

MediaWorks Supplementary Response to Discussion Document:
AM/FM radio spectrum: 2031 expiry of licences and potential reassignment

We are supportive of the Response to Discussion Document submitted by the RBA. In addition to that document we would like to make the following comments:

As we step through the next 25 years, more of our traditional radio audiences will be engaging with our content via digital platforms as we have seen with other media. When we consider these changes, a population based spectrum metric is no longer an accurate method to calculate value.

Instead, we suggest any spectrum lease costs be paid on an annual basis rather than upfront, and be calculated as a percentage based on metrics such as AM/FM total advertising revenue in the relevant period.

This would mean the government receives payment based on the realities the industry is facing at any one moment in time, without having to predict in 2026 how the media landscape may look in 2051.

This payment structure would be welcomed by the industry and support broadcasters like MediaWorks who have a strong local footprint in every New Zealand market.

MediaWorks Radio currently employs over 500 people, with more than 50% employed in the regions. They create local content to inform and engage their communities. New Zealanders rely on these stations in the event of emergencies and natural disasters (eg: Gisborne floods). Portable AM/FM radios become critical to provide the most important information in these times as often digital and telecommunication services fail under these circumstances.

We have been encouraged by the work RSM has done in recent negotiations on 5G and television licences.

This current radio negotiation also provides the industry, RSM and the government an opportunity to ensure that New Zealand continues to have an economically viable and strong commercial radio industry.

We look forward to hearing from you further.