

Treatment of broadcasting services revenue in the Telecommunications Development Levy (TDL)

Consultation paper

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Associated documents

Publication date	Reference	Title
12 December 2019	N/A	Analysys Mason – Introduction to broadcasting technologies

Glossary

Act	Telecommunications Act 2001
Amendment Act	Telecommunications (New Regulatory Framework) Amendment Act 2018
Broadcasting	any transmission of programmes, whether or not encrypted, by radio waves or other means of telecommunication for reception by the public by means of broadcasting receiving apparatus
CDN	Content Delivery Network – distributed platform of servers
DSO	Digital Switch Over – transition from analogue television to digital television transmission
DTT	Digital Terrestrial Television
Interconnected bodies corporate	a body corporate that was connected to a liable person via one of the criteria set out in section 79(1)(a)-(e) that earned qualified revenue, even where such body corporate was not itself a liable person
IP	Internet Protocol – the method or protocol by which data is sent from one computer to another on the internet
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
Minimum telecommunications revenue threshold	means \$10 million of gross revenue (as determined in accordance with the specified information instructions) that a liable person (together with all interconnected bodies corporate) receives during a financial year for supplying either or both of the following: (a) telecommunications services by means of its PTN; and (b) telecommunications services by means that rely primarily on the existence of its PTN or any other PTN
ONT	Optical Network Terminal
OTT	Over-The-Top – refers to content and applications provided from a third party and delivered to an end-user device, leaving the retailer responsible for transporting IP packets

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 person that traded in the relevant financial year and, together with all bodies corporate connected via section 79 of the Act, met the minimum telecommunications revenue threshold in that financial year
Qualified revenue	the revenue (as determined in accordance with any specifications set by the Commission) that a liable person receives during a financial year for supplying either or both of the following (excluding any amount paid to the liable person by the Crown as compensation for the cost of complying with a TSO instrument that contains a specified amount and excluding any amount under section 85A): (a) telecommunications services by means of its PTN; and (b) telecommunications services by means that rely primarily on the existence of its PTN or any other PTN
Specified instructions	section 83 specified information and assurance report instructions that we issue annually (typically late June)
Specified templates	section 83 specified information templates that we issue annually (typically late June)
Subpart 2 of Part 3 of the Act	the subpart of the Telecommunications Act 2001 that governs the TDL process
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
TDL	Telecommunications Development Levy
TDL year	the period from 1 July to 30 June for which a TDL liability allocation determination is being made
TSO	Telecommunications Service Obligations in relation to a TSO instrument
VOD	Video On Demand

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Introduction

Purpose and structure of this paper

1. The purpose of this paper is to introduce the Telecommunication Development Levy (TDL) process to new stakeholders and outline the relevant TDL amendments that the Telecommunications (New Regulatory Framework) Amendment Act 2018 (**Amendment Act**) made to the Telecommunications Act 2001 (**the Act**).
2. This paper also seeks feedback on our initial interpretation of how the provisions relating to the TDL in the Amendment Act will affect the Commerce Commission's (**Commission**) statutory TDL tasks. These amendments:
 - 2.1 removed the exclusion of "any conveyance that constitutes broadcasting" from the definition of *telecommunication*; and
 - 2.2 inserted section 85A, which excludes certain types of broadcasting services revenue from the calculation of qualified revenue.
3. This paper focuses on the impact of the amendments for the 2019/20 TDL and onwards. We recently consulted on changes to the 2018/19 TDL specified information and assurance report instructions (**specified instructions**) and specified information templates (**specified templates**) required by, among other things, the Amendment Act.¹ However, that paper only highlighted the changes necessary for the 2018/19 TDL process.
4. This consultation paper covers the general principles for how the Commission will treat broadcasting services revenue. A future consultation process in the first half of 2020 will cover how these principles are implemented into the specified instructions and specified templates.
5. We have engaged Analysys Mason to produce a report on the transmission platforms used for broadcasting in New Zealand. The report accompanies this consultation paper and can be found [here](#).

Submitting your views

6. We are interested in your views on our initial interpretation of the effect of the relevant amendments to the Act and to understand how these amendments may affect previously liable (and non-liable) parties and broadcasting service providers.
7. We have posed specific consultation questions throughout the paper which are consolidated in Attachment A for ease of reference.

¹ Commerce Commission "Consultation on updates to the 2018/19 Telecommunications Development Levy (TDL) specified instructions and templates" (15 May 2019).

8. Please send your submissions to the Commission by **5pm Wednesday, 12 February 2020**, and address your submission to:

Aidan Winder-Speed
C/O – regulation.branch@comcom.govt.nz

9. If you wish to provide commercially sensitive information in your submission, we request that you provide multiple versions of your submission.
10. When including commercially sensitive information in your submission, we offer the following guidance.
- 10.1 Please provide a clearly labelled “confidential version” and “public version”. This is because we intend to publish all public versions on our website.
- 10.2 The responsibility for ensuring that confidential information is not included in a public version of a submission rests entirely with the party making the submission.
- 10.3 If the Commission considers the disclosure of information that has been provided in the confidential version may be necessary in the public interest, we will consult with the party that provided the information before any such disclosure is made.

Next steps

11. Following the publication of this consultation paper on 12 December 2019, we anticipate the following timetable leading up to the 2019/20 TDL process (see Table 1 below).

Table 1: Indicative timeline

Milestone	Indicative dates
Submissions due on the treatment of broadcasting services revenue: consultation paper	12 February 2020
Cross submissions due	27 February 2020
Treatment of broadcasting services revenue: framework paper published	March 2020
Parties liable to pay the TDL ² required to provide financial statements to the Commission under section 82 of the Act	1 April 2020
Consultation on updates to specified instructions and templates published	Early May 2020
Submissions due on consultation on updates to specified instructions and templates	Late May 2020
Section 83 specified instructions and templates issued	30 June 2020

² We refer to these parties as ‘qualifying liable persons’ or QLPs.

12. We will consider all submissions and cross submissions before publishing a framework paper in March 2020 to provide stakeholders with clarity on how the Commission has interpreted the effect of the relevant amendments to the Act. This will allow parties to assess whether they are liable to pay the TDL before the 1 April 2020 deadline for providing financial information to the Commission (as required by section 82 of the Act).^{3,4}
13. We anticipate conducting a separate consultation on our proposed updates to the specified instructions and templates. That consultation will focus on practical issues of implementing our treatment of broadcasting services revenue principles into the specified instructions and specified templates. We will then issue our final section 83 specified instructions and specified templates by 30 June 2020. After issuing these the TDL process will run as it has done in previous years (see Figure 1 below).

Telecommunications Development Levy

Overview

14. The TDL was established under the Telecommunications (TSO, Broadband, and Other Matters) Amendment Act 2011. The levy was set at \$50 million a year until 2019 but in 2020 the levy is set to decrease to \$10 million a year and thereafter the levy will be adjusted by inflation.⁵
15. The Commission is required to allocate the levy proportionately to qualifying telecommunications providers.
16. The government uses the annual levy to pay for telecommunications infrastructure including the relay service for the deaf and hearing-impaired, broadband for rural areas, and improvements to the 111-emergency service.
17. The levy is paid by companies, or groups of companies, earning more than \$10 million of telecommunications services revenue per year.⁶

Commission's role

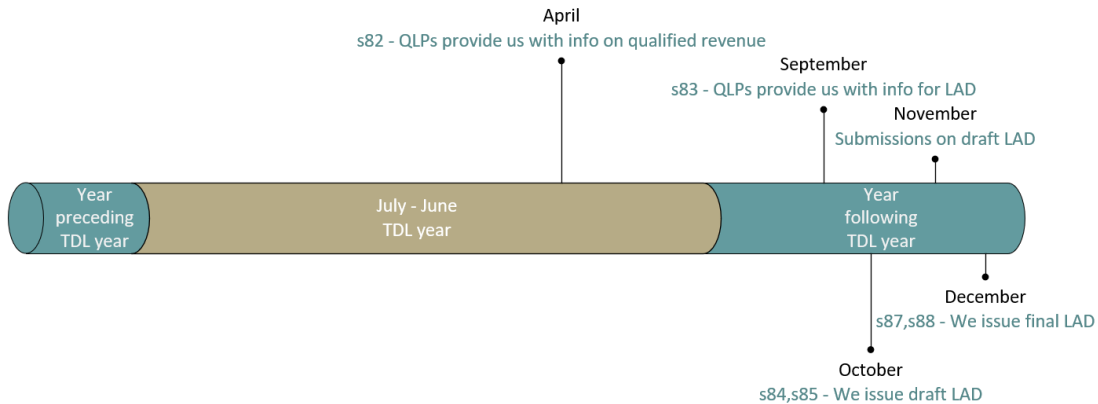
18. Subpart 2 of Part 3 of the Act prescribes the Commission's annual procedure for determining the amount of TDL each qualifying liable person (**QLP**) must pay. The end result of the yearly process is for the Commission to issue a final liability allocation determination (**LAD**).

