

Associated documents

Publication date	Title
27 June 2024	2023/24 TDL specified information document
27 June 2024	Specified information templates for 2023/24

Glossary, defined terms, and abbreviations

2018 Amendment Act	Telecommunications (New Regulatory Framework) Amendment Act 2018
Act	Telecommunications Act 2001
Commission	Commerce Commission
CPI	Consumer price index
Interconnected bodies corporate	A body corporate that was connected to a liable person via one of the criteria set out in s 79(1) that earned qualified revenue, even where such body corporate was not itself a liable person
LAD	Liability allocation determination
Liable person	A person who provides a telecommunications service in New Zealand by means of some component of a PTN that is operated by the person
PTN	Public telecommunications network - a network used, or intended to be used, in whole or in part, by the public for the purpose of telecommunication
QLP	Qualifying liable person - a liable person that traded in the 2022/23 financial year and, together with all bodies corporate connected via s 79, met the minimum telecommunications revenue threshold in that financial year
Qualified revenue	Revenue determined by the Commission that is used to assess the amount of the TDL that a liable person must pay
Specified information	Information requested by the instructions we issued on 27 June 2024
TDL	Telecommunications Development Levy
TDL year	The period from 1 July to 30 June for which a TDL liability allocation determination is being made
Telecommunication	The conveyance by electromagnetic means from one device to another of any encrypted or non-encrypted sign, signal, impulse, writing, image, sound, instruction, information, or intelligence of any nature
Telecommunications services	Any goods, services, equipment, and facilities that enable or facilitate telecommunication

CONTENTS

ASSOCIATED DOCUMENTS	2
GLOSSARY, DEFINED TERMS, AND ABBREVIATIONS	3
EXECUTIVE SUMMARY	5
INTRODUCTION	7
STRUCTURE OF THIS DOCUMENT	7
SUBMISSIONS.....	7
NEXT STEPS	8
LEGAL FRAMEWORK	9
LEGISLATIVE BACKGROUND.....	9
COMMISSION'S ROLE.....	9
LIABLE PERSON.....	10
<i>Broadcasting transmission networks.....</i>	<i>10</i>
<i>Telecommunications service "in New Zealand"</i>	<i>10</i>
QUALIFYING LIABLE PERSONS.....	11
QUALIFIED REVENUE.....	11
REQUIREMENTS ON QUALIFYING LIABLE PERSONS.....	12
TOTAL LEVY	12
LEVY ALLOCATION FORMULA	12
METHODOLOGY AND REASONS.....	13
IDENTIFYING QLPS FOR THE 2022/23 TDL PROCESS.....	13
APPROACH TO CALCULATING QUALIFIED REVENUE	13
<i>Gross telecommunications services revenue</i>	<i>14</i>
<i>Timing adjustments</i>	<i>15</i>
<i>Net revenue approach</i>	<i>15</i>
<i>Section 85A(1)(a)</i>	<i>15</i>
<i>Bundles</i>	<i>16</i>
COMPLIANCE AND ASSURANCE.....	16
ALLOCATION OF LEVY.....	17
ATTACHMENT A: LIST OF 2023/24 TDL QLPS	19
LISTING THE QLPS	19

Executive summary

1. This is the draft liability allocation determination (**LAD**) for the 2023/24 Telecommunications Development Levy (**TDL**) year of 1 July 2023 to 30 June 2024.
2. This draft LAD is required by s 84 of the Telecommunications Act 2001 (the **Act**) and allocates the amount each qualifying liable person (**QLP**) is required to pay as their share of the 2023/24 TDL of \$11,928,294.57.¹
3. The TDL is an annual levy which the Government uses to subsidise telecommunications capabilities in the public interest which are otherwise not expected to be available commercially, or which are unaffordable. The TDL has predominately been used to partially fund phase 2 of the Rural Broadband Initiative, the Mobile Blackspot Fund and backhaul infrastructure for the Chatham Islands.
4. As a result of changes in the market, there are four new QLPs for this year: Starlink New Zealand Unlimited Liability Company, Starlink Internet Services Pte Ltd, Swarm NZ Limited, and Swarm Technologies Inc. The four QLPs are connected via s 79 of the Act and referred to as SpaceX New Zealand group.
5. Table 1 below sets out each QLP's qualified revenue and their allocation of the 2023/24 TDL, based on the formula in s 85(1)(b) of the Act.²

¹ The formula for calculating the levy for the 2023/24 TDL is set out in Schedule 3B of the Act.

