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Broadcasting Transmission Monitoring Report 2024

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Glossary

Table of terms and abbreviations

The Act	The Telecommunications Act 2001
AM	AM broadcasting is radio broadcasting using amplitude modulation transmissions
BVOD	Broadcast Video On Demand
DAB	Digital Audio Broadcasting
DTH	Direct-To-Home
DTT	Digital Terrestrial Television
FM	FM broadcasting is a method of radio broadcasting that uses frequency modulation of the radio broadcast carrier wave.
MUX	MUX: a multiplexer is a device or process that combines multiple digital signals into a single data stream for transmission
NZME	New Zealand Media and Entertainment
RNZ	Radio New Zealand
SVOD	Streaming Video On Demand
TVNZ	Television New Zealand

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Chapter 1 Introduction

Purpose of this report

1.1 The purpose of this report is to inform stakeholders on the state of Aotearoa New Zealand's broadcasting transmission services sector. This report tracks specific metrics obtained from key stakeholders, publicly available information relevant to the state of the sector and key developments in this market segment in 2024.

1.2 This report is released under section 9A of the Telecommunications Act 2001 (the Act). Section 9A requires us to monitor competition in, and the performance and development of, telecommunications markets and to monitor retail service quality in relation to telecommunications services.

1.3 The broadcasting transmission services market is undergoing a period of significant transformation as the industry transitions to digital platforms whilst still incurring unavoidable and rising costs for traditional legacy broadcasting which is necessary for universal access and national resilience.

1.4 This situation means that a careful balance must be maintained between the maintenance of traditional infrastructure and investment in future digital capabilities. Our role, as one of the regulatory bodies involved in the regulation of Broadcasting is to monitor the market for Broadcasting transmission.

1.5 Given the ongoing disruptive market forces and emerging consequences, we will continue to monitor developments in both the demand and the supply side of the market.

Background

What is Broadcasting Transmission?

1.6 The Broadcasting Act 1989 defines broadcasting as:

> …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[1]

1.7 A generic broadcasting value chain comprises the following four stages:

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[1] Broadcasting Act 1989 Section 2(1)

1.7.1 the production of content that is to be broadcast for either television or radio;

1.7.2 the preparation of the content for it to be transmitted to end-users;

1.7.3 the transmission of the signals to be received by end users; and

1.7.4 the reception of those signals in the form of visual or audio content.

1.8 The element of the value chain that we are focused on is defined as "Transmission of signals for reception by end-users via terrestrial satellite or internet networks."[2]

1.9 We reproduce below the generic broadcasting value chain taken from the report we commissioned Network Strategies to produce in 2024.[3] It demonstrates where transmission services fit into the overall broadcasting value chain.[4]

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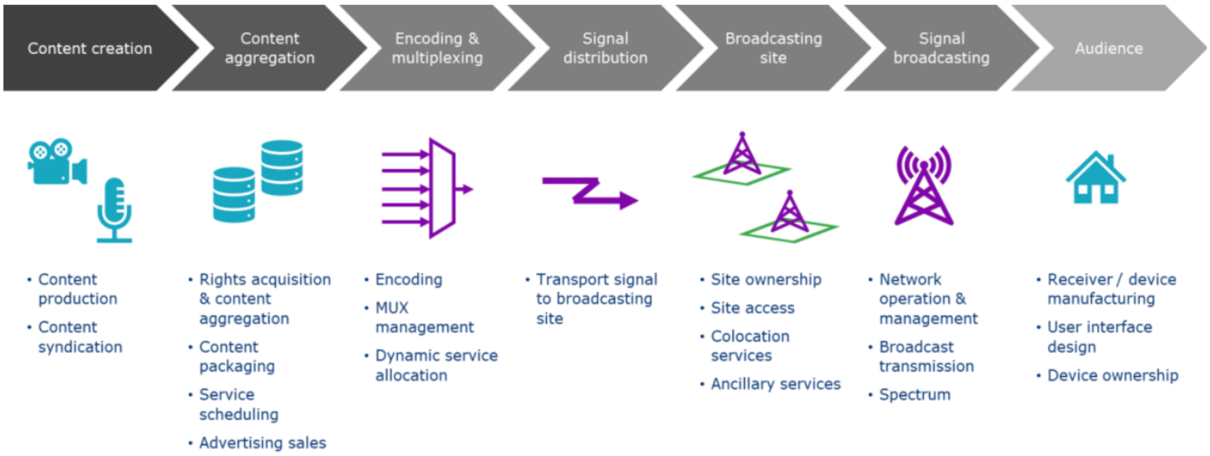
2 *Commerce Commission v Kordia Group Limited* [2021] NZHC 2777 (15 October 2021) paragraph 42 (c).