³ Parties will need to assess firstly whether they are a 'liable person' and secondly whether they met the minimum telecommunication revenue threshold of \$10 million.

⁴ Parties who are liable to pay the 2019/20 TDL will need to provide their 2018/19 financial statements. However, qualifying liable persons from the previous TDL year (in this case 2018/19) do not need to submit financial statements as this information was already supplied as part of their 2018/19 qualified revenue disclosures.

⁵ As specified in Schedule 3B of the Act.

⁶ The \$10 million telecommunications revenue threshold is different from qualified revenue which is used to determine how much qualifying liable persons pay of the TDL. A party's qualified revenue may be lower than its gross telecommunications revenue (see Table 2).

Figure 1: TDL timeline

19. The Commission’s process commences before the end of the TDL year that the obligation applies to. The process usually starts in April each year and lasts about eight or nine months with our final LAD being published in December. The key milestones in the process are outlined in Figure 1 above.

Key tasks

20. There are four key tasks that we must carry out to issue our draft and final LADs.
- 20.1 First, we must identify which parties are liable persons.
- 20.2 Second, we must assess whether a liable person is a QLP. We need to assess whether liable persons are QLPs because, under section 81 of the Act, the TDL provisions of the Act apply only to QLPs.
- 20.3 Third, we identify each QLP’s qualified revenue.
- 20.4 Finally, we calculate each QLP’s share of the TDL using the following formula:

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

where –

- a is the amount of the QLP’s qualified revenue
 b is the sum of all QLPs’ qualified revenue
 c is the TDL specified for the relevant year in [Schedule 3B](#)⁷

Key terminology

21. The TDL provisions in the Act use a number of terms with specific meanings. In the sections that follow, we discuss some of these key terms.

⁷ As noted above, the levy is set to decrease to \$10 million for the 2019/20 TDL and from the 2020/21 TDL onwards the levy will be adjusted by inflation. We note that the \$10 million minimum telecommunications revenue threshold however is not set to change in the future.

Liable person

22. A liable person is defined in section 5 of the Act as:

Liable person means a person who provides a telecommunications service in New Zealand by means of some component of a PTN that is operated by the person.

23. Key elements of the definition of liable person are *telecommunications service* and *PTN* (or public telecommunications network), both of which are defined in the Act. We discuss these elements next.

Telecommunications service

24. The term *telecommunications service* is defined in the Act as:

any goods, services, equipment, and facilities that enable or facilitate telecommunication

Public telecommunications network

25. A *public telecommunications network (PTN)* is defined in the Act as follows:

(a) means a network used, or intended to be used, in whole or in part, by the public for the purpose of telecommunication:

(b) includes—

(i) a PSTN [public switched telephone network];

(ii) a PDN [public data network]

26. A physically private telecommunications network (a network that is not physically able to connect to another telecommunications network) is not a PTN.

27. Similarly, a network will not be a PTN where it is designed for use by a specific and identifiable group of individuals and/or entities, and access to the network is limited to such a specific and identifiable group (and not members of the public generally), or to other authorised persons limited to a defined class and within approved parameters.⁸

28. On the other hand, a network operated by an ‘ordinary’ commercial operator that is essentially open to all, subject only to having the means to pay and to enter into and comply with standard form contractual terms, is a PTN.⁹

29. In order to be a PTN, a network must be used or intended to be used by the public. ‘Use’ by the public in this sense must be a direct and intentional use of the network, and not an indirect and accidental use. Furthermore, the fact that a network can be used to provide connectivity to the internet does not in and of itself make that network a ‘public’ network. Similarly, a network is not a ‘public’ network simply because it is capable of connecting to a network that is itself a ‘public’ network.¹⁰

⁸ *REANNZ v Commerce Commission* [2018] NZHC 2724 at [73].

⁹ *REANNZ v Commerce Commission* [2018] NZHC 2724 at [74].

¹⁰ *REANNZ v Commerce Commission* [2018] NZHC 2724 at [77].

Qualifying liable person

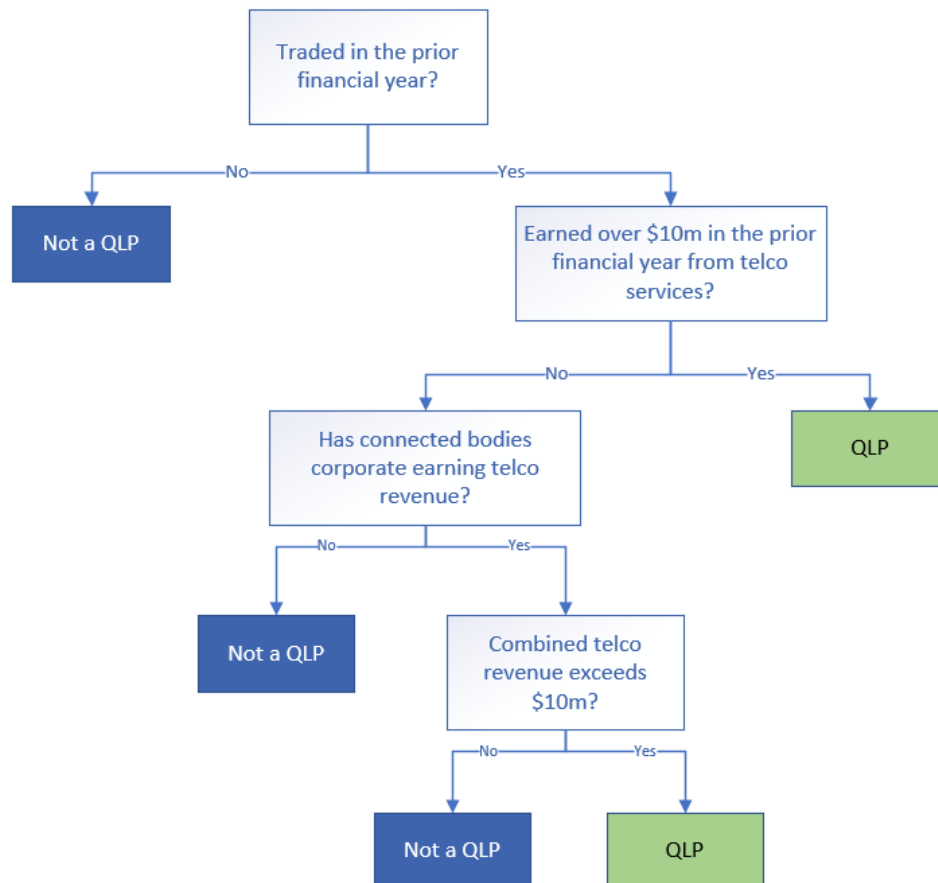
30. Section 81(1) of the Act states that Subpart 2 of Part 3 of the Act (the subpart that governs the TDL process):

does not apply to a liable person in respect of a financial year (financial year A) if –

- (a) the liable person was not trading in the financial year preceding financial year A; or
- (b) the liable person's telecommunications revenue for the year preceding financial year A was less than the minimum telecommunications revenue.

