

Final telecommunications development levy liability allocation determination for 1 July 2024 to 30 June 2025

[2025] NZCC 24

Under sections 87 and 88 of the Telecommunications Act 2001

Date

19 November 2025



Associated documents

Publication date	Title
30 June 2025	2024/25 TDL specified information document
30 June 2025	Specified information templates for 2024/25
16 October 2025	Draft telecommunications development levy liability allocation determination for 1 July 2024 to 30 June 2025

Glossary

Table of 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 2023/24 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 30 June 2025
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

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Executive summary

- X1 This is the final liability allocation determination (**LAD**) for the 2024/25 Telecommunications Development Levy (**TDL**) year of 1 July 2024 to 30 June 2025.
- X2 This final LAD is required by s 87 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 2024/25 TDL of \$12,325,581.40.¹
- X3 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.
- X4 As a result of changes in the market and a re-assessment of the relevant liability criteria, there are two new QLP groups for this year:
- X4.1 Symbio group – consisting of Symbio Networks NZ Limited and Symbio Wholesale NZ Ltd (connected via s 79 of the Act)² (together, **Symbio**); and
- X4.2 Southern Cross group – consisting of SCCL New Zealand Limited and Southern Cross Cables Limited (connected via s 79 of the Act)³ (together, **Southern Cross**).
- X5 Three QLPs from the previous year, PlanB group, Todd Corporation group and MyRepublic Limited are no longer QLPs for the 2024/25 TDL year, as they no longer meet the eligibility criteria.⁴
- X6 Table X1 below sets out each QLP's qualified revenue and their allocation of the 2024/25 TDL, based on the formula in s 85(1)(b) of the Act.⁵

¹ The formula for calculating the levy for the 2024/25 TDL is set out in Schedule 3B of the Act.

² 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; or all of them are subsidiaries of the same body corporate; or all of them are associates of each other; or 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.

³ Ibid.

⁴ See para 3.6 for reasons.

⁵ The formula is set out in para 2.26 of this final LAD.

Table X1 Levy allocation

QLP†	Qualified revenue*	% of industry qualified revenue	Amount of TDL to pay (\$)
Spark group	\$ 1,334,227,000	27.17%	\$ 3,348,411.66
One New Zealand Group Ltd^	\$ 1,118,700,000	22.78%	\$ 2,807,519.36
Chorus group	\$ 932,353,000	18.98%	\$ 2,339,857.96
2degrees group	\$ 666,293,000	13.57%	\$ 1,672,146.68
Tuatahi First Fibre Ltd**	\$ 148,595,000	3.03%	\$ 372,917.98
Enable Service Ltd**	\$ 119,218,000	2.43%	\$ 299,192.67
Connexa Ltd	\$ 116,980,000	2.38%	\$ 293,576.13
SpaceX NZ group	\$ 100,959,000	2.06%	\$ 253,369.40
Fortysouth Group LP^	\$ 90,162,000	1.84%	\$ 226,272.96
Sky Network Television Ltd	\$ 60,127,000	1.22%	\$ 150,896.32
Mercury NZ group**	\$ 46,470,388	0.95%	\$ 116,623.32
Kordia Ltd**	\$ 31,091,859	0.63%	\$ 78,028.96
Northpower Fibre Ltd**	\$ 19,593,868	0.40%	\$ 49,173.29
Lightwire Ltd	\$ 17,912,918	0.36%	\$ 44,954.74
Devoli group	\$ 15,999,848	0.33%	\$ 40,153.65
Vector Communications Ltd	\$ 15,926,000	0.32%	\$ 39,968.31
Cello Group Ltd	\$ 13,705,000	0.28%	\$ 34,394.43
Southern Cross group	\$ 10,831,000	0.22%	\$ 27,181.77
Voyager Internet Ltd	\$ 10,793,000	0.22%	\$ 27,086.40
Vital group	\$ 10,547,000	0.21%	\$ 26,469.03
Inspire Net group	\$ 9,526,000	0.19%	\$ 23,906.70
Symbio group	\$ 8,602,555	0.18%	\$ 21,589.20
Feenix Communications Ltd	\$ 5,736,255	0.12%	\$ 14,395.86
Wireless Nation Ltd	\$ 3,971,000	0.08%	\$ 9,965.73
Transpower New Zealand Ltd**	\$ 3,000,000	0.06%	\$ 7,528.88
Total Industry	\$ 4,911,320,691	100%	\$ 12,325,581.40

† 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.

