



COVERSHEET

Minister	Hon Paul Goldsmith	Portfolio	Media and Communications
Title of Cabinet paper	Approval to Amend Radio Spectrum Licencing Fees and Radiocommunications (Fees) Amendment Regulations 2026	Date to be published	15 April 2026

List of documents that have been proactively released

Date	Title	Author
October 2025	Approval to Amend Radio Spectrum Licencing Fees	Office of the Minister for Media and Communications
15 October 2025	Radio Spectrum Licensing Fees: Proposed Amendments ECO-25-MIN-0162 Minute	Cabinet Office
March 2026	Radiocommunications (Fees) Amendment Regulations 2026	Office of the Minister for Media and Communications
5 March 2026	Radiocommunications (Fees) Amendment Regulations 2026 LEG-26-MIN-0037 Minute	Cabinet Office
19 September 2025	Stage 2 Cost Recovery Impact Statement: Increasing Radio Spectrum Management Licensing Fees	MBIE

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.

In Confidence

Office of the Minister for Media and Communications

Cabinet Economic Policy Committee

Approval to amend radio spectrum licencing fees

Proposal

- 1 This paper seeks Cabinet's approval to set existing radio spectrum licensing fees at a full cost recovery level.

Relation to government priorities

- 2 Wireless communication technologies all use radio spectrum and are a vital tool for many businesses, consumers and government agencies in New Zealand. Effective management of radio spectrum supports economic growth in the telecommunication sector and delivery of public services and government operations (eg operational communications, military operations, law enforcement, and service delivery).
- 3 This is a routine review of fees that follows guidance set by the Treasury, the Office of the Auditor General, and the Legislation Design and Advisory Committee to review fees regularly.

Executive Summary

- 4 Radio Spectrum Management (RSM) regulates the use of radio spectrum under the Radiocommunications Act 1989. Through its functions, RSM enables licence holders to transmit radio waves without interference.
- 5 RSM operates under a user-pays cost recovery model. Licence fees have been set below cost since 2017 to reduce a memorandum account surplus. RSM has maintained these low fees since 2017 through operational efficiencies and IT system improvements. Efficiency enhancing improvements include incorporation of APIs, strategic monitoring of interference threats, implementing self-help functions and automating some licencing functions.
- 6 However, rising costs – driven by increased demand for spectrum, complexity of spectrum management, and IT system improvements – have made the current model unsustainable. RSM forecasts an annual cost increase of \$2.458 million.
- 7 To ensure RSM continues to operate efficiently and effectively to meet government priorities, I propose increasing the appropriation by \$2.458 million and increasing all radio spectrum licence fees to achieve full cost recovery and to enable spectrum to be made available to the industry faster. The proposed changes are informed by a review of RSM's operating model, a Cost Recovery Impact Statement, and public consultation. Fee adjustments are designed to be equitable, transparent, and sustainable.

- 8 While increased fees will affect licence holders – including some public sector entities – the changes are justified by the need to return to full cost recovery and the enhanced service delivery. The need for future fee increases has been publicly signalled since 2017. Licencing costs generally contribute only a small portion to the total operating cost of businesses and the proposed fees are comparable to pre-2017 levels.

Background

- 9 Radio Spectrum Management (RSM), a business unit within the Ministry of Business, Innovation and Employment (MBIE), is responsible for administering legislation pertaining to wireless communication technologies in New Zealand. This includes licences for accessing the radio spectrum, granted to both individuals and businesses. These licences allow licensees to transmit on the radio spectrum. The licence also grants the holder protection against radio interference from other users.
- 10 RSM licence fees cover three key functions: licensing, investigating interference that affects licensees and technical planning to set licence conditions. Timely and efficient delivery of these functions is critical to licence holders carrying out their businesses and realising economic growth opportunities. In particular:
- 10.1 Licencing involves processing applications and granting licences and various accreditations that support the administration of the Act.
 - 10.2 Investigation ensures licensed transmissions are protected from unwanted interference by carrying out investigations and promoting compliance with the legislation, for the benefit of licence holders.
 - 10.3 Planning involves technical and engineering work required to allocate spectrum between different uses and users, thereby setting the technical conditions that licences contain.
- 11 Radio spectrum supports the use of wireless communication technologies which are integral to many businesses and government operations (eg WiFi, mobile connectivity and GPS location services). Media and telecommunication, one of the many spectrum-related industries, accounts for 4 per cent of New Zealand's annual gross domestic product.¹ Sector growth is expected to continue over the next decade with the increased use of wireless technologies. As such, effective management of radio spectrum can drive economic growth – specifically in the telecommunication industry.