31. While not a term used in the Act, the Commission refers to liable persons who Subpart 2 of Part 3 of the Act applies to as QLPs.
32. This means that not all liable persons are QLPs. Figure 2 below summaries the steps to determining whether a liable person is a QLP.

Figure 2: Is a liable person a QLP?



33. The most common reason for a liable person not being a QLP is that they earned less than the minimum telecommunications revenue. This is defined in the Act as follows:

minimum telecommunications revenue means \$10 million, or such other amount, as may be prescribed by regulations made under [section 101\(1\)\(a\)](#), of gross revenue (as may be determined in accordance with any specifications set by the Commission) that a liable person receives during a financial year for supplying either or both of the following (excluding any amount paid to a liable person by the Crown as compensation for the cost of complying with a TSO instrument that contains a specified amount):

- (a) telecommunications services by means of its PTN;
- (b) telecommunications services by means that rely primarily on the existence of its PTN or any other PTN.

34. For the purposes of Part 2 of the Act, section 79 of the Act requires us to treat two or more bodies corporate as one person if:

- (a) one of them is a body corporate of which the others are subsidiaries; or
- (b) all of them are subsidiaries of the same body corporate; or
- (c) all of them are associates of each other; or
- (d) 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 others; or
- (e) a third person 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.

35. This means that we use the combined gross telecommunications revenue of connected bodies corporate when assessing whether the minimum telecommunications revenue threshold of \$10 million has been met.

36. Examples of interconnected bodies corporate from the 2018/19 TDL include:

36.1 Spark group – Spark New Zealand Ltd, Spark New Zealand Trading Ltd, Digital Island Ltd, Now New Zealand Ltd.

36.2 Crown companies group – Kordia Ltd, Transpower New Zealand Ltd, Northpower Fibre Ltd, Northpower LFC2 Ltd, Enable Networks Ltd, Enable Services Ltd, Ultrafast Fibre Ltd.

Financial year

37. The TDL uses a 1 July to 30 June financial year. For example, the 2018/19 TDL covered the period from 1 July 2018 to 30 June 2019.
38. It is important to note that financial information for the financial year preceding the TDL year is used to determine if a liable person is a QLP, and financial information from the TDL year is used to identify qualified revenue. For example, for the 2019/20 TDL year, financial information from the 2018/19 financial year will be used to determine if a liable person is a QLP, but QLPs' qualified revenue will be based on their 2019/20 financial information.

Qualified revenue

39. Qualified revenue is defined in the Act as:

the revenue (as determined in accordance with any specifications set by the Commission) that a liable person receives during a financial year for supplying either or both of the following (excluding any amount paid to the liable person by the Crown as compensation for the cost of complying with a TSO instrument that contains a specified amount and excluding any amount under section 85A):

- (a) telecommunications services by means of its PTN:
- (b) telecommunications services by means that rely primarily on the existence of its PTN or any other PTN

40. We note that, under this definition, qualified revenue includes revenue received for supplying telecommunications services by means that rely primarily on the existence of a QLP's PTN *or any other PTN*. This means that a QLP can receive qualified revenue for supplying a telecommunications services by means that rely primarily on the existence of another person's PTN. For example, a retail service provider may receive qualified revenue from telecommunications services that rely on a wholesale provider's PTN.

41. Because this approach has the potential to double count qualified revenue (in the example above, the wholesaler provider may receive qualified revenue for the same service over its PTN), we apply a net revenue approach. This means that payments for telecommunications services between QLPs (and in some specific circumstances payments to non-QLPs for telecommunications services purchased from another QLP) are able to be deducted when calculating qualified revenue.

42. Importantly, qualified revenue can differ from gross telecommunications revenue (which is used to assess whether the \$10 million threshold has been met). Table 2 below provides an overview of the deductions that can be made from gross telecommunications revenue.

Table 2: Calculation of qualified revenue

	Gross telecommunications revenue
<i>less</i>	Total payments made to other QLPs for telecommunications services
<i>less</i>	Total payments made to non-QLPs for telecommunications services initially provided by a QLP
<i>less</i>	Section 85A exclusions (discussed further below)
<i>less</i>	Total cost of non-telecommunications goods and services included in gross telecommunications services revenue
	Qualified revenue

43. To enable us to determine qualified revenue, we publish specified instructions and specified templates under section 83 of the Act setting out the information we require to assess qualified revenue.

Amendment Act

44. As noted above, the Amendment Act:
- 44.1 removed the exclusion of “any conveyance that constitutes broadcasting” from the definition of *telecommunication*; and
 - 44.2 inserted section 85A, which excludes certain types of broadcasting services revenue from the calculation of qualified revenue for the purposes of the TDL.
45. There were no retroactive provisions in the Amendment Act, so these changes only came into force on 13 November 2018.

Definition of ‘telecommunication’

46. Before the Amendment Act, the definition of *telecommunication* in section 5 of the Act was:

telecommunication –

- (a) means 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, whether for the information of any person using the device or not; and
- (b) for the purposes of [subpart 2](#) of Part 4, includes any conveyance that constitutes broadcasting; but
- (c) for all other purposes, does not include any conveyance that constitutes broadcasting

47. The term *broadcasting* is defined in the Act by reference to the Broadcasting Act 1989:

broadcasting means any transmission of programmes, whether or not encrypted, by radio waves or other means of telecommunication for reception by the public by means of broadcasting receiving apparatus but does not include any such transmission of programmes—

- (a) made on the demand of a particular person for reception only by that person; or
- (b) made solely for performance or display in a public place

48. The Amendment Act removed parts (b) and (c) from the definition of *telecommunication*. This means that the definition is now:

telecommunication means 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, whether for the information of any person using the device or not

49. The concept of broadcasting has therefore been removed altogether from the definition of telecommunication.
50. Because *telecommunication* is a central concept in the Act, the change in definition has impacts throughout much of the Act, including:
- 50.1 the Commission's section 9A monitoring powers; and
- 50.2 Subpart 2 of Part 3, which governs the TDL process.
51. The impact of the change to the definition of telecommunication on any section of the Act apart from Subpart 2 of Part 3 is out of scope of this consultation process.

Section 85A

52. Section 85A is a TDL specific section which provides for the exclusion of certain broadcasting services revenue from qualified revenue:
- (1) For the purposes of this subpart, the amount of a liable person's qualified revenue must exclude the following amounts (as determined in accordance with any specifications set by the Commission):
- (a) any amount of revenue that is received by a liable person 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);
- (b) any amount of revenue that is received before 1 July 2020 by a liable person in relation to any other broadcasting service.
- (2) The specifications set by the Commission may (without limitation) provide for the apportionment of any amount of revenue if the amount is received in connection with a service referred to in subsection (1) and 1 or more other services.
53. It is important to note that section 85A only provides exclusions from qualified revenue, and not from minimum telecommunications revenue.

Impact of the Amendment Act on our TDL statutory tasks

54. The amendments to the Act affect how we determine which parties are liable persons and QLPs, and how we calculate each QLP's qualified revenue – key tasks required to issue our draft and final LADs.
55. In the sections that follow, we discuss how the amendments affect these tasks. Because of the common elements of the definitions of *liable person*, *minimum*

telecommunications revenue and *qualified revenue*, all substantive issues relevant to the assessment of QLPs are covered by our discussion on liable persons and qualified revenue. We therefore do not consider further here the implications of the removal of the broadcasting exclusion on our assessment of QLPs.

Liable person

56. Liable person is defined in section 5 of the Act as:

Liable person means a person who provides a telecommunications service in New Zealand by means of some component of a PTN that is operated by the person

57. The removal of the broadcasting exclusion from the definition of telecommunication affects the liable person definition in two ways:

57.1 it changes the scope of the term *telecommunications service*; and

57.2 it changes the scope of the term *PTN*.

58. These changes mean that it is likely that there will be additional persons that meet the definition of liable person. Below we discuss these changes and their implications for whom may be considered liable persons.

Telecommunications service

59. The term *telecommunications service* is defined in section 5 of the Act as “any goods, services, equipment, and facilities that enable or facilitate telecommunication”.