Chapter 1 Introduction

- 1.1 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.
- 1.2 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.
- 1.3 This document is the final LAD for the period 1 July 2024 to 30 June 2025. It sets our final allocation of the amount each QLP is required to pay of the 2024/25 TDL of \$12,325,581.40.⁶

Structure of this document

- 1.4 This final LAD sets out:
 - 1.4.1 The legal framework for this LAD;
 - 1.4.2 Our methodology and reasoning, including:
 - 1.4.2.1 how we identified QLPs for the 2024/25 TDL process;
 - 1.4.2.2 the approach used to calculate qualified revenue;
 - 1.4.2.3 the compliance and assurance process; and
 - 1.4.3 Our final allocation of the TDL between the QLPs.
- 1.5 Attached to this final LAD is the list of 2024/25 TDL QLPs.

⁶ See paras 2.24-2.25 for the calculation of this figure.

Chapter 2 Legal framework

Legislative background

- 2.1 The TDL was established under the Telecommunications (TSO, Broadband, and Other Matters) Amendment Act 2011.
- 2.2 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

- 2.3 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.⁷
- 2.4 The Act requires the Commission to prepare a draft LAD, invite submissions on the draft LAD and then publish a final LAD.⁸
- 2.5 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.⁹ A draft LAD must include:¹⁰
 - 2.5.1 the amount of each QLP's qualified revenue;
 - 2.5.2 the amount of TDL payable by each QLP;¹¹
 - 2.5.3 the methodology applied by the Commission in preparing the determination; and
 - 2.5.4 the reasons for the determination.
- 2.6 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.¹²

⁷ "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.

⁸ Section 84 and 87 of the Act.

⁹ Section 84(2) of the Act.

¹⁰ Section 85 of the Act.

¹¹ Calculated in accordance with the formula set out in s 85(1)(b) of the Act.

¹² Section 84(1)(c) of the Act.

- 2.7 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 working days after the closing date for submissions on the draft LAD.¹³

Liable person

- 2.8 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**).¹⁴ A PTN is a network used, or intended to be used, in whole or in part, by the public for the purpose of telecommunication.¹⁵

Broadcasting transmission networks

- 2.9 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.
- 2.10 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”.
- 2.11 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.
- 2.12 This interpretation was confirmed by the High Court in the TDL case stated judgment, *Commerce Commission v Kordia*.¹⁶ 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”.¹⁷ 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”

- 2.13 To be a liable person, a person must be providing a telecommunications service “in New Zealand”.

¹³ Section 88 and 87(2) of the Act.

¹⁴ 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.

¹⁵ Section 5 of the Act.

¹⁶ *Commerce Commission v Kordia*, at [57]-[87].

¹⁷ *Commerce Commission v Kordia*, at [73].

- 2.14 A service is provided “in New Zealand”, if the service is facilitated by telecommunications infrastructure/assets which are located territorially in New Zealand. Where a telecommunications service is received in New Zealand, but the transmission of that service is facilitated entirely extraterritorially without any componentry of the relevant PTN being located territorially in New Zealand (eg, in space), those services are not considered as being provided “in New Zealand”.¹⁸

Qualifying liable persons

- 2.15 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.
- 2.16 A liable person meets the 2024/25 TDL QLP criteria if they:
- 2.16.1 traded in the 2023/24 financial year;¹⁹ and
 - 2.16.2 earned at least \$10 million gross telecommunications services revenue in the 2023/24 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.²⁰

Qualified revenue

- 2.17 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:
- 2.17.1 telecommunications services by means of its PTN; and/or
 - 2.17.2 telecommunications services by means that rely primarily on the existence of its PTN or any other PTN.
- 2.18 Section 85(2) of the Act allows the Commission to determine what revenue basis to use in calculation of qualified revenue.²¹
- 2.19 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.

¹⁸ *Commerce Commission v Kordia*, at [88]-[108].

¹⁹ Section 81(1)(a) of the Act.

²⁰ Section 81(1)(b) and section 79 of the Act.

²¹ See paragraph 3.19 for details on the revenue basis used.