² The formula is set out in para 41 of this draft LAD.

Table 1: Levy allocation

QLP†	Qualified revenue*	% of industry qualified revenue	Amount of TDL to pay (\$)
Spark group	\$ 1,397,790,784	28.87%	\$ 3,443,551.78
One New Zealand Group Ltd^	\$ 1,096,706,000	22.65%	\$ 2,701,809.13
Chorus group	\$ 928,332,000	19.17%	\$ 2,287,008.43
2Degrees group	\$ 636,729,000	13.15%	\$ 1,568,624.79
Tuatahi First Fibre Ltd**	\$ 136,507,000	2.82%	\$ 336,294.19
Enable Service Ltd**	\$ 112,739,000	2.33%	\$ 277,740.12
Connexa Ltd	\$ 108,416,000	2.24%	\$ 267,090.12
Fortysouth Group LP^	\$ 84,999,670	1.76%	\$ 209,402.41
SpaceX NZ group	\$ 73,790,000	1.52%	\$ 181,786.64
Sky Network Television Ltd	\$ 52,376,000	1.08%	\$ 129,031.81
Mercury NZ group**	\$ 51,138,000	1.06%	\$ 125,981.91
Kordia Ltd**	\$ 26,852,669	0.55%	\$ 66,153.36
Northpower Fibre Ltd**	\$ 17,808,000	0.37%	\$ 43,871.21
Vector Communications Ltd	\$ 17,525,000	0.36%	\$ 43,174.02
Lightwire Ltd	\$ 16,986,000	0.35%	\$ 41,846.16
Cello Group Ltd	\$ 12,975,000	0.27%	\$ 31,964.79
Devoli group	\$ 12,248,803	0.25%	\$ 30,175.75
Vital group	\$ 11,003,037	0.23%	\$ 27,106.72
Voyager Internet Ltd	\$ 10,341,000	0.21%	\$ 25,475.75
Inspire Net group	\$ 9,158,000	0.19%	\$ 22,561.35
Feenix Communications Ltd	\$ 6,930,000	0.14%	\$ 17,072.52
Plan B group	\$ 5,810,638	0.12%	\$ 14,314.90
Wireless Nation Ltd	\$ 4,351,000	0.09%	\$ 10,718.98
MyRepublic Ltd	\$ 4,027,000	0.08%	\$ 9,920.79
Todd Corporation group	\$ 3,339,161	0.07%	\$ 8,226.25
Transpower New Zealand Ltd**	\$ 3,000,000	0.06%	\$ 7,390.70
Total Industry	\$ 4,841,878,762	100%	\$ 11,928,294.57

† Any reference to a group (eg, Chorus group) is a reference to a group of bodies corporate that, for the purposes of the TDL, are treated as one person under s 79 of the Act. See Attachment A for a full list of bodies corporate that comprise each QLP group.

*A firm with telecommunications revenue over the \$10m minimum telecommunications revenue threshold for inclusion may have a reported qualified revenue of under \$10m due to adjustments.

** Section 79 of the Act requires us to treat these Crown companies as one QLP when assessing who is required to contribute to the TDL, including whether their combined qualified revenue exceeds the \$10m telecommunications revenue threshold. However, they provided separate disclosures, so their TDL allocations are shown separately.

^ Section 79 of the Act requires us to treat these entities with Infratil ownership (One New Zealand Group Ltd and Fortysouth Group LP) as one QLP when assessing who is required to contribute to the TDL, including whether their combined qualified revenue exceeds the \$10m telecommunications revenue threshold. However, they provided separate disclosures, so their TDL allocations are shown separately.

Note: Aotearoa Towers Group LP changed its name to Fortysouth Group LP on 22 May 2024.