RSM's administration costs are fee-funded under a 'user pays' cost recovery model

- 12 Currently, RSM's annual appropriation of \$8.999 million should be recovered from users to manage and enforce the Act. There are four licence types prescribed in the *Radiocommunications Regulations 2001* which set fees for

¹ March 2025, Statistics New Zealand (<https://www.stats.govt.nz/information-releases/gross-domestic-product-march-2025-quarter/>).

the licences administered by RSM. Fees are paid annually on the anniversary of the licence anniversary date.

- 13 A 2017 review led to fees being temporarily set below cost to reduce a \$11.552 million surplus in the RSM memorandum account at the time. When the fees were reduced, and in subsequent fee reviews, RSM anticipated an adjustment to increase fees would be required once the surplus was exhausted. As of 30 June 2025 the memorandum account had a surplus of \$2.181 million (unaudited) and is forecast to continue to decline.
- 14 With the memorandum account forecast to enter a deficit by 30 June 2026, MBIE undertook a review of RSM's operating model and cost recovery model, forecasting out over the next five years.

RSM has operated efficiently but costs are forecast to increase

- 15 Realising the benefits of radio spectrum requires RSM to operate efficiently and effectively in carrying out its core functions. The administrative costs of delivering these functions, at a standard that benefits licence holders, have changed over time.
- 16 Prior to 2022, RSM's annual expenditure remained relatively stable, operating within the current appropriation, despite inflationary pressures and increasing demand for radio spectrum licences. RSM achieved this by adapting operational processes to meet service demand – particularly the incorporation of self-help functions, prioritisation of functions that provide the most benefit to licence holders and sharing service costs across business units. Overtime, this led to the significant surplus in 2017, and fees being discounted for the past eight years.
- 17 Notwithstanding this, RSM is facing increased fixed costs which are unsustainable under the current cost recovery settings. The increased costs, of \$2.458 million per annum, can be attributed to:
 - 17.1 **Increased demand for spectrum access** and licences from both industry and government agencies. At the end of the 2024/25 financial year, there were 60,294 licences being administered by RSM. Over the next five years, licence volumes are expected to increase by 19 per cent. Most of these will be driven by population growth and developments in wireless communication technologies. Government priorities in defence, maritime and space operations will also impact spectrum demand. For example, delivery of thirteen projects in the Defence Capability Plan requires access to spectrum. Servicing this demand requires additional resources for technical planning functions.
 - 17.2 **Increased complexity of spectrum management from new technologies** which benefit consumers and businesses. Spectrum management has become more complicated around the world – specifically to manage interference risks from unlicensed transmitters and equipment from overseas markets. Ensuring licence holders can effectively use and benefit from their licences requires RSM to closely

monitor and address interference risks promptly. This requires access to resources (radars and other monitoring tools) and trained personnel.

- 17.3 **Implementation of the Register of Radio Frequencies (RRF)**, a new IT system introduced in 2022. The RRF replaced a 15-year-old system to meet modern spectrum management needs. The new system streamlines licensing through automation, targeted compliance monitoring, and efficient auditing. API integration has significantly improved data sharing between RSM, approved engineers, and licence holders. In August 2025 alone, over 1.8 million API calls enabled automated information exchange. Alongside the improved functionality and time-saving efficiencies throughout the licensing lifecycle, implementing new IT systems requires ongoing operational costs to cover depreciation, maintenance and training.