- 2.20 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)”.²²

Requirements on qualifying liable persons

- 2.21 Section 82 of the Act required each QLP to provide the Commission with a copy of its financial statements for the 2023/24 financial year by 1 April 2025.²³
- 2.22 Section 83 of the Act required each QLP to provide the Commission, by 19 September 2025, with specified information for the 2024/25 financial year and either:²⁴
- 2.22.1 an assurance report on its specified information; or
 - 2.22.2 an alternative form of assurance specified by the Commission.²⁵
- 2.23 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

- 2.24 The total TDL levy amount is set out in Schedule 3B of the Act. For the 2024/25 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 2024
- b is the CPI index number for quarter two 2023

²² 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].

²³ QLPs from last year were not expected to provide their 2023/24 financial statements as this was already provided as part of their 2023/24 s 83 disclosures.

²⁴ The Commission specified the information required from QLPs in its 2024/25 specified information document, accessible at https://www.comcom.govt.nz/assets/pdf_file/0024/367125/Specified-information-and-assurance-report-instructions-for-2024-25-Telecommunications-Development-Levy-30-June-2025.pdf.

²⁵ The Commission specified two alternative forms of assurance for the 2024/25 TDL year– alternative option A and B. These are set out in paras 68 to 71 of the 2024/25 specified information document.

c is the total TDL levy for the 2023/24 TDL

2.25 It follows that the total 2024/25 TDL levy is:

$$\frac{1272}{1231} \times \$11,928,294.57 = \$12,325,581.40$$

Levy allocation formula

2.26 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
- b is the sum of all QLP's qualified revenue
- c is the TDL levy specified for the relevant year in Schedule 3B²⁶

²⁶ For the 2024/25 TDL c is equal to \$12,325,581.40. See paragraphs 2.24-2.25 for the calculation.

Chapter 3 Methodology and reasons

Introduction

- 3.1 On 30 June 2025, we published our 2024/25 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.
- 3.2 We issued our draft LAD on 16 October 2025 and received no submissions on the draft LAD.

Identifying QLPs for the 2024/25 TDL process

- 3.3 For the 2024/25 TDL process, we reviewed information provided by QLPs as part of their 2023/24 s 83 disclosures as well as information provided under s 82 of the Act by other liable persons.
- 3.4 **Attachment A** lists the firms that we have identified as being QLPs for the purposes of the 2024/25 TDL process. The list of QLPs did not change between our draft LAD and this final LAD.
- 3.5 This list differs from the 2023/24 LAD as it reflects changes in the New Zealand market, as well as our re-assessment of the relevant liability criteria.
- 3.6 Three QLPs from the previous year: Plan B group, Todd Corporation group and MyRepublic Limited are no longer QLPs for the 2024/25 TDL year.
 - 3.6.1 PlanB group (consisting of Plan B Limited, Internet Company of New Zealand Limited (ICONZ) and Solarix Holdings Limited) no longer qualifies as a QLP as its gross telecommunications revenue fell below the minimum revenue threshold of \$10 million.
 - 3.6.2 Todd Corporation group (consisting of 'Nova Energy Limited trading as MegaTel' and 'Todd Digital Limited') is no longer a QLP following structural changes. The group sold its network platform and hardware to third parties and now operates as a pure reseller, without owning or operating any PTN components.
 - 3.6.3 MyRepublic Limited no longer qualifies due to a change in its business structure. Following divestment of its broadband business to 2degrees group its gross telecommunications revenue dropped below the minimum revenue threshold.

- 3.7 There are two new QLP groups for this year's Determination, Symbio group – consisting of Symbio Networks NZ Limited and Symbio Wholesale NZ Ltd (connected via s 79 of the Act)²⁷ (together, **Symbio**); and Southern Cross group – consisting of SCCL New Zealand Limited and Southern Cross Cables Limited (connected via s 79 of the Act)²⁸ (together, **Southern Cross**).
- 3.8 Symbio is a wholesale telecommunications provider that operates a nationwide IP voice network, offering services such as call termination, number hosting, and carrier interconnect. It enables other communication providers and service platforms to deliver voice services without owning physical infrastructure.
- 3.9 Southern Cross is a telecommunications infrastructure provider and submarine cable operator that manages a major trans-Pacific cable network connecting New Zealand, Australia, the United States, and several Pacific Island nations.

Submarine cable companies

- 3.10 This year, we reassessed the liability status of submarine cable operators and concluded that companies providing telecommunications services to or from New Zealand do so over a PTN that they operate, even if their infrastructure extends beyond New Zealand into international waters. As such, they are considered liable persons under the Act.²⁹
- 3.11 As part of our QLP identification process, we contacted all submarine cable operators. While all were deemed liable persons, only Southern Cross met the minimum revenue threshold and was designated as a QLP.³⁰

Approach to calculating qualified revenue³¹

- 3.12 To reduce compliance costs on QLPs, we use an approach to calculate qualified revenue that:

²⁷ See footnote 2, which sets out section 79(1) of the Act.