60. Table 3 below shows that the basic elements of a telecommunication are also present in the concept of broadcasting.

Table 3: Basic elements of the definitions of telecommunication and broadcasting

Telecommunication	Broadcasting
“conveyance”	“transmission”
“by electromagnetic means”	“by radio waves or other means of telecommunication”
“of any encrypted or non-encrypted sign, signal, impulse, writing, image, sound, instruction, information, or intelligence of any nature”	“of programmes”, defined as “sounds or visual images...”

61. Traditional terrestrial television (terrestrial **TV**) is an example of a service that was likely previously excluded from telecommunications service, but would now be captured. Table 4 below shows how each of the elements of telecommunication would be satisfied in relation to terrestrial TV.

Table 4: Terrestrial TV meets the definition of telecommunication

Telecommunication component	Corresponding terrestrial TV component
“conveyance”	Terrestrial TV involves <u>transmission of radio waves</u>
“by electromagnetic means”	Terrestrial TV involves the transmission of <u>radio waves through air</u> (which is an electromagnetic means)
“from one device to another”	The radio waves are transmitted from a <u>transmitter of a TV station to TV receiver connected to an antenna</u>
“of any encrypted or non-encrypted sign, signal, impulse, writing, image, sound, instruction, information, or intelligence of any nature”	The programmes transmitted involve <u>images, sounds</u>
“whether for the information of any person using the device or not”	Satisfied

62. The telecommunications service in relation to terrestrial TV would be “any goods, services, equipment, and facilities that enable or facilitate” the telecommunication that is described in Table 4 above. The terms *enable* and *facilitate* are capable of being construed broadly to include not only the physical equipment involved in the conveyance, but also potentially things such as technical/engineering support services to support conveyance.
63. Our view is, however, that the concept of a telecommunications service is not so broad as to include content or content aggregation services.¹¹ This view is consistent with how the Commission has treated content services since the first TDL.¹² It is also consistent with the final report of the Economic Development, Science and Innovation Select Committee on the Amendment Bill that stated “[t]he new definition of “telecommunication” would not cover content and aggregation services”.¹³

Consultation question

1	Do you agree that <i>telecommunications service</i> does not include content and content aggregation services?
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¹¹ We note that aggregation can also be used to refer to the aggregation of signals (ie, compression and multiplexing). Our view continues to be that the aggregation of signals is a telecommunications service.

¹² In each TDL we have noted that “[t]he Commission considers that music on-demand and video on-demand content revenue is not captured as a telecommunications service as it can be distinguished from the conveyance revenue which is the intended focus of the definition of telecommunications services”.

¹³ The select committee report can be found [here](#) (see page 2).

By means of some component of a PTN

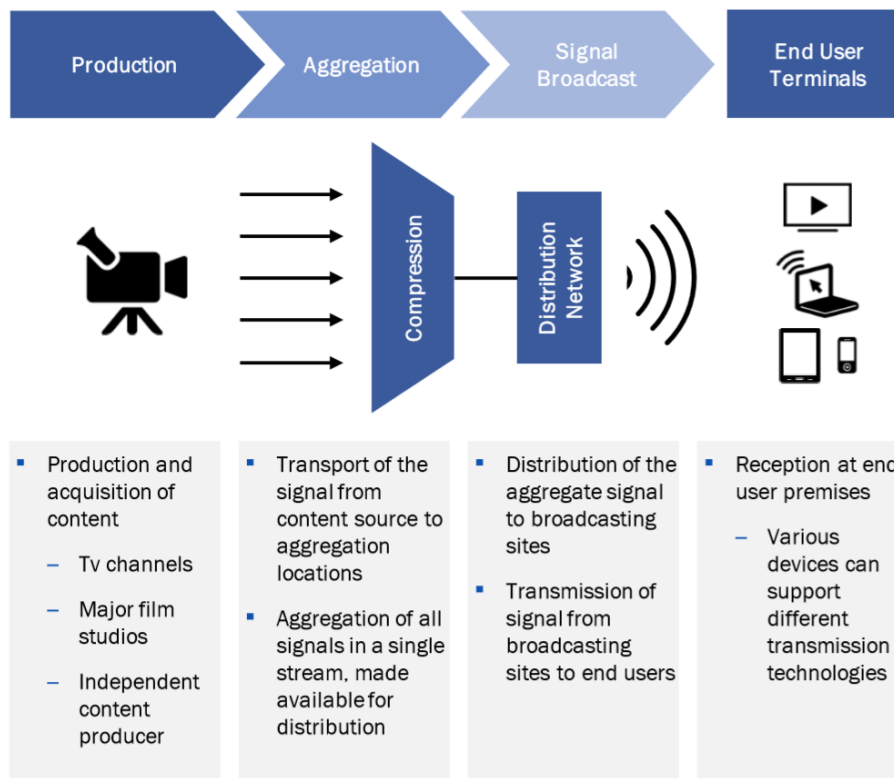
64. To be a liable person, the telecommunications service that the person provides must be provided “by means of some component of a PTN that is operated by the person”.¹⁴
65. A PTN is “a network used, or intended to be used, in whole or in part, by the public for the purpose of telecommunication”. A PTN includes a public switched telephone network and a public data network. We provide further explanation in paragraphs 25 to 28 of this paper of what it means for a telecommunications network to be public.
66. Before the Amendment Act, networks used for conveyance that constituted broadcasting were excluded because broadcasting was excluded from the definition of telecommunication. Now that the definition has been amended, broadcasting networks can fall within the definition of a PTN, so long as the other requirements of the PTN definition are satisfied.

Implications

67. In the sections that follow, we consider the implications of these changes to the scope of ‘liable person’ for the main transmission platforms used for broadcasting.
68. Firstly, we explore how ‘liable person’ may be applied to different aspects of the broadcasting value chain before looking at broadcasting on a transmission platform specific basis.
69. Figure 3 below shows a generic broadcasting value chain.

¹⁴ Section 5 of the Act.

Figure 3: Broadcasting value chain



Source: Analysys Mason (2019) "Introduction to broadcasting technologies"

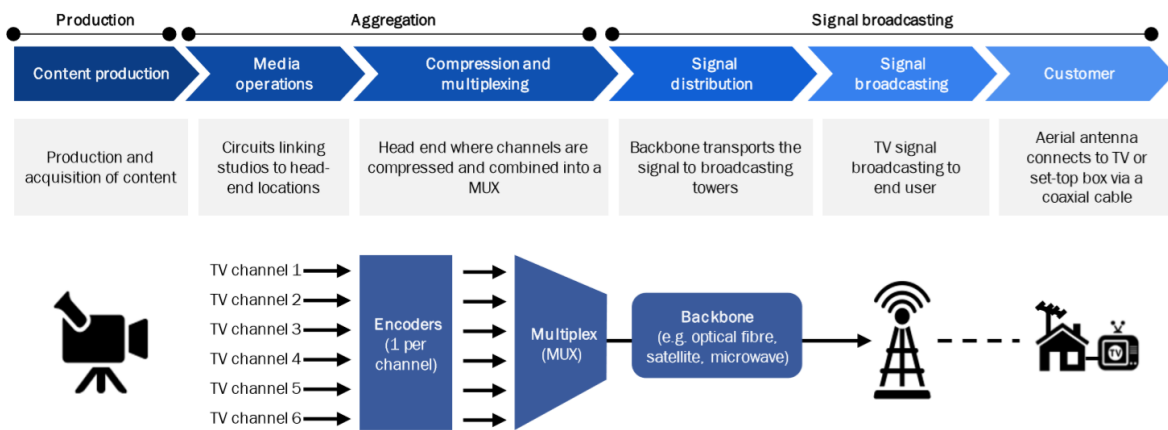
70. In general terms, our view on the liability of parties involved in different parts of the broadcasting value chain is as follows.
- 70.1 Parties who are only involved in production may not be liable persons, as they are not providing a telecommunications service.
- 70.2 Parties who are involved in aggregation and/or signal broadcast may be liable persons. While each case will turn on the facts, these types of parties may provide a telecommunications service by means of some component of a PTN that is operated by the person.
- 70.3 Whether a party involved in end-user terminals is a liable person is likely to depend on whether the end-user terminals are a component of a PTN. In some cases, an end-user terminal may be regarded as being beyond the demarcation point of a PTN, while in others it may fall within the scope of the PTN.¹⁵ Determining this issue is likely to turn on some of the constituent definitions of PTN, such as *network* and *telecommunications link*.