Introduction

6. The TDL is an annual levy which the Government uses to subsidise telecommunications capabilities in the public interest which are otherwise not expected to be available commercially, or which are unaffordable. The TDL has predominately been used to partially fund phase 2 of the Rural Broadband Initiative, the Mobile Blackspot Fund and backhaul infrastructure for the Chatham Islands.
7. Subpart 2 of Part 3 of the Act prescribes an annual procedure for the Commerce Commission (**Commission**) to determine the amount of the TDL payable by each QLP.
8. This document is the draft LAD for the period 1 July 2023 to 30 June 2024. It sets our draft allocation of the amount each QLP is required to pay of the 2023/24 TDL of \$11,928,294.57.³

Structure of this document

9. This draft LAD sets out:
 - 9.1 The legal framework for this LAD;
 - 9.2 Our methodology and reasoning, including:
 - 9.2.1 how we identified QLPs for the 2023/24 TDL process;
 - 9.2.2 the approach used to calculate qualified revenue;
 - 9.2.3 the compliance and assurance process; and
 - 9.3 Our draft allocation of the TDL between the QLPs.
10. Attached to this draft LAD is the list of 2023/24 TDL QLPs.

Submissions

11. We invite submissions on the 2023/24 draft LAD.
12. The closing date for submissions is **5pm, 8 November 2024**. Please email your submission to telecommunications@comcom.govt.nz.
13. When including commercially sensitive or confidential information in your submission, we offer the following guidance:
 - 13.1 please provide a clearly labelled confidential version and public version as we intend to publish all public versions on our website;

³ See paras 39-40 for the calculation of this figure.

13.2 please provide reasons alongside any information in the confidential version as to why it is commercially sensitive or confidential information; and

13.3 the responsibility for ensuring confidential information is not included in a public version of a submission rests entirely with the party making the submission.

14. If we consider disclosure of information for which confidentiality is claimed to be in the public interest, we will consult with the party that provided the information before any public disclosure of that information is made.

Next steps

15. After considering submissions, we will publish our final LAD for the 2023/24 TDL. At this stage we anticipate issuing our final decision by early-December 2024.

Legal framework

Legislative background

16. The TDL was established under the Telecommunications (TSO, Broadband, and Other Matters) Amendment Act 2011.
17. Later amendments to the Act have altered the TDL's process and scope. Most recently, the Telecommunications (New Regulatory Framework) Amendment Act 2018 (**2018 Amendment Act**) removed the exclusion of "broadcasting" from the definition of "telecommunication" in s 5 of the Act. The 2018 Amendment Act also introduced s 85A, which excludes free-to-air broadcast services revenue from qualified revenue.

Commission's role

18. Subpart 2 of Part 3 of the Act requires the Commission to make a TDL LAD on an annual basis. A TDL year is the financial year of 1 July to 30 June.⁴
19. The Act requires the Commission to prepare a draft LAD, invite submissions on the draft LAD and then publish a final LAD.⁵
20. We are required to make reasonable efforts to publish a draft LAD no later than 80 working days after the end of a TDL year, which is in mid-October each year.⁶ A draft LAD must include:⁷
 - 20.1 the amount of each QLP's qualified revenue;
 - 20.2 the amount of TDL payable by each QLP;⁸
 - 20.3 the methodology applied by the Commission in preparing the determination; and
 - 20.4 the reasons for the determination.
21. The Act provides that the closing date for submissions on the draft LAD cannot be more than 20 working days after the date that we give public notice of the draft LAD.⁹
22. The final LAD has the same content requirements as the draft LAD and we are required to make reasonable efforts to publish the final LAD no later than 20

⁴ "Financial year" is defined in s 5 of the Act as meaning "a period of 12 months beginning on 1 July in any year and ending on 30 June in the following year". The "financial year" (for which the levy must be paid) is referred to as 'financial year A' in s 81.

⁵ Section 84 and 87 of the Act.

⁶ Section 84(2) of the Act.

⁷ Section 85 of the Act.

⁸ Calculated in accordance with the formula set out in s 85(1)(b) of the Act.

⁹ Section 84(1)(c) of the Act.

working days after the closing date for submissions on the draft LAD, which would usually be early-December.¹⁰

Liable person

23. A liable person is defined in s 5 of the Act as a person who provides a telecommunications service in New Zealand by means of operating some component of a Public Telecommunications Network (**PTN**).¹¹ A PTN is a network used, or intended to be used, in whole or in part, by the public for the purpose of telecommunication.¹²

Broadcasting transmission networks

24. The 2018 amendment to the Act to remove the “broadcasting” exclusion from the definition of “telecommunication” has had the effect of broadening the scope of who may be a liable person.
25. Prior to the amendment, broadcasting transmission networks were excluded from the scope of PTN because broadcasting was not within the definition of telecommunication. Similarly, a person who provided a broadcasting transmission service was not providing a “telecommunication service”.
26. The amendment means that a person who provides a broadcasting transmission service in New Zealand by means of operating some component of a broadcasting transmission network is a liable person.
27. This interpretation was confirmed by the High Court in the TDL case stated judgment, *Commerce Commission v Kordia*.¹³ The Court held that a broadcasting transmission network is a PTN. It found that the public uses a network for the purposes of telecommunication “if they have a device that receives the telecommunication conveyed and are able to avail themselves of the telecommunication received”.¹⁴ This is the case with broadcasting transmission networks, since the public uses a device to receive and avail themselves of a broadcast transmission.

