

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

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

#### **Your name and organisation**

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<b>Organisation</b>	RNZ

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#### **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?

RNZ has no set view apart from acknowledging smaller community providers may warrant greater discretion.

##### **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?

RNZ has no set view.

##### **Proposed policy objectives for the allocation process**

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

RNZ has no suggested changes to proposed objectives. It simply notes that public good/non-commercial objectives are upheld.

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

No. There is still value in commercial spectrum.

#### Approach to pricing commercial licences

5 Which is your preferred approach and why?

Proposed pricing model not pertinent to RNZ

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.

Not applicable

#### Price formula

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

Not pertinent to RNZ

#### Duration of licences

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

RNZ acknowledges it has a statutory entitlement to 20-year licences and seeks to have this upheld.

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?

Twenty years.

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

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

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

RNZ acknowledges it has a statutory entitlement to 20- year licences. The term allows multi-decade planning for infrastructure investment and planning – also considering emergency lifeline obligations.

Long term tenure underpins RNZs ability to invest in transmitters and digital hybrid platforms without the risk of mid-term licence renegotiations.

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How might the Crown provide fairness to all licence holders?

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?

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### Non-commercial use of AM/FM radio broadcasting spectrum

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What changes, if any, should be made to the reservation of spectrum for iwi radio, community radio and RNZ?

RNZ view is no change for reservation of spectrum for RNZ.

### 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?

RNZ seeks no change to its Block 16 FM reserved for public radio services

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?

The first principle should be safeguarding the blocks for public service utility. The blocks could be re-assigned under community licences or low power experimental digital services.

### **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?

Not a matter RNZ has a firm position on. We raise no objection to the proposal. Our forecast would be a trend away from LCFM towards community licence operations.

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.

See above

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?

See above

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

See above

## Closing comments

Are there any other comments you wish to make?

Yes. RNZ is making infrastructure decisions on AM tower construction. The expiry of management rights and intentions for future management rights and costings are very important factors in deciding on capital investments and for industry players to assess and shape their business decisions. Early clarity of intention is critical. The risk of uncertainty could deter industry players.

RNZ welcomes the release of the MBIE discussion document on the future of the FM and AM licencing and pricing, with the current licencing regime expiring in 2031.

On the table is a new licencing approach which impacts commercial radio. Instead of 20-year licences, shorter ten-year AM and FM licences are on the cards.

As well, a new pricing methodology is proposed for the commercial licences. Instead of competitive auctions MBIE would make set-price offers for FM and AM frequency based on a new methodology.

The document suggests a status quo approach for RNZ. The statutory protection for RNZ (and community and Iwi radio schedule 7 licensees) looks likely to stay the same. RNZ would retain 20-year core licences with effectively no fee.

However, MBIE says a new approach is probably needed to free-up the unallocated youth radio and Maori radio national sitting in the reserved blocks.

All of the radio industry has been asked to submit on the proposals.

RNZ's objective is to protect its statutory entitlements as well as guard against any unexpected outcomes as MBIE rethinks a new model for FM and AM licencing.

### **Executive summary of the RNZ response**

RNZ's submission supports:

- A stable, predictable licence for public media spectrum with retention of 20-year core licences.
- This includes public media protection for Block 16 and to suggest consultation prior to any moves on unallocated reserve spectrum.
- Do not object to shorter ten-year licences for commercial operators.
- Do not disagree with pricing methodology for commercial media and see continuing popularity and commercial value of FM.
- RNZ seeks to maintain a protected public block with flexibility for innovation—best serves both the public interest and wider broadcasting ecosystem.

### **Key points of the MBIE consultation document.**

Here's a bullet-point summary of the key elements of the MBIE discussion document.

#### **Expiry and Timeline**

All AM (0.521–1.612 MHz) and FM (88.4–106.63 MHz) crown spectrum licences expire on 2 April 2031.

MBIE wants to confirm the future model by April 2026. The submissions for consultation close 5 pm, 4 July 2025.

## **Policy Objectives for the Crown.**

To support continued spectrum use; Balance asset value with economic context; Foster market competition.

## **Eligibility & Moratorium**

It proposes moratorium on new or modified commercial licences from 2 April 2026 until 2031.