Table 1 - Summary of increased costs (\$ million)

Cost type	Current budget	Increased costs	Proposed annual budget
RRF IT system	\$2.667	\$1.072	\$3.739
Personnel	\$2.866	\$0.491	\$3.357
Other operating costs and MBIE support costs	\$3.466	\$0.895	\$4.361
Total	\$8.999	\$2.458	\$11.457

Current fees will not recover the increased costs impacting RSM’s ability to efficiently meet demand and government priorities

- 18 RSM's current cost recovery settings do not fully recover the costs of administering the regime, making the regime financially unsustainable and inefficient for the future. This is a result of:
- 18.1 a period of under-recovery to reduce a memorandum account surplus;
 - 18.2 increased costs which exceed the current appropriation (outlined in paragraph 17); and
 - 18.3 uneven distribution of costs for processing applications following the implementation of the RRF which has changed the way RSM operates. The current fees do not accurately reflect these changes.
- 19 Without the fee changes and appropriation increase, RSM will need to reduce the services currently provided to licensees. This will adversely impact licence holders and, over time, could degrade the performance and availability of wireless technology services in New Zealand. Given the Government’s priorities for driving economic growth, I do not consider a reduction in RSM services to be a desirable outcome.

Increasing RSM licensing fees and appropriation to return to full cost recovery

20 To ensure RSM can continue to operate efficiently and effectively to meet government priorities and the objectives of the Act, I propose:

20.1 amending existing fees to achieve full cost recovery as detailed in Table 2 below; and

20.2 increasing the departmental appropriation by \$2.458 million annually which will be recovered from the proposed fees.

Table 2 – Proposed fees and current fees (GST inclusive)

Licence Type	Current Fee	Proposed Fee	Percentage change
Amateur radio and spectrum licenses	\$50.00	\$66.00	+32 per cent
Land mobile up to 5 pagers/repeaters	\$600.00	\$800.00	+33 per cent
Land mobile over 5 pagers/repeaters	\$1,500.00	\$1,800.00	+20 per cent
Standard license fee	\$150.00	\$190.00	+27 per cent

21 The proposal concludes the nine-year period of intentional under recovery and ensures RSM is appropriately resourced to administer the radio spectrum licencing regime from the next financial year.

22 Proposed fees are equitable, justifiable, transparent, enable efficient administration of the Act and enable full and sustainable cost recovery. They align with cost recovery principles – specifically the guidance for setting public sector charges issued by the Treasury and the Legislative Design and Advisory Committee. Increasing the fees under the existing fee structure could be implemented sooner and would be a more sustainable approach to cost recovery than alternative options considered in the CRIS.

23 The proposed fee was reduced following a review of the cost recovery model post-public consultation to ensure a fair and accurate distribution of costs across the four fee categories.²

Proposed fee change was informed by public consultation

24 Proposals for a fee change were publicly consulted on between 12 February – 11 April 2025. The consultation sought feedback on two approaches to returning to full cost recovery:

² Standard licence fee, the most common licence type, was reduced by \$15 (7.6 per cent). Land mobile over 5 pagers/repeaters fee was reduced by \$270 (14.0 per cent). Other two licence types were reduced by 2 to 3 per cent.

- 24.1 **Option 1:** Fee increases under the existing fee structure.
- 24.2 **Option 2:** Fee increases under a new fee structure which distinguishes between fees for licence renewals and fees for new or modified licences.
- 25 MBIE received 41 submissions from a range of industry groups, including amateurs, mobile network operators, broadcasters, and government agencies. Officials consider this a representative sample of the wider licensee population.
- 26 While submitters noted the proposed fee increases were high, they preferred retaining the current fee structure for its simplicity and predictability. Some submitters noted that Option 2, which distinguishes fees by application type, could negatively impact licence acquisition decisions by businesses trying to reduce costs (eg by not modifying licences to reflect minor location changes). Such behaviour would increase interference risks which negatively impacts licence holders and increases enforcement costs.