Telecommunications service “in New Zealand”

28. To be a liable person, a person must be providing a telecommunications service “in New Zealand”.
29. In relation to satellite transmission to New Zealand end-users, the service provided “in New Zealand”, is the service enabled by New Zealand-based uplink and downlink facilities. It does not include the revenue of satellite operators who

¹⁰ Section 88 and 87(2) of the Act.

¹¹ Our interpretation of a PTN in light of the *REANNZ v Commerce Commission* judgment can be found at paragraphs 19-24 of “Final 2019/20 TDL liability allocation determination” accessible at https://comcom.govt.nz/data/assets/pdf_file/0025/229327/Final-2019-20-TDL-liability-allocation-determination-3-December-2020.pdf.

¹² Section 5 of the Act.

¹³ *Commerce Commission v Kordia*, at [57]-[87].

¹⁴ *Commerce Commission v Kordia*, at [73].

facilitate the transmission of a New Zealand PTN where that facilitation occurs outside of New Zealand, e.g., in space.¹⁵

Qualifying liable persons

30. Only liable persons who Subpart 2 of Part 3 of the Act applies to are liable to pay the TDL. We refer to these liable persons as “qualifying liable persons” or QLPs.
31. A liable person meets the 2023/24 TDL QLP criteria if they:
 - 31.1 traded in the 2022/23 financial year;¹⁶ and
 - 31.2 earned at least \$10 million gross telecommunications services revenue in the 2022/23 financial year by means of its PTN or by means that rely primarily on the existence of its or any other PTN, including such revenue of any interconnected bodies corporate.¹⁷

Qualified revenue

32. Qualified revenue is defined in s 5 of the Act as the revenue a liable person receives during a financial year for supplying either or both:
 - 32.1 telecommunications services by means of its PTN; and/or
 - 32.2 telecommunications services by means that rely primarily on the existence of its PTN or any other PTN.
33. Section 85(2) of the Act allows the Commission to determine what revenue basis to use in calculation of qualified revenue.¹⁸
34. The 2018 amendments to the Act mean that, subject to the exclusion discussed below, qualified revenue includes revenue from supplying telecommunications services by means of a broadcasting transmission network, or by means that rely primarily on the existence of a broadcasting transmission network or any other broadcasting transmission network.
35. Section 85A(1)(a) of the Act specifically excludes from qualified revenue “any amount of revenue received in relation to a broadcasting service that is supplied to end-users free of charge (for example, revenue derived from a free-to-air radio or television service)”.¹⁹

¹⁵ *Commerce Commission v Kordia*, at [88]-[108].

¹⁶ Section 81(1)(a) of the Act.

¹⁷ Section 81(1)(b) and section 79 of the Act.

¹⁸ See paragraph 54 for details on the revenue basis used.

¹⁹ Broadcasting transmission services supplied to a free-to-air broadcaster, which the broadcaster then uses to broadcast its content to end-users free of charge, falls within the s 85A(1)(a) exclusion. See *Commerce Commission v Kordia*, at [109]-[130].

Requirements on qualifying liable persons

36. Section 82 of the Act required each QLP to provide the Commission with a copy of its financial statements for the 2022/23 financial year by 3 April 2024.²⁰
37. Section 83 of the Act required each QLP to provide the Commission, by 20 September 2024, with specified information for the 2023/24 financial year and either:²¹
- 37.1 an assurance report on its specified information; or
- 37.2 an alternative form of assurance specified by the Commission.²²
38. QLPs are required under s 89 of the Act to pay the Crown the amount set out in our final LAD no later than 20 working days after the public notification of the final LAD.