3 Network Strategies "Monitoring broadcasting transmission services, Final report for the Commerce Commission", (29 May 2024) page 3. At https://comcom.govt.nz/__data/assets/pdf_file/0018/355023/Monitoring-Broadcasting-Transmission-12-June-2024-Network-Strategies.pdf

4 Note that where the content is broadcast via broadband then the sites and towers, ancillary services and so on do not apply.

Figure 1.1 Generic Broadcasting Value Chain



Source: Network Strategies

1.10 The key players for the provision of broadcasting transmission services for television are Kordia Group and Johnstone Dick and Associates (JDA). Kordia Group and JDA provide transmission services to Television New Zealand (TVNZ), Discovery, Māori Television, and other smaller broadcasters.

1.11 Sky Network Television NZ Limited (Sky NZ) is also active in the direct to home transmission market as a self-supplier.

1.12 Radio transmission is also provided by Kordia Group and JDA along with several broadcasters. These broadcasters also self-supply to a certain extent and include Radio New Zealand (RNZ), New Zealand Media, and Entertainment (NZME), MediaWorks and Rhema Media.

1.13 In the FM market Kordia Group and JDA are the main providers. JDA, although much smaller than Kordia Group, is strategically important due to its transmission infrastructure in Auckland.

1.14 In the AM market RNZ is the key player for the provision of transmission services. Rhema Media is also involved in AM radio transmission services.

Our legal requirements

1.15 In 2018, the scope of our role was amended to include broadcasting transmission by way of the Telecommunications (New Regulatory Framework) Amendment Act 2018.[5]

[5] This change came about as the Telecommunications (New Regulatory Framework) Amendment Act 2018 removed the exclusion of broadcasting transmission from the definition of "telecommunication" under s 5 of the Telecommunications Act 2001.

1.16 The Minister of Broadcasting, Communications and Digital Media noted that this change would enable the Commission "to monitor or investigate the commercial conditions for digital terrestrial transmission through its existing Telecommunications Act processes, if this is needed."[6]

Previous monitoring

1.17 To date we have undertaken two studies of the broadcasting transmission services market in New Zealand. Firstly, in 2022, we commissioned Network Strategies to conduct an overview of the key market players, services, and infrastructure, and set out how the broadcasting transmission sector may develop in New Zealand, including:

1.17.1 exploring emerging technologies;

1.17.2 convergence and potential for disruption (including from over-the-top (OTT) providers); and

1.17.3 changing trends in traffic and consumer preferences.

1.18 The 2022 report provided us with valuable information and insights into the broadcasting transmission sector in New Zealand.

1.19 A key feature of the television broadcasting transmission market is disruption from alternative technology platforms, which suggests that traditional digital terrestrial television (DTT) may be entering a sunset phase.[7] This may be correct, but we anticipate the sunset phase to be quite long in duration. That is, based on the evidence we have seen so far, we do not expect DTT to be turned off any time soon.[8]

1.20 The delay to the new Optus satellite, for example, to late 2027 for the provision of Freeview channels means that the original ten-year deal signed in 2022, would only give four years usage of that satellite's transmission capabilities. This delay will also have financial implications for Sky NZ. The decision to extend its usage will of course be commercially driven.

1.21 After the Network Strategies review of 2022, we developed high level measures for the purpose of our commitment to routine annual monitoring of broadcasting transmission. We selected Network Strategies to conduct the research on our behalf in September 2023.

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6 Hon Kris Faafoi (Minister of Broadcasting, Communications and Digital Media) "Telecommunications (New Regulatory Framework) Amendment Bill – Second Reading" (18 September 2018).