Impact on licence holders – including some public sector entities

- 27 The proposed fee increase will have a financial impact on all licence holders – which includes approximately 3,500 businesses of different scales, public sector entities (predominantly local government) and non-commercial organisations.
- 28 In the public consultation, industry submitters raised concerns about introducing new charges during a period of high living and business costs, which could impact wireless communication services provided to consumers. The three mobile network operators (Spark, OneNZ and 2 Degrees) and Chorus will be impacted to the greatest extent, given that approximately 50 per cent of licences are held between these entities.
- 29 I consider the increased costs on businesses to be justified given:
- 29.1 the increased fees provide services sought by industry and necessary to support opportunities for economic growth;
- 29.2 licencing costs make up a very small percentage of businesses' overall operating costs;
- 29.3 licence holders have been aware of an impending fee increase since 2017 when the fees were reduced; and
- 29.4 the proposed fees are less than the average fee in 2017 and on par with the future fee increase that was forecast at that time. In 2017, MBIE's modelling forecast that standard licence fees could be set at around \$185.00 (GST inclusive) once the memorandum account surplus was exhausted. The proposal in this paper is to set the standard fee at \$190.00 (GST inclusive).

- 30 Given the lower volumes of licences, the cost difference faced by public sector entities will be relatively small and unlikely to impact service delivery and operational decisions. Public sector entities, predominantly local government bodies, account for approximately 8 per cent of licence volumes. On average, each public sector licensee holds fewer than 50 licences. New Zealand Police, New Zealand Defence Force and KiwiRail hold the largest share, accounting for approximately 4 per cent of licences. The New Zealand Defence Force and KiwiRail both submitted feedback during public consultation. Whilst neither supported the fee increase proposed, they noted that it would not impact licence acquisition decisions or their operations.
- 31 The potential impact on business and consumers (if the costs are passed on in full) is illustrated in Table 2.

Table 3 - Scenario Modelling of Impact of Increased Fees on Different Licensees and consumers per annum

	Customers	Licences Held	Total cost to business		Cost Difference	Cost difference per customer
			Under current fee settings	Under proposed fee settings		
Scenario 1: mobile network operator	2,400,000	9,000	\$1,350,000.00	\$1,692,000.00	\$342,000.00	\$0.14
Scenario 2: wireless internet service provider	4,400	116	\$17,400.00	\$21,808.00	\$4,408.00	\$1.00
Scenario 3: Large amateur operator	0	52	\$2,600.00	\$3,432.00	\$832.00	n/a
Scenario 4: Government Agency	0	487	\$73,050.00	\$91,556.00	\$18,506.00	n/a

Implementation

- 32 I propose the new fees come into effect on 1 July 2026 and that the associated regulatory amendments be promulgated before that date.

Cost-of-living Implications

- 33 If costs from increased fees were fully passed on to consumers, households may experience a very small increase in household expenses over the next five years (refer to Table 3 in paragraph 31 above). However, on a per capita basis, I consider the increased cost for households to be negligible.

Financial Implications

- 34 Revenue from the proposed fees will fund an annual \$2.458 million increase for *Media and Communications: Management and Enforcement of the Radiocommunications Act 1989* departmental appropriation within Vote Business, Science and Innovation.

- 35 The proposed changes to the fees schedule are intended to recover the full operational costs. Accordingly, no additional Crown funding is proposed.

Legislative Implications

- 36 Radio spectrum licensing fees are prescribed in the *Radiocommunications Regulations 2001*. To adjust fees, these regulations must be amended.

Impact Analysis

Regulatory Impact Statement

- 37 A Quality Assurance Panel from MBIE has reviewed the Cost Recovery Impact Statement titled 'Increasing Radio Spectrum Management Licensing Fees' provided in Appendix 1.
- 38 The Panel consider that the information and impact analysis summarised in the CRIS meets the Quality Assurance criteria.

Climate Implications of Policy Assessment

- 39 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this policy proposal, as the threshold for significance is not met.

Population Implications

- 40 The proposals affect licences which are predominantly held by businesses. Fee changes will not directly impact any specific population groups.
- 41 Minority community groups that rely on services provided by small businesses or non-commercial operators may be indirectly impacted if licence holders cease services as a result of the fee changes.

