



COVERSHEET

Minister	Hon Paul Goldsmith	Portfolio	Media and Communications
Title of Cabinet paper	Renewal of AM-FM Sound Broadcasting Radio Spectrum Licences	Date to be published	20 March 2026

List of documents that have been proactively released

Date	Title	Author
December 2025	Renewal of AM-FM Sound Broadcasting Radio Spectrum Licences	Office of the Minister for Media and Communications
16 December 2025	Renewal of AM-FM Sound Broadcasting Radio Spectrum Licences EXP-25-MIN-0126 Minute	Cabinet Office

Information redacted

YES / NO (please select)

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of confidentiality, commercial information, and improper pressure or harrassment.

Commercial In Confidence

Office of the Minister for Media and Communications

Cabinet Economic Policy Committee

Renewal of AM-FM sound broadcasting radio spectrum licences

Proposal

- 1 This paper seeks Cabinet's agreement to renew the current Management Rights for AM and FM sound broadcasting for a further 20 years, from 3 April 2031 to 2 April 2051.

Relation to government priorities

- 2 Effective management of radio spectrum supports economic growth and prosperity of New Zealanders through the provision of communications services, including radio broadcasting.
- 3 *Amplify* is the Government's Creative and Cultural Strategy, and the proposals in this Cabinet paper support *Amplify's* direction and actions by providing clarity and certainty to radio broadcasters around the future of spectrum availability in the commercial and non-commercial sectors.

Executive Summary

- 4 This paper seeks Cabinet agreement to renew the Management Rights for AM and FM sound broadcasting for 20 years, from 3 April 2031 to 2 April 2051.
- 5 Cabinet is asked to approve the renewal of Management Rights, repurpose spectrum previously reserved for the National Youth Network, and provide for more flexible use of Māori Network licences. I propose commercial broadcasters be offered a single renewal option which provides for up to 20-years of access, broken into four consecutive 5-yearly periods which operators can either pay for, or relinquish, as the relevant period approaches.. I propose that non-commercial broadcasters (iwi and community) continue to be provided for, but for the Local Commercial FM licence type to be retired.
- 6 If agreed, the Ministry of Business, Innovation and Employment (MBIE) will prepare commercial renewal offers by improper pressure or harassment, with non-commercial processes to follow. New licences will commence in April 2031 and run through to 2051, with additional licences and those relinquished by operators early being allocated via market processes where appropriate.

Background

- 7 Radio spectrum is used to transmit and receive communication by wireless technologies – such as Wi-Fi, mobile phones, and AM/FM radio. MBIE is responsible

for managing spectrum. However, by convention, Cabinet approval is typically sought for the creation of Management Rights and significant commercial allocations.

- 8 Technology for AM/FM sound broadcasting has not changed substantially since the last renewal in 2011, and it is proposed that existing settings around spectrum use and related technical conditions be retained. There are currently no meaningful opportunities to re-purpose this spectrum for uses other than sound broadcasting.
- 9 There are more than 1000 licences in place, reflecting widespread use in both bands and across New Zealand. Once expired, spectrum reverts to the Crown, and any broadcasters using this spectrum must stop unless steps are taken to renew the Management Rights.
- 10 Sound broadcasting licences fall into the following general categories:

Commercial licences: the Crown receives revenue from these licences

10.1 Commercial radio: There are a diversity of commercial broadcasters including large and medium-sized networks, and independent stations. Where there is demand, new broadcasting licences are allocated competitively through auction.

10.2 Local Commercial FM: a legacy licence category which was intended to sit between community and commercial broadcasting, with appropriate restrictions.

Non-commercial licences: only administrative licence fees charged

10.3 Community radio: licences are provided free of charge, with the objective of ensuring that there are regional and community broadcasting options available.

10.4 Iwi radio: licences for local operation in the rohe (area) of an iwi are provided at no cost. This reflects the Crown's commitment to protect and promote te reo Māori and tikanga Māori (the Māori language and culture) as a taonga of the Māori people and to support Iwi / Māori in their language revitalisation endeavours.

10.5 Radio New Zealand (RNZ): licences used by RNZ are provided at no cost. RNZ has a statutory role under the Civil Defence Emergency Management Act 2002 to act as a 'lifeline utility' in emergency situations.