7 Network Strategies "Broadcasting transmission services market review: Final Report for Commerce Commission", (1 June 2022).

8 We are aware that when DTT ends, costs for transmission for radio broadcasting will also be affected. It is likely that radio broadcasting expenses will increase, due to the fact there will be less operators on the transmission towers.

1.22 The measures we selected were as follows:

1.22.1 substitutability of transmission technologies;

1.22.2 the cost of transmission services;

1.22.3 television transmission services, including performance and investment;

1.22.4 radio transmission services, including revenue and investment; and

1.22.5 changing patterns in consumer demand.

1.23 On 12 June 2024, we published a report on broadcasting transmission services in New Zealand, encompassing the key players, services, and infrastructure, and ongoing development of the market.[9]

1.24 In the chapters that follow we investigate the following aspects of the broadcasting transmission market:

1.24.1 cost and investment;

1.24.2 television transmission;

1.24.3 radio transmission; and

1.24.4 audience demand trends.

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[9] Network Strategies "Monitoring broadcasting transmission services: Final report for the Commerce Commission", (12 June 2024).

Chapter 2 Cost and Investment

2.1 The cost and investment data we have will be used to track trends over time and for internal analysis. All stakeholders who submitted cost and investment information for example, requested it be treated as commercial-in-confidence. Although the data we were able to get from stakeholders may be limited, it can be used as a baseline for monitoring in future. Where necessary we have relied on publicly available information in this report.

2.2 The key financial metrics we requested from transmission service providers by technology were annual revenues, annual operating costs, and annual net investment.

2.3 Some stakeholders are both providers of transmission services and broadcasters and a few self-supply transmission services. As noted above, we will use the financial information we have received this year as a baseline for future years.

2.4 TVNZ's transmission, technology and telecommunications expenses increased by 6.02% to June 2024 ($29.026m), down from 23.3% in 2023 ($27.377m from $22.206m in 2022).[10]

2.5 RNZ's distribution and transmission expenses increased by 3.85% to June 2024 ($5.957m), down from 12.8% in 2023 ($5.736m from $5.083m in 2022).[11]

2.6 Rhema Media's transmission site expenses increased by 34% to March 2024 ($122,000 from $91,000 in 2023), up from 18.2% in 2022/2023.[12]

2.7 Mediaworks' operating expenses were down NZ$11m to December 2023 from December 2022. We did not receive a direct comparison with FY22 but in that year Mediaworks' technology and transmission costs increased by 7.4%.[13]

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10 TVNZ Annual Report Financial year 2024. At https://corporate.tvnz.co.nz/assets/Uploads/TVNZ-Annual-Report-FY24_final.pdf and TVNZ (2023), Annual report financial year 2023 at https://corporate.tvnz.co.nz/assets/Uploads/TVNZ_AnnualReport_2023_WEB-v2.pdf

11 RNZ Annual Report 2023/2024. At https://www.rnz.co.nz/assets/cms_uploads/000/000/492/RNZ_Annual_Report_23-24.pdf and RNZ (2023), RNZ annual report 2022 / 2023 at https://www.rnz.co.nz/assets/cms_uploads/000/000/471/RNZ_Annual_Report_2022-23.pdf

12 Rhema Media (2024), Annual report 2023-2024. At https://rhemamedia.blob.core.windows.net/corp/RM_AnnualReport24-smaller.pdf Rhema Media (2023), Annual report 2022-2023.

13 MediaWorks FY23 results show turn around is on track despite challenging market backdrop at https://www.mediaworks.co.nz/articles/mediaworks-FY23-results-show-turn-around-is-on-track-despite-challenging-market-backdrop And MediaWorks (2023), MediaWorks Investments Limited annual report for the year ended 31 December 2022.

