

There are only two significant OB providers in this country. Those being OSB and NEP. The market is fortunate to have such competition. The sale of OSB to NEP would take New Zealand's OB market back to a monopoly. A market state similar to what New Zealand had prior to NZ Live / NEPs arrival in the market.

For clarification.

The applicant's application used a facility provider's camera count as a measure of a competitor's ability to compete. This is a simplistic approach. In order to successfully televise a production one needs significant investment in audio equipment, signal routing, replay and recording equipment, control room space, control equipment, power reticulation, lenses, communication equipment and cable infrastructure. In an established and well abled facilities company this pool of equipment represents a much larger capital outlay than that of simple camera technology. It is often the size of this resource that limits the scope and type of work carried out by a given facilities provider, not simply the amount of cameras a facility can handle. Having to hire in this additional equipment is an option at times but this reduces margin and therefore the ability to be competitive. This additional hireage often comes from NEP or OSB. This in itself could also present a conflict of interest with them offering up such a hire and the pricing around this.

In addition to this the age of a facilities camera technology should also not in its entirety be the measure of a viable competitor either. A supplier's investment in the above additional equipment can have an economic life much longer than the life of a given camera technology, be that SD, HD or 4K.

The biggest losers out of the proposed sale will be the market of local New Zealand made productions and content. This market is too small for international suppliers to be able to enter and exit for one off or short duration events. It could be surmised that since NZ Live's and NEPs entry into the market the cost of hiring such facilities has reduced dramatically. The concept that a new competitor could enter this market with even just one broadcast truck similar to either NEP or OSB is not a plausible idea unless they had a significant contract to support the capital outlay. Both NEP and OSB's existence is largely supported by anchor clients, those being the TAB and Sky. This then enables them to compete at much greater margins, flexibility and ease for any extra "3rd party" or local New Zealand work. Removing one of them from this market would no longer incentivise this competitive nature. It would be interesting to test pricing change of 3rd party work since the arrival of NZ Live / NEP

International events hosted domestically will always have the scope and size to attract international bidders for supply of services. However often these contracts cover the same event across multiple countries in the form of a tour and local providers are not even given an option to quote. This would be an example of where NEP's NZ operation, or OSB are not even part of this international market. It would be important to not let this be seen as competition.