Total levy

39. The total TDL levy amount is set out in Schedule 3B of the Act. For the 2023/24 TDL year, the Act provides that the levy is to be calculated according to the following formula:

$$\frac{a}{b} \times c$$

Where:

- a is the CPI index number for quarter two 2023
- b is the CPI index number for quarter two 2022
- c is the total TDL levy for the 2022/23 TDL

40. It follows that the total 2023/24 TDL levy is:

$$\frac{1231}{1161} \times \$11,250,000 = \$11,928,294.57$$

Levy allocation formula

41. Section 85(1)(b) of the Act prescribes that the amount of TDL payable by each QLP be calculating in accordance with the following formula:

$$\frac{a}{b} \times c$$

Where:

- a is the amount of the QLP's qualified revenue

²⁰ QLPs from last year were not expected to provide their 2022/23 financial statements as this was already provided as part of their 2022/23 s 83 disclosures.

²¹ The Commission specified the information required from QLPs in its 2023/24 specified information document, accessible at https://comcom.govt.nz/_data/assets/pdf_file/0031/356818/Specified-information-and-assurance-report-instructions-for-2023-24-Telecommunications-Development-Levy-27-June-2024.pdf

²² The Commission specified two alternative forms of assurance for the 2023/24 TDL year— alternative option A and B. These are set out in paras 68 to 71 of the 2023/24 specified information document.

- b is the sum of all QLP's qualified revenue
- c is the TDL levy specified for the relevant year in Schedule 3B²³

Methodology and reasons

Identifying QLPs for the 2022/23 TDL process

42. For the 2023/24 TDL process, we reviewed information provided by QLPs as part of their 2022/23 s 83 disclosures as well as information provided under s 82 of the Act by other liable persons.
43. Attachment A lists the firms that we have identified as being QLPs for the purposes of the 2023/24 TDL process. This list is not final and can be amended at any stage up to the date of publication of the final LAD if we receive information that uncovers a new QLP.
44. This list differs from the 2022/23 LAD as it reflects changes in the New Zealand market. There are four new QLPs for this year's Determination:
 - 44.1.1 Starlink New Zealand Unlimited Liability Company;
 - 44.1.2 Starlink Internet Services Pte Ltd;
 - 44.1.3 Swarm NZ Limited; and
 - 44.1.4 Swarm Technologies Inc.
45. The four QLPs are connected via s 79 of the Act²⁴ and referred to as SpaceX New Zealand group. SpaceX New Zealand group became a QLP due to its growing telecommunications revenue.

Approach to calculating qualified revenue²⁵

46. On 27 June 2024, we published our 2023/24 specified information document, which specified the financial information and assurance that QLPs must provide to us under s 83 of the Act. QLPs were notified about these documents and sent an email containing a link to our website where the documents could be found.

²³ For the 2023/24 TDL c is equal to \$11,928,294.57. See paragraphs 39-40 for the calculation.

²⁴ Section 79(1) of the Act sets out that two or more body corporates must be treated as one person for the purposes of Part 3 if: one of them is a body corporate of which the others are subsidiaries; all of them are subsidiaries of the same body corporate; all of them are associates of each other; one of them owns or controls shares that in the aggregate carry the right to exercise or control the exercise of 20% or more of the voting power at meetings of the other; or a third party owns or controls shares in each of them that carry the right to exercise or control the exercise of 20% or more of the voting power at meetings of each of them.

²⁵ The approach presented in this section was developed specifically for the LAD process and should not be taken as guidance for compliance with any other notice, determination or other requirements we might issue.

47. To reduce compliance costs on QLPs, we use an approach to calculate qualified revenue that:
- 47.1 relies on information that is readily available across a wide range of firms;
 - 47.2 is applicable across a wide range of firms with varying products, business models, and reporting capabilities, rather than being designed to meet the business practices and concerns of any one firm; and
 - 47.3 where possible, relies on common auditable information that QLPs are likely to keep for other purposes (such as statutory reporting and billing).
48. Our 2023/24 specified information document provided a formula setting out how each QLP should calculate its qualified revenue. A summary of this formula is set out in Table 2 below.