¹⁵ For example, we currently treat fibre Optical Network Terminals (ONTs) as part of a PTN but not residential gateways.

Digital Terrestrial Television broadcasting

71. Digital terrestrial television (**DTT**) is the transmission of audio-visual media content by land-based broadcast towers via radio waves. The viewer receives the signal by a standard aerial antenna or dish which then sends the signal to a digital set-top-box, or another integrated receiving device (eg, TV) capable of decoding the signal received.
72. Unlike analogue television, DTT combines several TV channels into a multiplex (see Figure 4 below), which allows the reception of multiple channels in the same space occupied by just one analogue channel.

Figure 4: DTT value chain



Source: Analysys Mason (2019) "Introduction to broadcasting technologies"

73. From 2012 to 2013, analogue television signals in New Zealand were switched off and replaced by DTT. The process was known as the digital switch over (**DSO**).
74. The DSO saw the creation of 11 multiplex licenses which give license holders access to DTT spectrum. The government has limited the amount of spectrum for DTT broadcasting to these 11 multiplex licenses.
75. Our preliminary view of whether various activities involved in DTT conveyance are generally capable of satisfying the key components of the liable person definition is summarised in Table 5 below.¹⁶

¹⁶ Whether a particular supplier of DTT broadcasting will, in fact, be a liable person is a question that can only be answered when all relevant facts are known.

Table 5: Potential for parties involved in DTT to be liable persons

Stage in value chain (see Figure 4)	Example/s	Telecommunications service?	PTN (or component thereof)?
Content production		No	No
Media operators		No	No
Compression and multiplexing		Yes	Yes
Signal distribution	Backbone network	Yes	Yes
Signal broadcasting	Broadcasting towers; spectrum	Yes	Yes
Customer	Aerials, set-top- boxes	Yes	Unclear (discussed further below)

Consultation question

2	Do you agree with the views expressed in Table 5?
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Broadcasting towers

76. Following the amendments to the Act, DTT broadcasting towers will now be treated the same as other telecommunications infrastructure (eg, cell towers).¹⁷
77. Parties who own, build and/or maintain DTT broadcasting tower infrastructure are likely to be regarded as liable persons, assuming that they employ that infrastructure in the provision of a telecommunications service.

Spectrum

78. Spectrum available for DTT use is limited to 11 multiplex DTT broadcast licenses. DTT broadcast license holders can use this spectrum to deliver their own broadcasts or lease out capacity to other broadcasters.
79. Our preliminary view is that parties who are using DTT spectrum to deliver a DTT broadcast are likely to meet the definition of liable person.

DTT aerials and set-top-boxes

80. At this stage, we are unclear as to whether DTT aerials and set-top-boxes should be regarded as being a component of a PTN. As we noted earlier in this paper, the issue

¹⁷ Radio broadcast towers will also now be treated in the same manner.

is whether the aerial or set-top-box is beyond the demarcation point of the PTN or not.

81. However, irrespective of whether aerials or set-top-boxes are a component of a PTN, we note that these components are often operated by end-users. To be a liable person, the person must operate the component, and it is therefore unlikely that aerials or set-top-boxes will be regarded as a component of a PTN operated by potentially liable person. Further, where a component is operated by a private individual, it may be more likely that the component is not regarded as being part of a *public* telecommunications network.

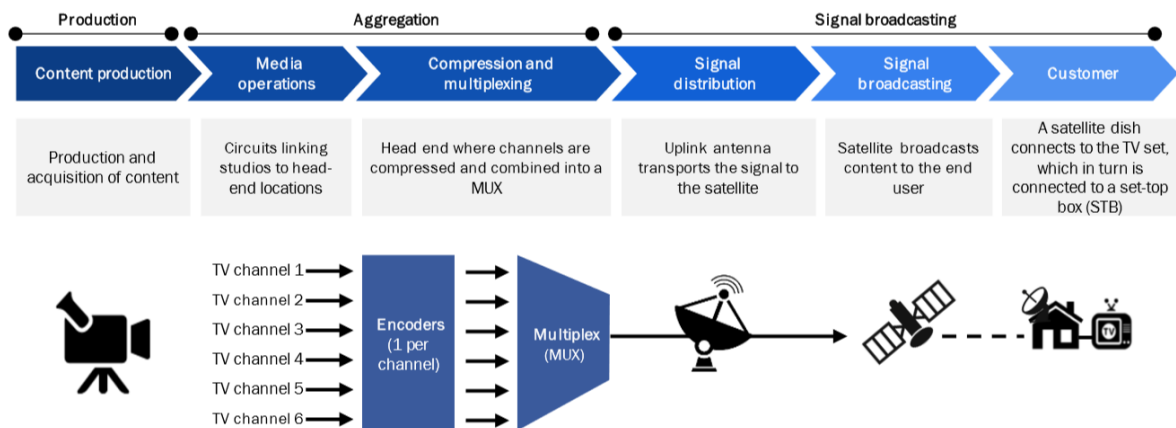
Consultation question

3 Should DTT aerials and set-top-boxes be regarded as part of a PTN?

Satellite broadcasting

82. Satellite can be used in the conveyance of both internet and voice services, and broadcasting services. To date satellite has played a much larger role in broadcasting (television and radio) conveyance than providing internet or voice services in New Zealand.

Figure 5: Satellite broadcasting value chain



Source: *Analysys Mason (2019) "Introduction to broadcasting technologies"*

83. In satellite broadcasting, television/radio content is converted into radio signals and then sent towards a satellite using a satellite ground station (ie, an uplink transmitter). The satellite processes these radio signals using onboard transponders (radio receivers, amplifiers and transmitters).¹⁸ The transponder boosts the incoming signals and changes their frequency. These signals are then sent down (downlink) to receiving satellite dishes on Earth.

¹⁸ A single satellite can have multiple transponders.

84. Our preliminary view of whether various activities involved in satellite broadcasting are generally capable of satisfying the key components of the liable person definition is summarised in Table 6 below.¹⁹

Table 6: Potential for parties involved in satellite broadcasting to be liable persons

Stage in value chain	Example/s	Telecommunications service?	PTN (or component thereof)?
Content production		No	No
Media operations		No	No
Compressing and multiplexing		Yes	Yes
Signal distribution	Satellite uplink service	Yes	Yes
Signal broadcasting	Satellite transponder access	Yes, where the service is provided in New Zealand	Yes
Customer	Satellite dishes, satellite decoders	Yes	Unclear (discussed further below)

Consultation question

4 Do you agree with the views expressed in Table 6?

Satellite uplink service

85. Satellite uplinking involves the transmitting of radio signals from a satellite ground station up to a satellite.
86. Satellite uplinking of internet or voice services would have been classified as providing a telecommunications service before the amendments to the Act. The Amendment Act brings satellite uplinking of broadcasting services within scope of telecommunications service.

¹⁹ Whether a particular supplier of satellite broadcasting will, in fact, be a liable person is a question that can only be answered when all relevant facts are known.

Satellite transponder access

87. Satellite operators sell access to transponders on their satellites. These transponders are a key component of the satellite broadcasting network. However, as satellites are located outside of New Zealand there is a question of whether satellite operators provide a telecommunications service in New Zealand.
88. Our preliminary view is that, where a satellite is transmitting signals to New Zealand, the satellite operator is providing a telecommunications service in New Zealand and can therefore meet the definition of liable person.