²⁸ Ibid.

²⁹ Section 5 of the Act.

³⁰ The Tasman Global Access (TGA) cable is operated as a consortium/joint venture and does not constitute a standalone legal entity. As such, it is not a 'liable person' under the Telecommunications Act. However, the consortium partners – Spark, One New Zealand, and Telstra – are each liable persons in their own right (including as operators of a commercial subsea cable). Spark and One NZ are both QLPs and contribute to the levy. Their respective levy allocations are based on their qualified revenue, which **includes** revenue derived from services they each provide to their customers using the TGA cable. Telstra, while a liable person, is not a QLP as it does not meet the minimum revenue threshold for qualifying liability – even when including the revenue it earns from services it provides to its customers using the TGA cable.

³¹ 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.

3.12.1 relies on information that is readily available across a wide range of firms;

3.12.2 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

3.12.3 where possible, relies on common auditable information that QLPs are likely to keep for other purposes (such as statutory reporting and billing).

3.13 Our 2024/25 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 3.1 below.

Table 3.1 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	\$c		
d	less	Total non-telecommunications services 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 goods and services included in gross telecommunications services revenue		\$j	
k		Qualified revenue		\$k	$k = f - g - h - i - j$

Gross telecommunications services revenue

3.14 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.

- 3.15 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.³²

Timing adjustments

- 3.16 As with previous years, QLPs were required to provide specified information for the 1 July to 30 June financial year.
- 3.17 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 2024 to 30 June 2025 TDL year.
- 3.18 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.³³

Net revenue approach

- 3.19 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.³⁴
- 3.20 In practice, our use of the net revenue method means that we allow QLPs to make the following deductions from their qualified revenue:
- 3.20.1 total payments to other QLPs; and
- 3.20.2 total payments to non-QLPs for services initially provided by a QLP.
- 3.21 Both these deductions are limited to payments made for telecommunications services used in the supply of telecommunications services to the QLP's customers.
- 3.22 The paragraph 3.20.2 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.

³² See Attachment A of the 2024/25 specified information document.

³³ 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.

³⁴ Final 2011/12 TDL LAD.

Section 85A(1)(a)

- 3.23 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.

Bundles

- 3.24 If telecommunications goods and services and non-telecommunications goods and services are sold by a QLP in a bundle,³⁵ the qualified revenue calculation needs to account for this to ensure that telecommunications revenue is appropriately identified.
- 3.25 As with previous years our TDL methodology allows for QLPs to account for bundles by either using a:
- 3.25.1 *separate revenue approach* – identifying and excluding the revenue attributable to the non-telecommunication services; or
- 3.25.2 *deduction approach* – subtracting the cost of the non-telecommunication services.³⁶
- 3.26 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 15 has seen more QLPs move towards the separate revenue approach.³⁷
- 3.27 Our 2024/25 specified information document provided guidance to QLPs on the use of the deduction approach.³⁸
- 3.28 Attachment B of our 2024/25 specified information document prescribed a revenue apportionment methodology for broadcasting subscription and advertising revenue.³⁹ This methodology allows broadcasters to identify the ‘non-telecommunications’ element of these revenue streams and deduct them through the separate revenue approach.

³⁵ 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.

³⁶ 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.

³⁷ New Zealand Equivalent to International Financial Reporting Standard 15 Revenue from Contracts with Customers.

³⁸ See paras 43-45 of the 2024/25 specified information document.

³⁹ See Attachment B: Treatment of broadcasting related revenue streams of the 2024/25 specified information document.

Compliance and assurance

- 3.29 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.
- 3.30 Overall, the level of completeness and timeliness of disclosures this year was better than past years.
- 3.31 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.
- 3.32 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.

Chapter 4 Allocation of levy

- 4.1 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.
- 4.2 In accordance with s 88(a) and (b) of the Act, Table 4.1 shows the qualified revenue amounts that we have determined, and the amount of the TDL payable by each liable person.