- 11 In 1999 Cabinet reserved four 'FM blocks' of spectrum for National Public Radio (used by RNZ), a Pacific Island Radio Network, and a National Māori Radio Network and a National Youth Network (neither of which are currently in-use). The provision for a National Māori Radio Network is distinct from allocations related to iwi radio.
- 12 The Government has previously indicated that it will provide an offer for commercial operators 5-years ahead of the expiry of current rights, which would be improper pressure or harassment

Analysis

New Zealand's current allocation approach, which provides for both commercial and non-commercial interests, is broadly fit for purpose and should be retained.

- 13 We currently provide for a range of licence types which address different needs within the sound broadcasting industry. In addition, there are a number of 'reserve blocks' which have been put aside by the Crown for specific purposes.
- 14 I consider that the current range of licence options should largely be retained through the renewal process:
- 15 Commercial licences: I propose that the renewal offer made to commercial broadcasters establish a pathway for them to continue operating for a further 20 years, while also providing them with off-ramps to relinquish their spectrum rights sooner at no cost.

15.1 Non-commercial licences: Te Puni Kōkiri and the Ministry of Culture and Heritage, who are responsible for administering iwi and community licences, respectively, will develop renewal processes ahead of 2031. I propose that final decisions around community licences be delegated to me, and final decisions around iwi licences be delegated to the Minister for Māori Development.

- 16 I propose that we wind up legacy Local Commercial FM licences. There are only six remaining licences, and I intend for these broadcasters to be offered the opportunity to transition to either a commercial or community licence.
- 17 It is timely to revisit the decisions reserving spectrum for National Māori and Youth networks given that these blocks are not currently in use:

17.1 I propose that we remove the reservation for the Youth Network and make this spectrum available for commercial use. This would make approximately 30 commercial licences available. I would like to provide the existing reserved Auckland frequency to the National Pacific Media Trust until 2031, to support their transition off an obsolete RNZ AM transmission tower in Henderson.

17.2 For the Māori Network reservation, engagement with Māori by Te Puni Kōkiri has highlighted potential uses as either a national network or for additional iwi broadcasting, however further work is required. I propose that Cabinet delegate final decisions around use to myself and the Minister for Māori Development, to provide for further consultation and engagement around potential use of this block by Māori ahead of 2031.

The proposed allocation approach takes into account the changing landscape of the sound broadcasting industry.

- 18 A number of jurisdictions have started to wind-down AM/FM radio but the picture is varied globally and likely to continue to be uneven through to 2051. In Europe, more than 20 countries have completely switched off AM radio. Norway has gone even further, becoming the first country to fully switch off networked FM programmes in favour of Digital Audio Broadcasting (DAB, an alternate broadcasting standard which is still transmitted via radio spectrum, unlike streaming).

- 19 Elsewhere, the picture is more mixed. In the United States, AM radio still plays a distinct role. Rather than phasing it out, the Federal Communications Commission introduced an AM Revitalization Plan in 2015. Australia also retains AM as a key platform, particularly in remote areas where its wide coverage is important for reaching dispersed communities and supporting emergency broadcasting.
- 20 While many countries, particularly in Europe, have enabled transitioning from AM/FM to DAB, New Zealand did not initiate the development of a DAB network after trials from 2006 to 2018 found no strong economic case or industry demand. As a result, there is currently no DAB network in New Zealand to provide a transition between AM/FM broadcasting and streaming. Radio spectrum continues to be reserved for this purpose, if industry chooses to invest in its establishment here.
- 21 Radio continues to serve a vital role in emergencies in New Zealand, serving as a reliable method of communicating information and instructions during events. The National Emergency Management Agency has an agreement with broadcasters (including commercial operators, community access radio, iwi radio, and RNZ) so that it can break into programming with emergency messaging. These provisions have been used during Cyclone Gabrielle, and in the tsunami events of 2021 and 2025.
- 22 Our domestic sound broadcasting industry is experiencing reducing listenership and a shift from consumption via AM/FM broadcasting to other mediums such as internet streaming. The sector is under financial pressure, with the largest operators (NZME and MediaWorks) posting losses last year. It is not a case of universal decline however, with new broadcasters entering the market or expanding their networks in recent years.
- 23 Commercial broadcasters are impacted by uncertainty and volatility in advertising revenue. Supplied financial data from [Confidentiality], and wider advertising industry data, show substantial reductions in advertising revenue from radio during 2020. While there has been some recovery since then, a small but increasing portion of radio advertising revenue is being directed towards digital channels. For the non-commercial sector, limited funding (including from Government) is available to support content development and operational costs, and there is always more demand for this funding than availability.
- 24 The sound broadcasting industry is also grappling with looming infrastructure costs, with many transmission towers approaching end of life over the coming 20 years. These towers are owned by third parties (primarily RNZ, Kordia, and JDA – a subsidiary of Tū Ātea Network Services) who have commercial arrangements with broadcasters for their use. While we are not privy to these arrangements, infrastructure costs are likely to be a more substantial cost associated with operating the AM/FM network than spectrum rights. Supplied financial data from MediaWorks in 2024 included technology and transmission costs of \$16.2 million compared to spectrum licence costs (amortised from 2011 renewal) of \$3.7 million.
- 25 The sound broadcasting industry will need to grapple with how to address increasing infrastructure costs over the course of this future management right period. While spectrum allocation decisions are separate from infrastructure investments by state owned enterprises RNZ and Kordia, operators' spectrum investments are closely tied to their commercial arrangements with transmission providers. While there is scope to