Table 2: Calculating qualified revenue

Step	Disclosed items	Value	Value	Formula
a	Operating revenue as per the relevant statutory financial statements		\$a	
b	Non-telecommunications services revenue (if any)	\$b		
c	Other non-telecommunications services revenue	<u>\$c</u>		
d	less Total non-telecommunications service revenue		\$d	$d = b + c$
e	plus Timing adjustment (if required)		\$e	
f	Gross telecommunications services revenue		\$f	$f = a - d + e$
g	less Total payments made to other QLPs		\$g	
h	less Total payments to non-QLPs for services initially provided by a QLP		\$h	
i	less Free-to-air broadcasting services revenue		\$i	
j	less Total cost of non-telecommunications good and services included in gross telecommunications services revenue		<u>\$j</u>	
k	Qualified revenue		<u>\$k</u>	$k = f - g - h - i - j$

Gross telecommunications services revenue

49. In their s 83 disclosures, QLPs started with their operating revenue figure and made deductions for non-telecommunications services revenue to calculate their gross telecommunications services revenue.
50. Our specified information document provided guidance to QLPs on how different revenue streams should be treated in their disclosures. This included listing the liability status of common revenue streams for telecommunications companies.²⁶

²⁶ See Attachment A of the 2023/24 specified information document.

Timing adjustments

51. As with previous years, QLPs were required to provide specified information for the 1 July to 30 June financial year.
52. For those QLPs who have year-ends other than 30 June we allowed them to make a timing adjustment to adjust their gross telecommunications revenue to reflect the 1 July 2023 to 30 June 2024 TDL year.
53. To provide assurance on the accuracy of the timing adjustment, QLPs who sought to rely on the alternative assurance option were required to provide director certification.²⁷

Net revenue approach

54. A core part of our approach to calculating qualified revenue is the use of a net revenue method. We have used this method since the TDL was established in 2011. Earlier LADs provide detailed explanations for our choice of the net revenue method, but in short, we chose this method as it captures revenue earned by both wholesalers and retail service providers and it avoids double taxation.²⁸
55. In practice, our use of the net revenue method means that we allow QLPs to make the following deductions from their qualified revenue:
 - 55.1 total payments to other QLPs; and
 - 55.2 total payments to non-QLPs for services initially provided by a QLP.
56. Both these deductions are limited to payments made for telecommunications services used in the supply of telecommunications services to the QLP's customers.
57. The paragraph 55.2 deduction is rare and is only used to deal with situations where a non-QLP is acting as an intermediary between a liable upstream provider and a liable downstream provider of telecommunications services.

Section 85A(1)(a)

58. Section 85A of the Act provides certain exclusions from qualified revenue for revenue received in relation to broadcasting services. Subsection (1)(a) excludes any amount of revenue received in relation to a broadcasting service that is supplied to end-users free of charge.

²⁷ QLPs relying on the default assurance option (ie, an assurance report on their specified information) were not required to provide directors certification as the timing adjustment would have been included in the assurance report audit.

²⁸ For example, see our final 2011/12 TDL LAD at https://comcom.govt.nz/_data/assets/pdf_file/0025/61657/Telecommunications-Development-Levy-liability-allocation-final-determination-2011-12-27-June-2013.pdf

Bundles

59. If telecommunications goods and services and non-telecommunications goods and services are sold by a QLP in a bundle,²⁹ the qualified revenue calculation needs to account for this to ensure that telecommunications revenue is appropriately identified.
60. As with previous years our TDL methodology allows for QLPs to account for bundles by either using a:
 - 60.1 *separate revenue approach* - identifying and excluding the revenue attributable to the non-telecommunication services; or
 - 60.2 *deduction approach* – subtracting the cost of the non-telecommunication services.³⁰
61. The deduction approach can only be used in situations where a QLP cannot use the separate revenue approach. In practice both approaches are used by QLPs but the adoption of NZ IFRS 15³¹ has seen more QLPs move towards the separate revenue approach.
62. Our 2023/24 specified information document provided guidance to QLPs on the use of the deduction approach.³²
63. Attachment B of our 2023/24 specified information document prescribed a revenue apportionment methodology for broadcasting subscription and advertising revenue.³³ This methodology allows broadcasters to identify the ‘non-telecommunications’ element of these revenue streams and deduct them through the separate revenue approach.

Compliance and assurance

64. QLPs were required to provide an assurance report or an audit report by an independent qualified auditor on their specified information. These reports provide us with a reasonable level of confidence as to the processes used to prepare information and the reliability of the information. The auditor is expected to identify and correct deficiencies in processes and information and provide assurance of its reliability.

