

Media Release

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Commission determines 26 companies liable for telecommunications levy

The Commerce Commission today released its determination of the amounts 26 telecommunications providers will pay towards the \$50 million Telecommunications Development Levy (TDL) for 2011/12.

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.

Telecommunications Commissioner Dr Stephen Gale said the levy — about 1% of revenue — is paid by companies, or groups of companies, earning more than \$10 million per year from operating a component of a public telecommunications network (fixed or wireless).

The Commission's liability allocation determination sets out what proportion of the \$50 million levy each of these 'qualifying liable persons' should pay in proportion to their qualified revenue.

For the 2011/12 year, the Commission has determined 26 companies will contribute, with Telecom paying just over half of the \$50 million levy.

Dr Gale said: "The Commission has consulted extensively with industry to ensure that our approach to the TDL is practical, fair and consistent across telecommunications providers."

He said the Commission had received and considered four submissions to its draft determination from Kordia, Telecom, Vodafone and Chorus, before reaching its decision.

The Commission had considered Chorus' concerns about its ability to recover the costs of the TDL, but noted the setting of wholesale prices was outside the TDL process.

Overall, submitters had expressed broad support for the Commission's process. "The Commission will follow a similar approach in setting future TDLs. A consistent approach year on year will reduce future compliance costs for telecommunications providers," Dr Gale said.

A copy of the determination is available on the Commission's website: <http://comcom.govt.nz/tdl-2011-12/>

Background

The Telecommunications Development Levy was established by legislation in June 2011. The levy is set at \$50 million a year until 2016, at which time it will be reduced to \$10 million.

The contributions for the 2011/12 year:

Qualifying liable person	TDL qualified revenue	% of total	Amount payable - TDL
Telecom Corporation of New Zealand Ltd, and Telecom New Zealand Ltd	\$2,249,518,000	50.75%	\$25,375,078.91
Vodafone New Zealand Ltd	\$973,020,000	21.95%	\$10,975,888.74
Chorus Ltd and Chorus New Zealand Ltd	\$567,427,000	12.80%	\$6,400,706.68
Vodafone Fixed Ltd	\$345,423,000	7.79%	\$3,896,450.65
Two Degrees Mobile Ltd	\$102,852,000	2.32%	\$1,160,194.15
Orcon Ltd	\$29,723,000	0.67%	\$335,282.26
Teamtalk Ltd, Araneo Ltd, and Citylink Ltd	\$26,027,000	0.59%	\$293,590.53
Vector Communications Ltd	\$22,485,000	0.51%	\$253,635.96
FX Networks Ltd	\$22,267,000	0.50%	\$251,176.87
Call Plus Ltd and 2Talk Ltd	\$19,969,000	0.45%	\$225,254.90
Bay City Communications Ltd	\$15,060,000	0.34%	\$169,880.25
WorldxChange Communications Ltd	\$11,715,000	0.26%	\$132,147.89
Snap Ltd	\$9,925,000	0.22%	\$111,956.28
Kordia New Zealand Ltd	\$7,622,000	0.17%	\$85,977.91
Compass Communications Ltd	\$7,368,000	0.17%	\$83,112.73
Woosh Wireless (NZ) Ltd and Woosh Ltd	\$6,122,000	0.14%	\$69,057.56
Trustpower (Kinect) Ltd	\$4,902,000	0.11%	\$55,295.68
Woosh Wireless Ltd (now Railway St Industries)	\$4,517,000	0.10%	\$50,952.80
Transpower New Zealand Ltd	\$4,185,000	0.09%	\$47,207.76
REANNZ (Research & Education Advanced Network New Zealand Ltd)	\$2,407,000	0.05%	\$27,151.51
Total	\$4,432,534,000	100%	\$50,000,000

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