Table 4.1 Levy allocation

QLP†	Qualified revenue*	% of industry qualified revenue	Amount of TDL to pay (\$)
Spark group	\$ 1,334,227,000	27.17%	\$ 3,348,411.66
One New Zealand Group Ltd^	\$ 1,118,700,000	22.78%	\$ 2,807,519.36
Chorus group	\$ 932,353,000	18.98%	\$ 2,339,857.96
2degrees group	\$ 666,293,000	13.57%	\$ 1,672,146.68
Tuatahi First Fibre Ltd**	\$ 148,595,000	3.03%	\$ 372,917.98
Enable Service Ltd**	\$ 119,218,000	2.43%	\$ 299,192.67
Connexa Ltd	\$ 116,980,000	2.38%	\$ 293,576.13
SpaceX NZ group	\$ 100,959,000	2.06%	\$ 253,369.40
Fortysouth Group LP^	\$ 90,162,000	1.84%	\$ 226,272.96
Sky Network Television Ltd	\$ 60,127,000	1.22%	\$ 150,896.32
Mercury NZ group**	\$ 46,470,388	0.95%	\$ 116,623.32
Kordia Ltd**	\$ 31,091,859	0.63%	\$ 78,028.96
Northpower Fibre Ltd**	\$ 19,593,868	0.40%	\$ 49,173.29
Lightwire Ltd	\$ 17,912,918	0.36%	\$ 44,954.74
Devoli group	\$ 15,999,848	0.33%	\$ 40,153.65
Vector Communications Ltd	\$ 15,926,000	0.32%	\$ 39,968.31
Cello Group Ltd	\$ 13,705,000	0.28%	\$ 34,394.43
Southern Cross group	\$ 10,831,000	0.22%	\$ 27,181.77
Voyager Internet Ltd	\$ 10,793,000	0.22%	\$ 27,086.40
Vital group	\$ 10,547,000	0.21%	\$ 26,469.03
Inspire Net group	\$ 9,526,000	0.19%	\$ 23,906.70
Symbio group	\$ 8,602,555	0.18%	\$ 21,589.20
Feenix Communications Ltd	\$ 5,736,255	0.12%	\$ 14,395.86
Wireless Nation Ltd	\$ 3,971,000	0.08%	\$ 9,965.73
Transpower New Zealand Ltd**	\$ 3,000,000	0.06%	\$ 7,528.88
Total Industry	\$ 4,911,320,691	100%	\$ 12,325,581.40

† 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.

Attachment A List of 2024/25 TDL QLPs

A1 Tables A1 and A2 below list the companies (or groups of companies) that, based on the information before us, we consider are liable for the 2024/25 TDL, ie, 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.

Listing the QLPs

A2 The Commission has identified two categories of QLPs:

A2.1 *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 A1); and

A2.2 *Independent QLPs* – companies without connected bodies corporate (identified in Table A2).

Table A1 QLPs that include interconnected bodies corporate under s 79 of the Act

QLP Group

2degrees group:

- Two Degrees Mobile Ltd;
- Two Degrees Networks Ltd;
- Two Degrees New Zealand Ltd;
- Vocus (New Zealand) Ltd;
- CallPlus Services Ltd; and
- 2Talk Ltd.

Chorus group:

- Chorus Ltd; and
- Chorus New Zealand Ltd.

Crown companies group:

- Kordia Ltd;
- Transpower New Zealand Ltd;
- Northpower Fibre Ltd;
- Enable Networks Ltd;
- Enable Services Ltd; and
- Tuatahi First Fibre Ltd
 - Tuatahi Central Fibre Ltd.

Devoli group:

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

Intratil group:

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

QLP Group

Inspire Net group:

- Inspire Net Ltd; and
- Inspired Networks Ltd.

Mercury NZ group:

- Mercury NZ Ltd;⁴⁰ and
- Now New Zealand 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.

Southern Cross group:

- SCCL New Zealand Limited; and
- Southern Cross Cables Limited.

Symbio group:

- Symbio Networks New Zealand Limited; and
- Symbio Wholesale NZ Limited.

Vital group:

- Vital Ltd; and
 - Vital Data Ltd.
-

⁴⁰ Mercury NZ Ltd is also a part of the Crown companies' group.

Table A2 Independent QLPs**Independent QLPs**

- | |
|--------------------------------------|
| • Cello Group Ltd. |
| • Connexa Ltd. |
| • Feenix Communications Ltd. |
| • Lightwire Ltd. |
| • Sky Network Television Ltd. |
| • Vector Communications Ltd. |
| • Voyager Internet Ltd. |
| • Wireless Nation Limited. |