²⁹ Bundling refers to a situation where two or more goods are sold together. Most cases that we deal with in the TDL are mixed bundles, which is where components of the bundle are available on a standalone basis and available in a bundle.

³⁰ Under this approach the value of non-telecommunications goods and services sold in a bundle with telecommunications services should be deducted based on their input cost.

³¹ New Zealand Equivalent to International Financial Reporting Standard 15 Revenue from Contracts with Customers.

³² See paras 43-45 of the 2023/24 specified information document.

³³ See Attachment B: Treatment of broadcasting related revenue streams of the 2023/24 specified information document.

65. Overall, the level of completeness and timeliness of disclosures this year was better than past years.
66. We reviewed all information received from QLPs under s 83 for compliance with our specified information instructions. This included checking the disclosures for completeness, the reasonableness of information provided, and the consistency of how different QLPs addressed comparable issues.
67. Our review identified several technical issues relating to specific QLPs, which we raised with the relevant QLPs. The QLPs provided us with a satisfactory explanation, or the additional information requested in time for the issues to be addressed in the draft LAD.
68. We are still waiting for information from 2degrees group to support the deduction of an item of revenue from its qualified revenue. We have not included the deduction in the draft LAD. This information may result in a change to its qualified revenue which will have a minor impact on the overall allocation of the levy.

Allocation of levy

69. The proportion of the TDL required to be paid by each QLP is determined by its share of the total qualified revenue earned by all QLPs for the TDL period.
70. In accordance with s 85(1)(a) and (b) of the Act, Table 3 shows the qualified revenue amounts that we have determined, and the amount of the TDL payable by each liable person.

Table 3: Levy allocation

QLP†	Qualified revenue*	% of industry qualified revenue	Amount of TDL to pay (\$)
Spark group	\$ 1,397,790,784	28.87%	\$ 3,443,551.78
One New Zealand Group Ltd^	\$ 1,096,706,000	22.65%	\$ 2,701,809.13
Chorus group	\$ 928,332,000	19.17%	\$ 2,287,008.43
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SpaceX NZ group	\$ 73,790,000	1.52%	\$ 181,786.64
Sky Network Television Ltd	\$ 52,376,000	1.08%	\$ 129,031.81
Mercury NZ group**	\$ 51,138,000	1.06%	\$ 125,981.91
Kordia Ltd**	\$ 26,852,669	0.55%	\$ 66,153.36
Northpower Fibre Ltd**	\$ 17,808,000	0.37%	\$ 43,871.21
Vector Communications Ltd	\$ 17,525,000	0.36%	\$ 43,174.02
Lightwire Ltd	\$ 16,986,000	0.35%	\$ 41,846.16
Cello Group Ltd	\$ 12,975,000	0.27%	\$ 31,964.79
Devoli group	\$ 12,248,803	0.25%	\$ 30,175.75
Vital group	\$ 11,003,037	0.23%	\$ 27,106.72
Voyager Internet Ltd	\$ 10,341,000	0.21%	\$ 25,475.75
Inspire Net group	\$ 9,158,000	0.19%	\$ 22,561.35
Feenix Communications Ltd	\$ 6,930,000	0.14%	\$ 17,072.52
Plan B group	\$ 5,810,638	0.12%	\$ 14,314.90
Wireless Nation Ltd	\$ 4,351,000	0.09%	\$ 10,718.98
MyRepublic Ltd	\$ 4,027,000	0.08%	\$ 9,920.79
Todd Corporation group	\$ 3,339,161	0.07%	\$ 8,226.25
Transpower New Zealand Ltd**	\$ 3,000,000	0.06%	\$ 7,390.70
Total Industry	\$ 4,841,878,762	100%	\$ 11,928,294.57

† Any reference to a group (eg. Chorus group) is a reference to a group of bodies corporate that, for the purposes of the TDL, are treated as one person under s 79 of the Act. See Attachment A for a full list of bodies corporate that comprise each QLP group.

*A firm with telecommunications revenue over the \$10m minimum telecommunications revenue threshold for inclusion may have a reported qualified revenue of under \$10m due to adjustments.

** Section 79 of the Act requires us to treat these Crown companies as one QLP when assessing who is required to contribute to the TDL, including whether their combined qualified revenue exceeds the \$10m telecommunications revenue threshold. However, they provided separate disclosures, so their TDL allocations are shown separately.

