don't waste time trying to own a frequency and not serve the community

#### **RNZ and Schedule 7 provisions in the Radiocommunications Act**

13 How do the sections of the Act advantage or disadvantage your business?

These sections disadvantage independent and regional broadcasters. We don't have Schedule 7 status, so we'd be offered only 10-year licences while others,, get 20 years guaranteed. That's not a level playing field. We face the same infrastructure costs and responsibilities, yet would get less certainty and tenure.

14 How might the Crown provide fairness to all licence holders?

Grant 20 year licences to all broadcasters (regardless of Schedule 7 status),

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?

#### **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?

Could be release on a case by case basis if they have no intention of using the spectrum

### **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?

Yes, but in some cases - especially in highly populated areas (e.g. over 100,000 people) - if the government isn't using the reserved spectrum, it should be reviewed. Take block 17 (the youth network) as an example: it's been talked about for 25 years, but nothing has happened.

The reality is that students and young people have already moved online. If the government was serious about a student network, it should've happened years ago. They've missed the boat - youth are digital now. Either build the network properly or release the frequencies.

Block 17 should not go to the major networks. They're like the two supermarket chains - already dominating the market and crowding out local voices.

It also shouldn't be allocated to areas with populations under 100,000. More stations in smaller markets make it harder for existing local broadcasters to survive, and some may fold/close altogether. Losing a vital local service

A better option would be for MCH to manage block 17 on a case-by-case basis,

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?

ABOVE

### **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?

No. The original intent was to support smaller, locally-focused commercial broadcasters who couldn't compete with large networks. That need still exists. Comparing today's proposals to that original intent ignores how much harder it is now for small operators, not easier. The media market has become more concentrated, not less.

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.

Local Commercial FM licences should remain. If an operator has never been offered the chance to convert to a full commercial licence, they should be given that opportunity.

However, if an operator was already offered conversion, then sold their frequency for a profit, and has now purchased another Local Commercial FM licence just to wait for another chance to convert to full FM and sell again that defeats the entire purpose of these frequencies.

Local Commercial licences were meant to support local broadcasting, not to be used as a speculative asset for profit flipping. The system needs to prevent this kind of behaviour to protect genuine local broadcasters.

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?

Price should be same as offered in 2018 side note

No networks should be running on LCFM signals LCFM was set up for this not to happen if a LCFM does not want to operate under there strict conditions the frequency should go back to MCH to re administer on a case by case basis or go to open auction

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

## Closing comments

Are there any other comments you wish to make?

As a broadcaster of 25 years, I've been through many processes including submissions to my local MP Jim Sutton in 2001 advocating for local radio commercial frequency's.

The industry is going through big changes. Audiences are shifting, advertising is going online, and many regional stations are hanging on by a thread. This renewal process should be deferred for at least five years. Broadcasters need time and certainty - not rushed decisions that could push more locals off the air.

Regional radio plays a vital role in civil defence, road information, weather alerts, wellbeing messaging, and keeping people informed — especially during emergencies. We do this using our own infrastructure, with no government funding from agencies like NEMA, Civil Defence, or NZTA. People rely on us when the power is out or when other systems fail.

It would be good to see this public service acknowledged. A fair, practical approach to licence renewals would show that people matter, New Zealand communities matter, and regional radio still has a key role in keeping us connected.