2.8 Sky NZ self-supplies. It reports costs for broadcasting and infrastructure increased by 9.4% to June 2024 ($87.2m from $79.8m (reported)) down from 9.8% in 2023 ($77.5m from $70.6m in 2022: 22/23 figures adjusted).[14]

2.9 On the investment side there is a mixture of state and private investment. In April 2023, the Government announced its investment plans for RNZ and NZ On Air as follows: [15]

2.9.1 An annual increase for RNZ of $25.7m, including.

2.9.1.1 $12m for RNZ to maintain public media services;

2.9.1.2 $12m for a new digital platform; and

2.9.1.3 $1.7m for AM transmission.[16]

2.9.2 NZ on Air received a $10m increase for 2023/24.

2.10 Kordia Group and JDA's transmission investments are not publicly disclosed but we reported last year that a range of between $2-$12m for transmission equipment and that expenditure on masts and aerials for the sector of between $25,000-$2.7m was consistent with capital expenditure based on recent years.[17]

2.11 Compared to last year's report, broadcasters and transmission service providers still face significant cost pressure, eased slightly by inflation falling from 6% in June 2023, to approximately 3.3% at June 2024.[18]

2.12 In addition, broadcasters are adapting to the digitisation of the industry. TVNZ reports that it plans to be a digital-first operator by 2030 as it continues to invest in its digitisation strategy. It will sunset its broadcast TV distribution over time but acknowledges the duration of the sunset transition as broadcast TV continues to deliver value.[19]

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14 Sky NZ Annual Report 2024 at https://assets.ctfassets.net/7b9nfelvm7fe/4Slc7KE4EbVocuQ2uhf4dD/fb08295d88b9bb149ac2e2012f977dc4/Sky_Annual_Report_2024.pdf page 75.

15 Beehive.govt.nz "Funding boost to deliver world class public media for all New Zealanders" (6 April 2023). At https://www.beehive.govt.nz/release/funding-boost-deliver-world-class-public-media-all-new-zealanders

16 This $1.7m running until 2028 is to maintain RNZ's emergency broadcasting capability.

17 Network Strategies "Monitoring broadcasting transmission services: Final report for the Commerce Commission", (12 June 2024), page 8.

18 https://www.stats.govt.nz/news/annual-inflation-at-3-3-percent/

19 TVNZ Annual Report Financial Year 2024 at https://corporate.tvnz.co.nz/assets/Uploads/TVNZ-Annual-Report-FY24_final.pdf page 7.

2.13 In a similar vein, NZME reports digital audio revenue of $10.8m for FY 2024, up from FY 2023 of $8.2m, which represents a 32% increase compared with a 3% increase in total audio revenue.[20]

Key findings

2.14 From the evidence we have seen, transmission costs are material for broadcasters. The proportion of these costs may appear to be small, especially for larger entities but the absolute increases do have an impact, especially for those entities that are smaller in scale and those that rely on public funding.[21]

2.15 As we reported last year, with aging infrastructure and fully depreciated assets, services providers may be incentivised to raise prices so we will continue to monitor these key metrics for this small but strategically important segment of the broadcasting value chain.

2.16 In addition, we do not wish to underplay the significance of these costs for smaller and publicly funded broadcasters, who tend to operate with tighter margins.

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[20] NZME Limited 2024 Full Year Financial Results at NZME 2024 Annual Report and Consolidated Financial Statements.

[21] Care should be taken when reading transmission cost and investment information. This is primarily due to transmission not being treated consistently as a single line item in financial statements.

Chapter 3 Television Transmission

3.1 The market for television broadcast transmission services is concentrated in New Zealand with Kordia Group and JDA being the main providers of broadcasting transmission services to broadcasters. There is not much scope for competitive entry in the market for traditional linear television broadcasting.[22]

3.2 The key metrics we sought from wholesale television transmission providers were in the following categories:

3.2.1 coverage and population served;

3.2.2 decommissioning summary and plans; and

3.2.3 self-supply.

3.3 Sky NZ operates New Zealand’s main direct-to-home (DTH) satellite service. Sky NZ is primarily a broadcaster and does not wholesale to other broadcasters (apart from allowing some of its channels on the Freeview platform. It self-supplies broadcasting transmission services).[23]

3.4 Kordia Group has the largest coverage area for traditional DTT. In Figure 3.1 we show the number of Kordia Group DTT sites by region as of June 2024. JDA has a much smaller coverage area for traditional DTT than Kordia Group. We show the number of JDA DTT sites by region as of June 2024. There may be some geographical overlap which is dependent upon the way the site data was reported.