^ Section 79 of the Act requires us to treat these entities with Infratil ownership (One New Zealand Group Ltd and Fortysouth Group LP) as one QLP when assessing who is required to contribute to the TDL, including whether their combined qualified revenue exceeds the \$10m telecommunications revenue threshold. However, they provided separate disclosures, so their TDL allocations are shown separately.

Note: Aotearoa Towers Group LP changed its name to Fortysouth Group LP on 22 May 2024.

Attachment A: List of 2023/24 TDL QLPs

71. Tables 1 and 2 below list the companies (or groups of companies) that, based on the information before us, we consider are liable for the 2023/24 TDL, i.e., are QLPs. However, it is the responsibility of businesses involved in providing telecommunications services to determine whether they are QLPs and therefore must comply with the requirements under subpart 2 of Part 3 of the Act.
72. The list of QLPs for the 2023/24 TDL year is based on information provided to date, the list is not final and may be reviewed and updated if required.³⁴

Listing the QLPs

73. The Commission has identified two categories of QLPs:
- 73.1 *QLP groups* – groups of connected bodies corporate that are treated as a single QLP by virtue of s 79 of the Act (identified in Table 1); and
- 73.2 *Independent QLPs* – companies without connected bodies corporate (identified in Table 2).

Table 1: QLPs that include interconnected bodies corporate under s 79 of the Act

QLP Group
<p>2Degrees group:</p> <ul style="list-style-type: none"> • Two Degrees Mobile Ltd; • Two Degrees Networks Ltd; • Two Degrees New Zealand Ltd; • Vocus (New Zealand) Ltd; • Vocus Group NZ Ltd; • M2 NZ Ltd; • CallPlus Ltd; • CallPlus Services Ltd; • 2Talk Ltd; • Flip Services Ltd; and • Orcon Ltd.
<p>Chorus group:</p> <ul style="list-style-type: none"> • Chorus Ltd; and • Chorus New Zealand Ltd.
<p>Crown companies group:</p> <ul style="list-style-type: none"> • Kordia Ltd; • Transpower New Zealand Ltd; • Northpower Fibre Ltd; • Enable Networks Ltd; • Enable Services Ltd; and • Tuatahi First Fibre Ltd

³⁴ It is important to note that parties must self-report that they are QLPs no later than 60 working days before the end of the TDL year and provide financial statements for the preceding TDL year, along with any other information we require to verify that they are a QLP. We can also, at any time, seek financial or other information from a party to assist us to verify whether or not they are a QLP.

- Tuatahi Central Fibre Ltd.³⁵

Devoli group:

- Devoli Ltd;
- Layer 2 Co Ltd; and
- Digital Emporium Ltd.

Intratil group:

- One New Zealand Group Ltd;
- Fortysouth Group LP,³⁶ and
- Bay City Communications Ltd.

Inspire Net group:

- Inspire Net Ltd; and
- Inspired Networks Ltd.

Mercury NZ group:

- Mercury NZ Ltd;³⁷ and
- Now New Zealand Ltd.

Plan B group:

- Plan B Ltd;
- Internet Company of New Zealand Ltd; and
- Solarix Holdings Ltd.

SpaceX New Zealand group:

- Starlink New Zealand ULC;
- Starlink Internet Services Pte Ltd;
- Swarm NZ Ltd; and
- Swarm Technologies Inc.

Spark group:

- Spark New Zealand Ltd;
- Spark New Zealand Trading Ltd; and
- Digital Island Ltd.

Todd Corporation group:

- Nova Energy Ltd; and
- Todd Digital Ltd.

Vital group:

- Vital Ltd; and
- Vital Data Ltd.

³⁵ Tuatahi First Fibre Ltd acquired Unison Fibre Ltd and its name was changed to Tuatahi Central Fibre Ltd on 02 Feb 2024.

³⁶ Aotearoa Towers Group LP changed its name to Fortysouth Group LP on 22 May 2024.

³⁷ Mercury NZ Ltd is also a part of the Crown companies' group.

Table 2: Independent QLPs

Independent QLP
• Cello Group Ltd.
• Connexa Ltd.
• Feenix Communications Ltd.
• Lightwire Ltd.
• MyRepublic Ltd.
• Sky Network Television Ltd.
• Vector Communications Ltd.
• Voyager Internet Ltd.
• Wireless Nation Limited