modify licences so they can be used in new locations if a transmission site changes, this will always be subject to what can be accommodated amongst other existing licences.

- 26 The renewal process may act as a catalyst for change which is ultimately being driven by broader forces. We may see network consolidation and the entry or exit of broadcasters from the market through this process. While 2031 is some way into the future, providing certainty and clarity around the availability and terms of licences into the future is important given the current position of the sound broadcasting industry.
- 27 Through public consultation MBIE sought input on how long licences should be available for, beyond the current expiry in 2031. While there were a range of perspectives, submitters generally considered 20 years to be appropriate for FM, with timeframes of between 5 and 20 years for AM.
- 28 I consider it likely that, in New Zealand, we will still have some demand for radio services through to 2051, and I propose that we renew both AM and FM Management Rights for a further 20 years to accommodate this use. At this distance it is not obvious how widespread services will be, but in the absence of any current competing demands for this spectrum, making the spectrum available for 20 years while also providing opportunities for operators to relinquish their spectrum holdings at 5-yearly intervals will enable the broadcasting industry to wind down at its own pace.

We have a responsibility to ensure the Crown extracts value from spectrum for commercial purposes, while also recognising the uncertain and challenged position of the industry.

- 29 Through commercial licences we generate revenue for the Crown, and given the current state of Crown finances I am keen to ensure we are setting our prices responsibly.
- 30 The 2011 renewal process generated revenue of approximately \$96 million. Looking at the current state of the broadcasting industry and the trajectory of advertising revenue, we will not be able to achieve that kind of revenue now.
- 31 For current broadcasters, my proposal is that we provide a renewal offer which reflects a fair value, and any licences which are not taken up through this process will be offered to the market competitively. This is similar to the 2011 renewal process.
- 32 In terms of value, earlier this year MBIE consulted on a per-capita price informed by historic auction data, adjusted to reflect current market conditions. This resulted in a value of approximately \$38 million over 20 years. The RBA commissioned its own valuation which landed at \$27 million instead. Pragmatically, I propose that we make renewal offers based on a compromise of \$29 million.
- 33 Progressing a fully contestable approach (whereby all broadcasters would need to re-bid for spectrum in an open market) would create significant uncertainty and disruption by requiring all broadcasters to compete for their existing licences. While this is an option that would make clear the market value of the spectrum, I do not consider it a useful approach at this time.
- 34 Industry has signalled that the timing of payment is as important as the overall revenue we are seeking from this renewal process. When MBIE undertook consultation with a proposal which required full up-front payment of spectrum costs for 20 years, the

consistent response from both large and small operators was that they could not readily make such a payment. I consider there is a real risk that renewal offers will not be taken up if we require full up-front payment. In 2011 this risk was addressed by providing Crown loans, but my preference is to spread the cost to industry over the duration of the right by requiring operators to pay for each coming 5-yearly period as it approaches..