Consultation question

- | | |
|----------|---|
| 5 | Do you agree that, where a satellite is transmitting signals to New Zealand, the satellite operator is providing a telecommunications service in New Zealand? |
|----------|---|

Satellite dishes and decoders

89. At this stage, we are unclear as to whether satellite dishes and decoders should be regarded as being a component of a PTN. As we noted earlier in this paper, the issue is whether the satellite dish or decoder is beyond the demarcation point of the PTN or not.
90. However, irrespective of whether satellite dishes or decoders are a component of a PTN, we note that these components are often operated by end-users. To be a liable person, the person must operate the component, and it is therefore unlikely that satellite dishes and decoders will be regarded as a component of a PTN operated by a potentially liable person. Further, where a component is operated by a private individual, it may be more likely that the component is not regarded as being part of a *public* telecommunications network.

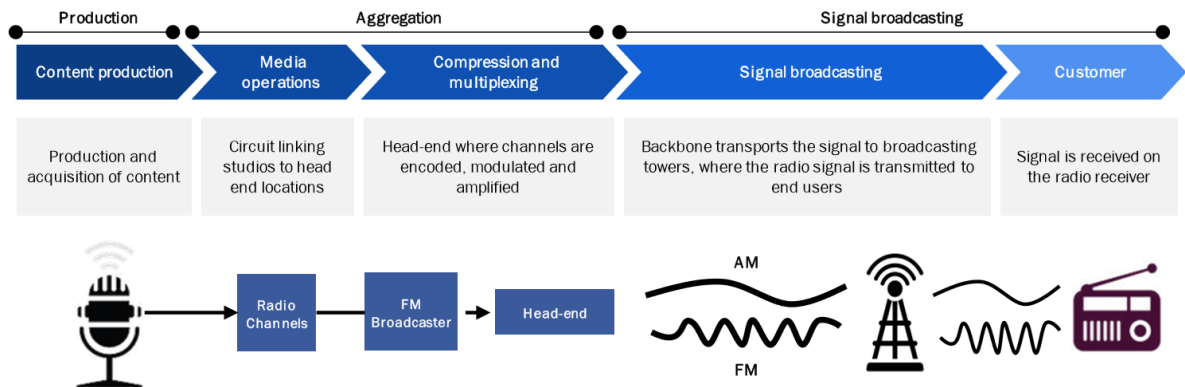
Consultation question

- | | |
|----------|--|
| 6 | Should satellite dishes and decoders be regarded as part of a PTN? |
|----------|--|

Radio broadcasting

91. The main forms of radio broadcasting that occur in New Zealand is AM and FM radio. AM and FM radio are two forms of analogue radio transmission which use different modulation²⁰ methods:
- 91.1 Amplitude modulation (AM) – where the radio carrier wave’s amplitude is varied by the modulation signal; and
 - 91.2 Frequency modulation (FM) – where the radio carrier wave’s frequency is varied by the modulation signal.
92. In AM and FM radio broadcasting radio signals are transported to large transmitter sites (broadcasting towers) from there the signals are broadcast to end-user devices via radio waves.
93. The differences between AM and FM radio include that:
- 93.1 AM can carry less information than FM which means that AM broadcasts have lower sound quality;
 - 93.2 FM is less sensitive to interference than AM but is impacted by physical (topographic) obstacles; and
 - 93.3 AM can be transmitted over longer distances than FM.
94. Figure 6 below shows the value chain for AM and FM radio.

Figure 6: AM and FM radio broadcasting value chain



Source: Analysys Mason (2019) "Introduction to broadcasting technologies"

²⁰ Modulation is the process of varying one or more properties of a 'carrier signal' with another signal (modulating signal) that contains the information to be transmitted.

95. Our preliminary view of whether various activities involved in radio broadcasting are generally capable of satisfying the key components of the liable person definition is summarised in Table 7 below.²¹

Table 7: Potential for parties involved in radio broadcasting to be liable persons

Stage in value chain	Example/s	Telecommunications service?	PTN (or component thereof)?
Content production		No	No
Media operations		No	No
Compressing and multiplexing		Yes	Yes
Signal broadcasting	Broadcasting towers; spectrum	Yes	Yes
Customer	Radios	Yes	No

Consultation question

7 Do you agree with the views expressed in Table 7?

Spectrum

96. There are spectrum bands which are specifically assigned for FM and AM radio services.
97. Our preliminary view is that parties who are using FM or AM spectrum to deliver radio broadcasts meet the definition of liable persons.

Internet protocol television

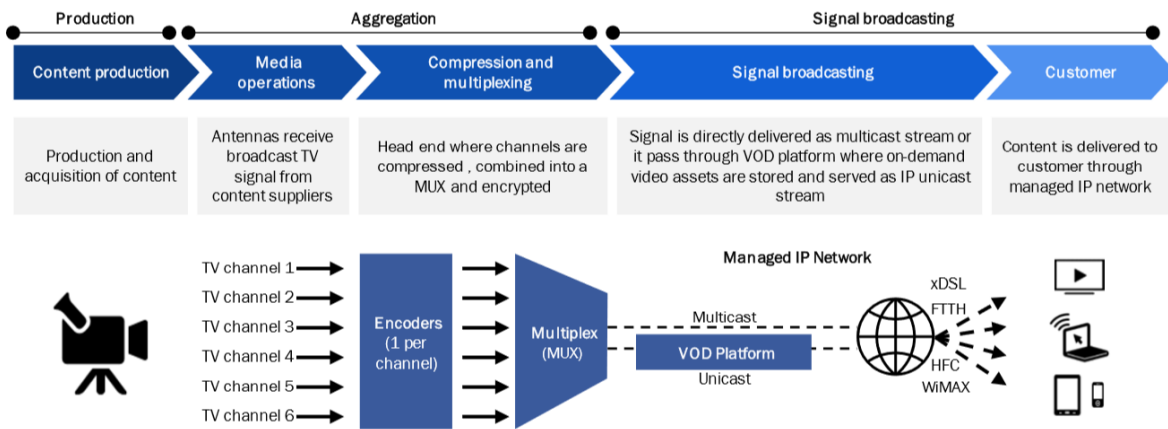
98. There are two alternative methods for delivering television content over the internet:
- 98.1 through managed Internet Protocol (**IP**) networks, commonly known as IPTV (discussed in this section); or
- 98.2 over the unmanaged internet, ie, Over-The-Top (**OTT**) services (discussed in the next section).
99. IPTV is the delivery of television content by telecommunication operators through managed IP connections. As managed networks are partitioned from the public

²¹ Whether a particular supplier of radio broadcasting will, in fact, be a liable person is a question that can only be answered when all relevant facts are known.

internet, operators are able to maintain control over traffic volumes and avoid networks overloads.

100. While the production stage of the IPTV value chain is similar to other broadcast transmission methods, the other stages of the value chain are quite different (see Figure 7 below).

Figure 7: IPTV value chain



Source: *Analysys Mason (2019) "Introduction to broadcasting technologies"*

101. IPTV can be used to deliver both multicast and unicast streams. Multicast refers to the sending of information from a single source to a selected group of devices whilst unicast refers to communication that involves one sender and one receiver. Video on demand (**VOD**) services typically use unicast streams.²²
102. Sending individual streams (unicast streaming) to many users can result in a high load in the backbone network of IPTV providers. For this reason, Content Delivery Networks (**CDNs**) are typically used to guarantee adequate quality of service.²³
103. Our preliminary view of whether various activities involved in IPTV are generally capable of satisfying the key components of the liable person definition is summarised in Table 8 below.²⁴

²² As unicast streaming allows end-users to play, pause, stop and replay content.

²³ A CDN is a distributed platform of servers. We note that CDNs can refer to (1) telecommunication based CDNs which are used by telecommunication providers to manage general web traffic load or (2) CDNs used to improve the quality of service of streamed content.

²⁴ Whether a particular supplier of IPTV will, in fact, be a liable person is a question that can only be answered when all relevant facts are known.

