

**SUBMISSION TO MBIE ON
REVIEW OF LICENCE FEES FRAMEWORK**

7 DECEMBER 2015



Introduction

This submission is made on behalf of Television New Zealand Limited (**TVNZ**), in response to the Ministry of Business, Innovation & Employment's *Review of Licence Fees Framework: Consultation Document* (the **Document**).

We thank the Ministry for the opportunity to comment on the Document, and look forward to further engagement with the Ministry.

Responses to specific proposals:

Proposal 1: Set fees based on the level projected to reduce the memorandum account balance to zero in six years, with a subsequent increase in fees to balance revenue and expenditure.

Generally TVNZ would support fees set to reduce the memorandum account balance to zero in six years, with a subsequent increase in fees. However it submits that stability of fee levels and avoiding price shock is important to enable advance budgeting.

Proposal 2: Introduce a single licence fee for all licence classes.

TVNZ supports the introduction of a single licence fee.

Proposal 3: Discontinue licence categories for land mobile multiple repeaters on a common channel throughout New Zealand (LR1 and LR2) and multiple radio transmitters on a common frequency for paging (LP1).

TVNZ does not support the discontinuation of the licence category for multiple repeaters as this may drive an increase in cost and administration overhead for TVNZ due to its use of RT repeaters for its news service.

Proposal 4: Remove the discount for online payment and reflect the discount in the calculation of the base licence fee.

TVNZ has no view on this.

Proposal 5: Introduce a manual processing fee of \$25 to recover the administration costs of paper-based payments.

TVNZ has no view on this.

Proposal 6: Remove the Licence Interference Investigation (LII) rebate.

TVNZ is neutral on removing the Interference Investigation rebate. We did trial the Interference Investigation rebate at one time, but found that the administrative burden was not outweighed by the benefits.

However TVNZ submits that the Document has overlooked the special case of broadcasting (and cell phones) where the general public suffers interference, rather than the operator of the radio link.

MBIE encourages all users to diagnose interference in the first instance, and to approach RSM only when further help is required. However in the case of broadcasting it is the viewer that is the 'user' of the service rather than the licence holder.

The Document notes (in Table Three at p10) that "analogue television has previously been an on-going and major source of interference issues. This has largely disappeared since the digital switchover."

The progressive introduction of IMT (cell phone) services into the previously TV-only UHF band may cause a rise in interference issues again. TVNZ requests that MBIE retain a vigorous interference investigation service (through the Radio Inspector) to retain our audience. TVNZ would not necessarily be aware of a widespread, slow loss of audience due to reduced receive ability because of random interference issues.

TVNZ would be happy to answer any questions or clarify its response.

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