- 35 Taking a payment approach which breaks the 20-year right in four equal 5-yearly blocks also allows us to provide for broadcasters to relinquish their spectrum assets. The 2011 renewal process committed broadcasters to ownership for 20 years, and allowed for secondary market trading to keep spectrum in use. Looking toward the next 20 years, there is substantially more uncertainty over what radio broadcasting will look like. If operators can relinquish spectrum, it can be cycled back into use if there is a market for it (generating further revenue), or else remain unused and available for alternative uses which have not yet emerged.
- 36 This approach means that the Crown takes on more financial risk, both in terms of uncertain revenue from spectrum allocation, and in bearing the cost of lost revenue from spectrum that may go unused if operators choose not to renew. Previously, operators would have paid upfront and carried that risk themselves. However, given broadcasters have indicated they can't afford full upfront payments, and there's currently no alternative use for the spectrum, insisting on full payment may result in operators walking away, reducing revenue to the Crown and leaving spectrum idle.

Implementation

37 Key milestones for the implementation of new Management Rights are as follows:

Milestone/Activity	Timeframe
Renewal offers made to commercial broadcasters	Improper pressure or harass
Deadline for renewal offers to be accepted by commercial broadcasters	Improper pressure or harassment
Competitive allocation of any available commercial licences	2026-2030
Renewal process for non-commercial licences: iwi broadcasting and community broadcasting	2026-2031
Current management right ends. Any current licence holders who have not renewed their licence/s must cease broadcasting.	2 April 2031
New broadcasting licences commence	3 April 2031
New broadcasting licences expire	2 April 2051

38 Implementation of the proposed approach to the renewal of broadcasting licences will require:

38.1 The creation of new Management Rights and licences recorded in the Register of Radio Frequencies, which serves as the legal record of radio spectrum rights.

38.2 The development of commercial licence renewal offers Improper pressure or harassment including a suite of legal documents and pricing personalised to around 70 broadcasters.

38.3 In due course, the development of a renewal approach for non-commercial broadcasters.

38.4 In due course, taking to market any licenses made newly available. This would include from renewal offers which are not taken up, and from the youth block.

38.5 For spectrum which, to date, has been part of the National Māori Network, the process for the allocation of unused spectrum will need to be considered following further work.

Cost-of-living Implications

39 There are no cost-of-living implications from this proposal.

Financial Implications

- 40 The ultimate financial impact of these proposals will be additional revenue received by the Crown between 2031 and 2051.
- 41 The total amount of additional revenue will be determined by market behaviour, including decisions from broadcasters to take up renewal offers or participate in auctions.
- 42 Revenue forecasts are developed on a 5-year time horizon, and so I expect that MBIE officials will work with the Treasury to ensure forecasts are as accurate as possible, when we are at a point in the reporting cycle when 2031 is captured.
- 43 The use of revenue from any unused non-commercial (or iwi radio broadcasting and National Māori Radio Service) licences will need consideration following further work on the use of the spectrum and decisions by the Minister for Media and Communications and the Minister for Māori Development.

Legislative Implications

44 There are no legislative implications arising from the proposals in this paper.

Impact Analysis

Regulatory Impact Statement

45 The proposals in this paper do not relate to any legislative changes and therefore not subject to Cabinet's regulatory impact analysis requirements.

Climate Implications of Policy Assessment

46 The proposals set out here do not meet the qualifying criteria for a climate impact policy assessment.

Population Implications

47 Commercial radio listenership skews older, with industry reporting that 78% of people in the 55-74 age bracket listened to commercial radio each week, compared to 66% of people aged 18-39 (data from August 2025). Proposals in this Cabinet paper are not

likely to result in changes that would not be driven by other industry factors more generally.

- 48 Spectrum reserved for Māori broadcasting recognises that the Crown has an obligation to protect and promote te reo and tikanga Māori as a taonga under the Treaty of Waitangi. Iwi radio stations are a direct channel to local communities, reflect their communities and allow for the use of local mita (dialect). This is especially important for rural Māori without digital access and older Māori audiences, who are more likely to listen to radio. Proposals in this Cabinet paper are not likely to result in any significant changes, as decisions have been deferred and delegated to the Minister for Māori Development and the Minister for Media and Communications.

Human Rights

- 49 There are no human rights implications associated with these proposals.