Consultation

- 42 The Treasury was consulted during the preparation of this paper. Government agencies holding a large volume of licences (New Zealand Defence Force, New Zealand Police, Department of Conservation, Maritime New Zealand) were given the opportunity to submit on the proposed changes through public consultation and were subsequently informed of the proposals in this paper.
- 43 The Department of Prime Minister and Cabinet was informed.

Communications

- 44 MBIE will notify licence holders of the proposed changes in advance of fee changes through a business update newsletter and RSM's website.

Proactive Release

- 45 This paper and appendices will be proactively released, with redactions in line with the *Official Information Act 1982*, within 30 business days of decisions being confirmed by Cabinet.

Recommendations

The Minister for Media and Communications recommends that the Committee:

- 1 **note** the administration of radio spectrum licences, authorised by the *Radiocommunications Act 1989* and *Radiocommunications Regulations 2001*, is funded by fees which are currently set below cost to reduce a surplus in the *Media and Communications: Management and Enforcement of the Radiocommunications Act 1989* departmental appropriation;
- 2 **note** that the departmental appropriation memorandum account is forecast to enter a deficit by 30 June 2026;
- 3 **note** that the current cost recovery settings cannot fully recover the current appropriation and increased costs of radio spectrum management, making it unsustainable and inefficient for the future;
- 4 **agree** to amend the *Radiocommunications Regulations 2001* to reflect the following fee to reflect full cost recovery of the regime;

Fee category		New fee (GST inclusive)
A	Amateur radio and spectrum licence	66.00
B	Land mobile radio licence fee (up to 5 repeaters or pagers)	800.00
C	Land mobile radio licence fee (unlimited repeaters or pagers)	1,800.00
D	Standard licence fee	190.00

- 5 **agree** to increase the funding for Radio Spectrum Management by \$2.458 million to recover costs associated with administering the radio spectrum management system over the next five years;
- 6 **approve** the following changes to appropriations to give effect to the policy decision in recommendations 4 and 5 above, with no corresponding impact on the operating balance and net debt:

Vote Business, Science and Innovation Minister for Media and Communications	\$m – increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Departmental Output Expenses: Media and Communications: Management and Enforcement of the <i>Radiocommunications Act 1989</i> (funded by revenue other)	-	2.458	2.458	2.458	2.458

Authorisation for drafting instructions and minor or technical changes

- 7 **invite** the Minister for Media and Communications to issue drafting instructions to the Parliamentary Counsel Office to give effect to recommendation 4 above;
- 8 **authorise** the Minister for Media and Communications to make policy decisions on any minor or technical matters that may arise during the drafting process that are consistent with the policy decisions above.

Final approval

9. **note** that the Minister for Media and Communications intends to seek final approval of the regulations from the Cabinet Legislation Committee in the first quarter of 2026 to enable the fees to come into effect from 01 July 2026.

Authorised for lodgement

Hon Paul Goldsmith

Minister for Media and Communications



COVERSHEET

Minister	Hon Paul Goldsmith	Portfolio	Media and Communications
Title of Cabinet paper	Approval to Amend Radio Spectrum Licencing Fees and Radiocommunications (Fees) Amendment Regulations 2026	Date to be published	15 April 2026

List of documents that have been proactively released

Date	Title	Author
October 2025	Approval to Amend Radio Spectrum Licencing Fees	Office of the Minister for Media and Communications
15 October 2025	Radio Spectrum Licensing Fees: Proposed Amendments ECO-25-MIN-0162 Minute	Cabinet Office
March 2026	Radiocommunications (Fees) Amendment Regulations 2026	Office of the Minister for Media and Communications
5 March 2026	Radiocommunications (Fees) Amendment Regulations 2026 LEG-26-MIN-0037 Minute	Cabinet Office
19 September 2025	Stage 2 Cost Recovery Impact Statement: Increasing Radio Spectrum Management Licensing Fees	MBIE

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.