Table 8: Potential for parties involved in IPTV to be liable persons

Stage in value chain	Example/s	Telecommunications service?	PTN (or component thereof)?
Content production		No	No
Media operations		No	No
Compressing and multiplexing		Yes	Yes
Signal broadcasting	Broadband service	Yes	Yes
Customer	Computers, smart TVs	Yes	No

Consultation question

8	Do you agree with the views expressed in Table 8?
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104. The broadband networks that deliver IPTV content were already captured by the pre-amended definition of telecommunications.
105. Our preliminary view is that commercial CDN operators who are providing services to IPTV providers are not liable persons.²⁵

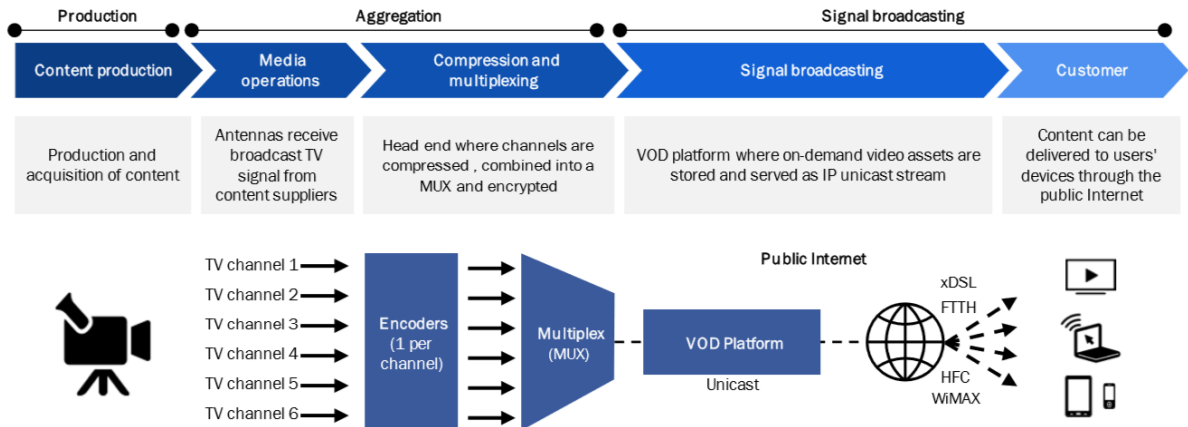
Over-the-top

106. Over-The-Top (**OTT**) is a method of delivering television over the public internet without operating or leasing any network capacity. The services operate *over-the-top* of the broadband network.
107. The difference between IPTV and OTT is that the latter is provided by content owners or aggregators (eg, Netflix) without the retail service provider or network operator being involved in the control of the content.²⁶
108. In addition, only unicast streams can be provided using OTT (see Figure 8 below).

²⁵ We note however that any revenue QLPs earn from providing network services to CDN operators (eg, access services and co-location within facilities that are part of PTN) is qualified revenue. In addition, any revenue that QLPs earn from operating its own CDN network services to support its telecommunication services is qualified revenue.

²⁶ While some retail service providers bundle OTT services with their broadband plans they do not control the content being provided.

Figure 8: OTT value chain



Source: Analysys Mason (2019) "Introduction to broadcasting technologies"

- 109. The main difference between the OTT value chain and those for other broadcasting transmission platforms is that OTT providers do not directly transmit signals to end-users. Rather end-users request the content they want to view and receive it on demand.
- 110. As OTT service providers deliver content over the public internet, the streaming service can be impacted by reliability issues and delays. Some, but not all, OTT service providers will partner with CDN operators to deliver a higher quality of service to end-users.
- 111. Our preliminary view of whether various activities involved in OTT are generally capable of satisfying the key components of the liable person definition is summarised in Table 9 below.²⁷

Table 9: Potential for parties involved in OTT to be liable persons

Stage in value chain	Example/s	Telecommunications service?	PTN (or component thereof)?
Content production		No	No
Media operations		No	No
Compressing and multiplexing		Yes	Yes
Signal broadcasting	Broadband service	Yes	Yes
Customer	Computers, Smart TVs	Yes	No

²⁷ Whether a particular supplier of OTT will, in fact, be a liable person is a question that can only answered when all relevant facts are known.

Consultation question

9	Do you agree with the views expressed in Table 9?
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112. The broadband networks that deliver OTT content are already captured by the pre-amended definition of telecommunications.
113. Our preliminary view is that pure OTT operators are not liable persons as they do not provide a telecommunications service. In addition, our preliminary view is that commercial CDN operators who are providing services to OTT operators are not liable persons.²⁸

Qualified revenue

114. Qualified revenue is defined as:

the revenue (as determined in accordance with any specifications set by the Commission) that a liable person receives during a financial year for supplying either or both of the following (excluding any amount paid to the liable person by the Crown as compensation for the cost of complying with a TSO instrument that contains a specified amount and excluding any amount under section 85A):

- (a) telecommunications services by means of its PTN;
- (b) telecommunications services by means that rely primarily on the existence of its PTN or any other PTN

115. The removal of the broadcasting exclusion from the definition of telecommunication affects the qualified revenue definition in the same two ways that it affects the liable person definition (ie, it changes the scope of telecommunications service and PTN).
116. Because these changes have been discussed in relation to liable person, we do not consider them further here. Like the effect on liable person, the changes are likely to capture additional revenue that was previously excluded because of the broadcasting exclusion.
117. The new section 85A of the Amendment Act has introduced new exclusions to qualified revenue (section 85A does not apply to minimum telecommunications revenue). Below we consider the interpretation of section 85A and its potential implications.

²⁸ We note however that any revenue QLPs earn from providing network services to CDN operators (eg, access services and co-location within facilities that are part of PTN) is qualified revenue. In addition, any revenue that QLPs earn from operating its own CDN network services to support its telecommunication services is qualified revenue.

Section 85A

118. We repeat section 85A below for convenience:

- (1) For the purposes of this subpart, the amount of a liable person's qualified revenue must exclude the following amounts (as determined in accordance with any specifications set by the Commission):
 - (a) any amount of revenue that is received by a liable person 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);
 - (b) any amount of revenue that is received before 1 July 2020 by a liable person in relation to any other broadcasting service.
- (2) The specifications set by the Commission may (without limitation) provide for the apportionment of any amount of revenue if the amount is received in connection with a service referred to in subsection (1) and 1 or more other services.

119. Below we set out our views on the following key elements of section 85A(1):

119.1 revenue received in 'relation to';

119.2 broadcasting service; and

119.3 'supplied to end-users free of charge'.

120. We also discuss the Commission's power to set specifications in section 85A(2).

in relation to

121. We have considered the meaning of the term *in relation to* which is used in both section 85A(1)(a) and (b). Case law indicates that the term can have a range of meanings (from being directly casual to merely "having something to do with"), and that the correct meaning is to be derived from the context in which it is used.²⁹

122. Our preliminary view is that the term, as it is used in s 85A(1), should be interpreted as implying a close, relevant connection, ie, the revenue received should have a close, relevant connection to the broadcasting service. A looser connection – such as the revenue received merely "having something to do with" broadcasting services – could allow firms to unduly minimise their TDL liability by excluding revenue with only a thin relationship with broadcasting services.

²⁹ *Sportzone Motorcycles v Commerce Commission* [2015] 3 NZLR 191 at [52].

Broadcasting services

123. The term *broadcasting services* is not defined in the Act. Only the term *broadcasting* is defined, and we repeat the definition here for convenience:

broadcasting means any transmission of programmes, whether or not encrypted, by radio waves or other means of telecommunication for reception by the public by means of broadcasting receiving apparatus but does not include any such transmission of programmes—

- (a) made on the demand of a particular person for reception only by that person; or
- (b) made solely for performance or display in a public place

124. In the absence of a definition of broadcasting service, one option is to treat broadcasting service in terms similar to that of telecommunications service, such that the definition would be “any goods, services, equipment, and facilities that enable or facilitate broadcasting”.

125. As we noted above in relation to *telecommunication service*, the terms enable and facilitate are capable of being construed broadly to include not only the physical equipment involved in the transmission, but also things such as technical/engineering support services to support transmission.

Consultation question

- | | |
|-----------|---|
| 10 | Do you agree that <i>broadcasting services</i> means “any goods, services, equipment, and facilities that enable or facilitate broadcasting”? |
|-----------|---|

Transmission of programmes

126. Broadcasting is defined as the transmission of *programmes*. The term programme is defined in the Broadcasting Act:

programme—

- (a) means sounds or visual images, or a combination of sounds and visual images, intended—
 - (i) to inform, enlighten, or entertain; or
 - (ii) to promote the interests of any person; or
 - (iii) to promote any product or service; but
- (b) does not include visual images, whether or not combined with sounds, that consist predominantly of alphanumeric text.