[22] In many instances broadcasters do not have a choice of transmission provider. Kordia Group is the sole provider.

[23] Since the reporting period Freeview has expanded its satellite operations and plans to migrate off the Optus satellite which will retire to the new KoreaSat 6 in 2025. Primarily this will increase the number of high definition (HD) channels available over Freeview satellite.

Figure 3.1 Kordia Group and JDA DTT Sites by Region (June 2024)

Region	Kordia Group DTT Sites	JDA Sites
Auckland	5	-
Waikato/BoP	3	2
Canterbury	1	1
Central Otago	-	-
East Coast	-	-
Hawkes Bay	2	-
Gisborne	-	2
Manawatu	1	-
Marlborough	-	-
Napier Taupo	-	-
Nelson	-	-
Northland	-	1
Otago/Dunedin	1	-
Southland	-	1
Taranaki	1	-
Wairarapa	-	1
Tasman	-	2
Wellington	5	-
West Coast	-	-
Whanganui	-	1
Total	**19**	**11**

Source: Kordia Group and JDA.[24]

Decommissioning

3.5 Decommissioning ranges from an antenna no longer being operational to the dismantling and removal of all assets from a site, including towers, masts, aerials, and power. That is, the removal of all active and passive infrastructure.

3.6 Kordia Group reports that it has not decommissioned any assets in the last year but has ensured maintenance of service by replacing some assets.

3.7 JDA provides a breakdown of sites for decommissioning over the reporting period as well as a summary of short to medium term decommissioning plans.

24 JDA manages broadcasting and other transmission facilities in Auckland, but Sky Tower itself is owned by Sky City Limited. JDA has a facilities management contract with Sky City Limited. We assume this is why they have not included Auckland in their response to our information request for DTT site ownership, as shown in Figure 3.1 above.

Figure 3.2 Summary of JDA DTT Transmission Assets Decommissioning

Summary of asset decommissioning	
FY24 Decommissioned assets	No decommissioning of any transmission assets over the 3-year reporting period.
Short-term plan	Expected no decommissioning of any transmission assets over the 3-year to March 2028 however there is still uncertainty with some broadcast companies plans.
Medium-term plan	Platform to be significantly downsized by 2030 with future use beyond this date determined by the economics of maintaining the platform for a smaller number of users.

Source: JDA.

3.8 JDA provides data on its short to medium term investment plans for DTT sites. Kordia Group declined to provide this data, citing commercial confidentiality concerns.

Figure 3.3 Overview of JDA Investment Plans (Short to Medium Term)

Site Expansions	
Tower upgrades	2 sites
New towers	2 sites
Equipment housing expansions	6 sites

Source: JDA.

Figure 3.4 Planned JDA Site Acquisitions[25]

Site Acquisition	
Establishment of new transmission facilities at existing 3rd party sites	7 sites
Establishment of new greenfield sites	1 site

Source: JDA.

[25] JDA is planning the establishment of new transmission facilities at existing 3rd party radio sites or new greenfield sites.

Key findings

3.9 Since last year's report the situation is relatively stable. Kordia Group is maintaining its network to ensure it keeps pace with its reliability and performance against customer service level agreements.

3.10 JDA is maintaining its assets as per previous years with no decommissioning of transmission assets for the next three years. JDA reports modest investment expansion in the short to medium term as shown in the figures directly above.

Chapter 4 Radio Transmission

FM radio

4.1 Kordia Group and JDA are the main wholesale providers of FM radio transmission services. Some broadcasters, including RNZ, NZME and Rhema Media, self-supply, and co-site to other broadcasters.[26]

4.2 The key metrics we requested for AM and FM transmission were broadly similar to the metrics for DTT and DTH.

4.3 Kordia Group is the main provider of FM transmission in New Zealand apart from Auckland where JDA is the main provider.

4.4 Kordia Group reports its number of FM radio sites below.

Figure 4.1 Number of Kordia Group FM sites per region (June 2024)

Region	FM Transmission Sites
Auckland	1
Waikato/BoP	5
Canterbury	6
Central Otago	5
East Coast	1
Hawkes Bay	1
Manawatu	1
Marlborough	1
Napier Taupo	1
Nelson	2
Northland	5
Otago/Dunedin	3
Southland	1
Taranaki	4
Wairarapa	1
Wellington	2
West Coast	3
Whanganui	1
Total	**44**

Source: Kordia Group.