Use of external Resources

- 50 MBIE, which is responsible for the management of radio spectrum, will use external resources to implement the following aspects of the proposals in this paper:
- 51 Competitive allocations through auction: an external auction house is currently used to provide auctioneer services associated with ad hoc sound broadcasting auctions. Commercial Inf
[REDACTED]
- 52 Engineering of new licences: under the *Radiocommunications Act 1989* the creation of new licences requires certification by an Approved Radio Engineer. MBIE does not have capacity in-house to engineer the volume of licences required Commercial Information
[REDACTED]
- 53 Development of commercial documents: it is intended that the development of this documentation will be undertaken in-house by MBIE leveraging existing documents of this type. Depending on the complexity of final commercial arrangements, external legal expertise may be utilised in development or review.
- 54 An external consultancy was used for quality assurance of the methodology used to derive a valuation of current broadcasting licences. Commercial Information
[REDACTED]

Consultation

- 55 The following agencies were consulted: Ministry for Culture and Heritage, Te Puni Kōkiri, Treasury, Ministry for Pacific Peoples, and the National Emergency Management Agency. The Department of Prime Minister and Cabinet was informed.
- 56 Public consultation was undertaken between 12 May and 18 July 2025 to support the development of these proposals. Further targeted consultation has been undertaken with the peak national body for the commercial radio sector, the Radio Broadcasters Association.

57 Te Puni Kōkiri officials supported engagement with Māori through three online workshops attended by licenced iwi radio stations and iwi groups without licences, and hui with Te Whakaruruhau o Ngā Irirangi Māori, Te Māngai Pāho and Tū Ātea.

Communications

58 Subject to Cabinet decisions, MBIE or I will make announcements as appropriate.

Proactive Release

59 To protect the commercial position of the Crown ahead of renewal offers being made to commercial operators, I will proactively release this Cabinet paper improper pressure or harassment
[REDACTED]

Recommendations

The Minister for Media and Communications recommends that the Committee:

Establishment of Management Rights

- 1 **Agree** that the AM and FM sound broadcasting management rights which expire on 2 April 2031 are renewed for 20 years, from 3 April 2031 to 2 April 2051 with two management rights to be created for the purposes of sound broadcasting from 0.521-1.612 MHz and 88.4-106.63 MHz, respectively.
- 2 **Agree** that the radio spectrum previously allocated for the National Youth Block reservation be repurposed, primarily for commercial broadcasting except for the Auckland frequency which I propose be provided to the National Pacific Media Trust until April 2, 2031.
- 3 **Agree** that radio spectrum previously allocated for the National Māori Block reservation will continue to be reserved for Māori and iwi use, but may not necessarily be reserved for a single nationwide network.
- 4 **Agree** to delegate further decisions on the spectrum which makes up the current National Māori Block reservation to the Minister for Media and Communications and the Minister for Māori Development.

Commercial broadcasting

- 5 **Agree** that current commercial broadcasters be offered a single renewal offer based on a total industry value of \$29 million for current licenses, with any licences not taken up through this renewal process offered to the market competitively.
- 6 **Agree** that the commercial arrangement offered for licences in the post-April 2031 management right will provide flexibility for broadcasters to either pay for each 5-year period as it approaches, or else relinquish their spectrum assets. This recognises the uncertainty currently being experienced by the sector but comes at the cost of certainty of revenue for the Crown.

- 7 **Agree** that decisions around the final terms of renewal offers for commercial broadcasters be delegated to the Minister for Media and Communications.

Local Commercial FM

- 8 **Agree** that the Local Commercial FM licence type be wound up in 2031, with operators offered the option of transitioning to either a commercial or community licence.

Community broadcasting

- 9 **Agree** that final decisions around the renewal process for community radio be delegated to the Minister for Media and Communications.

Iwi radio

- 10 **Agree** that the current spectrum reserved for iwi radio broadcasting be retained and final decisions around the renewal process be delegated to the Minister for Māori Development.

Financial recommendations

- 11 **Note** that as a result of the decision in recommendation 5 and 6 above, the estimated increase in Crown Non-Tax Revenue: Radio Spectrum is forecasted to be \$1.625 million per annum over the 20 years period from 2031/32;
- 12 **Note** that changes in the forecast Crown Non-Tax Revenue: Radio Spectrum will be updated as part of Baselines update for the forecast period.

Authorised for lodgement

Hon Paul Goldsmith

Minister for Media and Communications