



Television New Zealand Ltd
Te Reo Tataki
100 Victoria Street West
PO Box 3819
Auckland
New Zealand
tvnz.co.nz

DIGITAL STRATEGY 2.0 SUBMISSION
DIGITAL DEVELOPMENT GROUP
MINISTRY OF ECONOMIC DEVELOPMENT
PO Box 1473
WELLINGTON
SUBMISSION@DIGITALSTRATEGY.GOV.T.NZ

9 MAY2008

THANK YOU FOR THE OPPORTUNITY TO MAKE A SUBMISSION ON DIGITAL STRATEGY 2.0. TELEVISION NEW ZEALAND'S SUBMISSION IS BRIEF AND ADDRESSES EACH OF THE ENABLERS OF CHANGE AS OUTLINED IN THE STRATEGY. THE COMMENTS ARE LISTED BELOW.

AS AN OVER-ARCHING COMMENT, HOWEVER, TVNZ IS DISAPPOINTED IN THE STRATEGY. THE COMPANY DOES NOT BELIEVE IT SHOWS ENOUGH VISION OR IS BOLD ENOUGH. WHILE THIS MAY BE THE BEGINNING OF A PROCESS TO DETERMINE THE STRATEGY TVNZ BELIEVES A BETTER APPROACH MIGHT HAVE BEEN FOR OFFICIALS TO "PUT A STAKE IN THE GROUND" AND THEN ASK FOR SUBMISSIONS ON THESE INITIATIVES.

CONNECTION

TVNZ SUPPORTS THE GOAL OF FAST AND AFFORDABLE BROADBAND TO MEET THE NEEDS OF ALL NEW ZEALANDERS. THE LACK OF ACCESS TO HIGH-SPEED BROADBAND IS ONE OF THE KEY CONSTRAINTS ON NEW ZEALAND'S ABILITY TO PARTICIPATE FULLY IN A DIGITAL WORLD.

IN THE NEW ZEALAND BROADCASTING INDUSTRY, A BROADBAND INFRASTRUCTURE IS ESSENTIAL FOR THE DEVELOPMENT OF INITIATIVES SUCH AS IPTV AND INTERACTIVE TV. TVNZ BELIEVES THAT THE CURRENT LACK OF HIGH-SPEED BROADBAND INFRASTRUCTURE AND THE LOW LEVEL OF BROADBAND PENETRATION ARE CONSTRAINING THE DEVELOPMENT OF BROADCASTING IN NEW ZEALAND.

IN A BUSINESS CONTEXT, TVNZ WOULD LIKE TO SEE ACTIVE ENGAGEMENT BETWEEN NEW ZEALAND'S ISPs TO PEER, MAKING CONTENT MORE ACCESSIBLE AND AFFORDABLE THROUGHOUT THE COUNTRY.

SOME TELECOMMUNICATIONS COMPANIES HAVE REFUSED TO PEER, FORCING OTHER ISPs AND CONTENT PROVIDERS TO PAY FOR ACCESS TO NETWORKS, OR ALTERNATIVELY PIPE TRAFFIC OUT TO OFFSHORE POINTS OF PRESENCE (POPs) TO COME IN OVER INTERNATIONAL BANDWIDTH TO GUARANTEE A USER EXPERIENCE. THIS IS COSTLY, INEFFICIENT AND STIFLES INNOVATION, CREATIVITY AND ENTREPRENEURSHIP IN NEW ZEALAND.

CONTENT

THE DIGITAL WORLD, WITH MULTIPLE PLATFORMS, CAN BE VIEWED A MAJOR THREAT TO LOCAL CONTENT WHICH, IN A SMALL COUNTRY, IS CRITICAL FOR FOSTERING NEW ZEALANDERS' SENSE OF NATIONAL IDENTITY, PROMOTING OUR CULTURES, INFORMING, EDUCATING AND ENTERTAINING SOCIETY AND STIMULATING CREATIVITY.

CURRENT GOVERNMENT FUNDING LEVELS FOR LOCAL CONTENT ARE INADEQUATE. THE ECONOMICS OF THE NEW ZEALAND MARKET MEAN THAT MORE PUBLIC FUNDING IS REQUIRED IN ORDER TO DELIVER CONTENT DIVERSITY (AS THE MAJORITY OF LOCAL CONTENT IS UNPROFITABLE AND DOESN'T MEET COMMERCIAL PERFORMANCE CRITERIA FOR BROADCASTERS).

BUT LOCAL CONTENT FUNDING WILL NEVER GROW FAST ENOUGH TO MATCH THE PROLIFERATION OF PLATFORMS AND SERVICES IN THE DIGITAL WORLD. IN ORDER TO MAXIMISE THE VALUE AND VISIBILITY OF LOCAL CONTENT FUNDING SHOULD BE CONCENTRATED ON A LIMITED NUMBER OF PROVIDERS THAT NEW ZEALANDERS CAN TRUST RATHER THAN SPREADING RESOURCES THINLY ACROSS NUMEROUS PLATFORMS AND SERVICES.

THE OTHER CHALLENGE IN THE DIGITAL ENVIRONMENT IS THE MANAGEMENT OF INTELLECTUAL PROPERTY. TVNZ BELIEVES COPYRIGHT LEGISLATION NEEDS TO PROTECT OWNERSHIP IN THE MULTIPLE PLATFORM DIGITAL ENVIRONMENT WHILE AT THE SAME TIME FREEING UP ORPHANED WORKS THAT ARE OF PUBLIC VALUE.

TVNZ IS GENERALLY SUPPORTIVE OF THE NZ ON SCREEN INITIATIVE WITHIN CERTAIN PARAMETERS. TVNZ IS SEPARATELY ADDRESSING ISSUES WITH THE DEVELOPMENT DIRECTLY WITH NZ ON AIR.

CONFIDENCE

TVNZ, LIKE MANY NEW ZEALAND EMPLOYERS, ACKNOWLEDGES THAT SOURCING AND RETAINING TALENTED ICT STAFF IS A KEY TO THE FUTURE SUCCESS OF ITS BUSINESS AND THE COUNTRY'S ECONOMIC DEVELOPMENT.

COLLABORATION

THE DIGITAL ENVIRONMENT PRESENTS MANY OPPORTUNITIES AND THREATS. TVNZ EMBRACES THE COLLABORATIVE APPROACH. ONE OF THE PILLARS OF THE COMPANY'S FIVE YEAR STRATEGIC PLAN "INSPIRING NEW ZEALANDERS ON EVERY SCREEN" SEES TVNZ AS THE PARTNER OF CHOICE FOR OTHER CONTENT PROVIDERS AND PLATFORM OWNERS.

THIS APPROACH IS A RECOGNITION THAT IN A SMALL ECONOMY LIKE NEW ZEALAND'S A TOTALLY FREE MARKET APPROACH CAN CREATE AN INEFFICIENT USE OF RESOURCES AND THAT COLLABORATION IS OFTEN BETTER THAN CREATING DUPLICATION.

* * * *