4.5 JDA reports self-supply from 23 sites and that the total number of operational FM transmission sites it operates is 27.

[26] See Network Strategies, "Monitoring broadcasting transmission services: Final report for the Commerce Commission", (29 May 2024), page 9. At https://comcom.govt.nz/__data/assets/pdf_file/0018/355023/Monitoring-Broadcasting-Transmission-12-June-2024-Network-Strategies.pdf

4.6 NZME reported that it operates a nationwide total of 89 sites. Kordia Group mostly owns these sites, but we do not have a definitive breakdown of ownership. NZME reports self-supply from 24 sites.

4.7 Rhema Media operates several FM radio sites. It owns and operates a small number of transmission sites for self-supply and co-sites with other broadcasters for transmission services. We do not have precise figures for site ownership from Rhema Media, but they operate 48 FM sites in total.

4.8 RNZ reports five FM transmission sites which are used for self-supply. RNZ reports approximately 89% of the population is served by its FM transmission sites, as of June 2024. RNZ delivers both RNZ National and RNZ Concert services over Kordia Group FM sites and some of its own.[27]

Decommissioning

4.9 NZME reports that no assets were decommissioned over the reporting year. Currently there are no plans to decommission any FM transmission assets in the short to medium term.

4.10 Kordia Group reports that it has not decommissioned any assets but has ensured maintenance of service by replacing a few assets.

4.11 JDA provides a summary of its decommissioning as follows below.

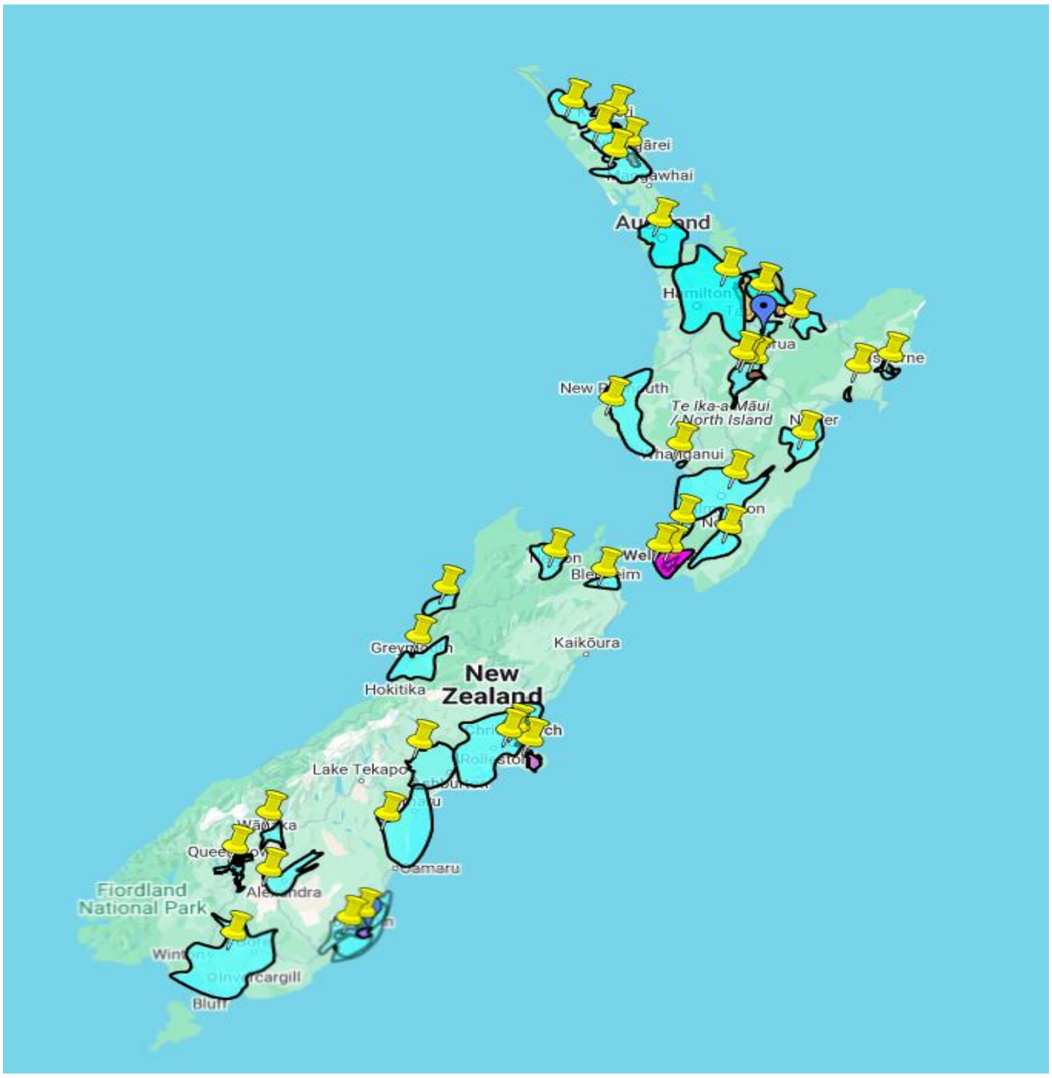
Figure 4.2 Summary of JDA FM Transmission Assets Decommissioning