## **Commercial Licence Pricing**

Instead of auctions for licences as previous done, MBIE's proposes to make "set-price offers" for future licences based on a per-capita median derived from historic sale prices, adjusted by a 0.8 % p.a. industry growth factor. It claims thus approach would, for example, see a 47% reduction on previous price for FM commercial licences.

## **Licence Duration Options for commercial media**

MBIE acknowledges the future need for spectrum is uncertain and that twenty-year terms unnecessary (i.e. doubtful a licence granted from 2031 to 2051 will be used for the duration.) MBIE is suggesting it will offer shorter terms (e.g. 10 years). It also wants "Use-or-lose it" take-back rights for the Crown. If there has been no consistent transmission and "spectrum squatting" the Crown can seize it back unused licences. The Crown would keep the licence for spectrum replanning or return it to market.

## **RNZ licence term**

RNZ (and all Schedule 7 licensees such as iwi and community radio) have a mandatory 20-year licence terms under the Radiocommunications Act as it stands. Some of the smaller schedule 7 licensees' players like Rhema or community radio may want ten-year management rights. However, the law states that if RNZ is extended by 20 years then the same "roll over" obligations apply to the other schedule 7 non- commercial operators. MBIE is concerned that this creates an inequity for the non-commercial players who want shorter management rights, or in comparison to the commercial players who get ten-year management rights. MBIE says it is examining options but what that remains unstated. This problem is resolved if RNZ supports on ten-year management rights.

## **Reserved Spectrum**

There are Four FM blocks which were reserved by Cabinet in 1999:

- Block 16 is what RNZ uses.
- Block 17 was set aside for a National Youth Radio network – unused.
- Block 18 for a National Maori Radio Network – unused.
- Block 19 Pacific media and has extensive use.

MBIE says the unutilised blocks should be freed-up but seeks consultation for what purpose.

## **RNZ's proposed responses**

RNZ's submission would emphasize that a stable, predictable spectrum regime—with 20-year core licences for RNZ, protected public blocks, and proportionate flexibility for innovation—best serves both the public interest and wider broadcasting ecosystem.

### **RNZ 20-year licence (the Schedule 7 Statutory Entitlements)**

RNZ acknowledges it has a statutory entitlement to 20-year licences. This should be upheld.

The certainty that a 20-year licence brings is helpful.

It enables multi-decade planning for infrastructure upgrades, regional coverage, and emergency “lifeline” services

Long-term tenure underpins RNZ's ability to invest in transmitters and digital-hybrid platforms without the risk of mid-term licence renegotiation.

It ensures continuity of service during emergencies (tsunami warnings, civil defence), which aligns with the “lifeline utility” expectation

### **Duration of licences with other Broadcasters**

RNZ acknowledges that management rights of less than 20 years may be offered to commercial players. That this is reasonable given the future need for AM/FM spectrum is uncertain.

RNZ also acknowledges the Crown should hold a right to take back a licence under certain criteria to avoid the spectrum being fallow or repurposing.

RNZ supports the Crown option to take back after 12 months of non-use and to not close off the ability reuse the spectrum at a later date if available.

### **Reserved Blocks**

At the risk of stating the obvious, RNZ wants no change to its existing Block 16 FM reserved for public radio services. Nor does it seek any alteration to AM frequency arrangements necessary for its statutory obligation under the Emergency Management Act.

RNZ supports a targeted review of Blocks 17 – reserved for National Youth Network and Block 18 for National Maori Radio network. Our view is further consultation is necessary to develop the guiding principles for shaping release or repurposing. A first principle should be safeguarding the blocks for public service utility. RNZ would regard this as a potential opportunity for use by community or non-commercial AM broadcasters.

### **Ensuring Equity with Other Broadcasters**

Don't support any measures which undermine RNZ's statutory entitlement or 20-year management rights.

On the question of looking to support equity for non-commercial and iwi radio customers RNZ welcomes and steps that supports the tenure of these broadcasters.

### **Conclusion:**

RNZ's submission would emphasize that a stable, predictable spectrum regime—with 20-year core licences, protected public blocks, and proportionate flexibility for innovation—best serves both the public interest and wider broadcasting ecosystem.