127. This definition includes any advertising programme. As such, our preliminary view is that anything that enables or facilitates the transmission of advertising programmes is a broadcasting service, and falls within the exclusion in section 85A(1).

Consultation question

- | | |
|-----------|--|
| 11 | Do you agree that anything that enables or facilitates the transmission of advertising programmes is a broadcasting service, and therefore falls within the exclusion in section 85A(1)? |
|-----------|--|

Reception by public

128. The Act does not give any guidance on what “reception by the public” means. We interpret *reception by the public* to mean that the broadcast is generally made available to any member of the public (subject to, for example, whether they choose to pay to receive the broadcast).

Excludes on demand

129. The exclusion of any transmission of programmes “made on the demand of a particular person for reception only by that person” raises a particular issue with OTT on demand services.
130. This is because it is not clear whether it is possible, in practice, to make a distinction between the transmission of on demand programmes for, on the one hand, reception only by the person demanding the transmission, and on the other hand, reception by a wider audience in the same premise. An example of this is pay-per-view on demand content which will often be viewed by multiple persons, yet demanded only by one person.
131. One option would be to apply a rule which did not seek to make such a distinction, given it is impractical. So, for example, we could treat all revenue received where a person demands the transmission of a programme as non-broadcasting services revenue, and therefore not subject to the section 85A exclusion. The rationale for such a rule would be to avoid treating OTT transmission differently than to traditional broadcasting services, such that revenue received in relation to each would be qualified revenue.

Consultation question

- | | |
|-----------|--|
| 12 | Do you agree that all revenue received from the transmission of on demand programmes should be treated as non-broadcasting services revenue (ie, not be subject to section 85A)? |
|-----------|--|

‘Supplied to end-user free of charge’

132. The Commission’s preliminary view is that “free of charge” means free of monetary charge. This would mean that other types of value – such as exposure to advertisements – would not be a charge to the end-user. We consider that the broadcasting service supplied to end-users free of charge would include broadcasting services in relation to advertising programmes. In practice, this would mean that any

revenue earned for anything that enables or facilitates the transmission of advertising programmes would fall within the section 85A(1)(a) exclusion.

133. The end-user will be the ultimate recipient of the broadcasting service, similar to the definition of a telecommunications end-user.
134. An issue that arises here is whether revenue from the supply of a broadcasting service to a free-to-air broadcaster would fall within the section 85A(1) exclusion. For example, we understand Kordia provides broadcasting services to the free-to-air Television New Zealand, and that Kordia would receive payment in return for this service.

Consultation question

- | | |
|-----------|---|
| 13 | Should revenue received from the supply of broadcasting services to free-to-air broadcasters be subject to section 85A(1)(a)? |
|-----------|---|

Section 85A(2)

135. Section 85A(2) appears to be concerned with situations where a provider receives revenue for the provision of a broadcasting service as described in section 85A(1) and another service, and it may be practically difficult to apportion that revenue. Section 85A(2) gives the Commission the power to set specifications for the apportionment of such revenue.

Consultation question

- | | |
|-----------|--|
| 14 | Should the Commission set specifications under section 85A(2)? If yes, please give reasons why and explain what the specifications should address. |
|-----------|--|

Impact on industry

136. We are interested in understanding how the Amendment Act may impact industry, including broadcasting service providers.
137. Please note that answering the questions below does not satisfy the requirement under section 82 of the Act to provide the Commission with financial information.

Consultation questions for broadcasting service providers

15	Do you expect that your company will meet the revised definition of liable person?
16	Do you expect that your company will earn qualified revenue (under the new definition)?
17	If you are a 2018/19 QLP do you expect that your qualified revenue will change in future TDL disclosures due to the Amendment Act?
18	Are you expecting that a portion of your gross telecommunications revenue will meet the criteria for section 85A(1)(a)?

Impact of TDL amendments on 2019/20 TDL

Liable persons

138. Under section 82 of the Act liable persons are required to provide the Commission with financial statements by 1 April 2020 if they meet the criteria for becoming a QLP (see Figure 2).³⁰
139. Revenue from the 2018/19 financial year is used to determine if a liable person is a QLP for 2019/20 TDL. Because the amended definition of telecommunications (ie, the removal of the broadcasting exclusion) only came into effect on 13 November 2018, only broadcasting revenue earned on this day or later is relevant for determining whether the minimum telecommunications revenue threshold of \$10 million is met.³¹
140. 2018/19 QLPs do not need to submit financial statements as this information was already supplied as part of their qualified revenue disclosure for the 2018/19 TDL.

QLPs with broadcasting revenue

141. Section 85A(1)(b) means that all QLPs' broadcasting services revenue is not included in qualified revenue for 2019/20 TDL.
142. However, QLPs will need to pay the levy based on any qualified revenue they have received. For example, if a broadcasting services company has \$1 million of telecommunications services revenue that meets the criteria for qualified revenue, then that company will be liable to pay the levy based on that \$1 million of revenue.

Impact of TDL amendments from 2021/21 TDL onwards

Liable persons

143. Under section 82 of the Act liable persons are required provide the Commission with financial statements no later than 60 working days before the end of each financial year (typically early April) if they meet the criteria for becoming a QLP (see Figure 2).
144. Revenue from the financial year prior is used to determine if a liable person is a QLP. Unlike 2019/20 TDL the amended definition of telecommunications will apply for the full financial year, ie, broadcasting revenue earned at any time in the prior financial year is relevant for determining whether the minimum telecommunications revenue threshold of \$10 million is met.³²

QLPs with broadcasting revenue

145. Section 85A(1)(b) no longer applies, this means that QLPs' broadcasting services revenue will be included in qualified revenue if it does not meet the criteria for section 85A(1)(a), ie, is not received in relation to 'free-to-air' services.

³⁰ The Commission has powers under section 81 of the Act to serve notices to parties that we suspect may have met the QLP criteria but failed to provide information under section 82.

³¹ Provided the particular means of broadcasting falls within the definition of telecommunications service.

³² Provided the particular means of broadcasting falls within the definition of telecommunications service.

Attachment A – Consolidated consultation questions

Table 10: Consolidated consultation questions for all stakeholders

1	Do you agree that <i>telecommunications service</i> does not include content and content aggregation services?
2	Do you agree with the views expressed in Table 5?
3	Should DTT aerials and set-top-boxes be regarded as part of a PTN?
4	Do you agree with the views expressed in Table 6?
5	Do you agree that, where a satellite is transmitting signals to New Zealand, the satellite operator is providing a telecommunications service in New Zealand?
6	Should satellite dishes and decoders be regarded as part of a PTN?
7	Do you agree with the views expressed in Table 7?
8	Do you agree with the views expressed in Table 8?
9	Do you agree with the views expressed in Table 9?
10	Do you agree that <i>broadcasting services</i> means “any goods, services, equipment, and facilities that enable or facilitate broadcasting”?
11	Do you agree that anything that enables or facilitates the transmission of advertising programmes is a broadcasting service, and therefore falls within the exclusion in section 85A(1)?
12	Do you agree that all revenue received from the transmission of on demand programmes should be treated as non-broadcasting services revenue (ie, not be subject to section 85A)?
13	Should revenue received from the supply of broadcasting services to free-to-air broadcasters be subject to section 85A(1)(a)?
14	Should the Commission set specifications under section 85A(2)? If yes, please give reasons why and explain what the specifications should address.

Table 11: Consolidated consultation questions for broadcasting service providers

15	Do you expect that your company will meet the revised definition of liable person?
16	Do you expect that your company will earn qualified revenue (under the new definition)?
17	If you are a 2018/19 QLP do you expect that your qualified revenue will change in future TDL disclosures due to the Amendment Act?
18	Are you expecting that a portion of your gross telecommunications revenue will meet the criteria for section 85A(1)(a)?