FM Decommissioning	
FY24 Decommissioned assets	2 transmission sites
Short-term plans	4 transmission sites
Medium-term	3 transmission sites

Source: JDA. Sites that could be decommissioned in the short to medium term are localised sites with smaller coverage areas.

[27] RNZ notes: “RNZ predominantly provide AM services to itself, Parliament and other third-party services. In some minor cases, it provides FM co-siting services to others. "Co-siting" means we are not providing their transmission services but instead access to the site, mast infrastructure, power etc for them to broadcast”. Source: RNZ.

Figure 4.3 Radio New Zealand FM coverage map – Concert FM and National suburban grade coverage



Source RNZ

AM radio

4.12 RNZ remains the primary provider of AM transmission in New Zealand with limited alternatives both geographically and financially followed by Rhema Media with a total of 13 AM sites.[28] Government funding for AM transmission remains unchanged from last year. We will re-visit the situation nearer the expiry of the current funding in 2028.

28 See Network Strategies “Monitoring broadcasting transmission services Final report for the Commerce Commission”, (29 May 2024) page 8 at https://comcom.govt.nz/__data/assets/pdf_file/0018/355023/Monitoring-Broadcasting-Transmission-12-June-2024-Network-Strategies.pdf

4.13 RNZ report that it has 19 AM transmission sites covering approximately 97% of the population. RNZ add a caveat to its AM transmission site number suggesting a regional AM/FM breakdown may not be available. RNZ reports AM coverage in map form below.

4.14 NZME operate a total of 30 AM sites. We do not have a breakdown of ownership but assume most of these sites to be owned by RNZ.

Figure 4.4 RNZ AM transmission sites and coverage

Source: RNZ

Decommissioning

4.15 RNZ reported no site closures for the reporting period. (Four sites are scheduled for closure in 2025).

4.16 NZME reports in its submission that RNZ has advised that it will be decommissioning the below list of sites this year which will impact NZME.

4.16.1 Palmerston North (Kairanga)[29]

4.16.2 Masterton (Waingawa)[30]

4.16.3 Nelson (Stoke)[31]

4.16.4 Rotorua (Tihiotonga). [32]

Key findings

4.17 The traditional radio sector in New Zealand has remained resilient and relatively stable compared to legacy television, showing modest growth in 2024.

4.18 From the evidence we have seen, advertising revenue is also showing an upwards trend. Furthermore, radio content has become more accessible through digital platforms and device-based listening.

4.19 For example, RNZ offers a wide variety of audio on demand and live streaming services, ensuring the availability of content over digital channels.

4.20 One significant challenge for commercial and non-commercial radio arises from the global nature of content and how easily accessible it is, posing a challenge to local information and entertainment.

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29 https://www.rnz.co.nz/Kairanga

30 RNZ: Waingawa transmission mast closure

31 RNZ: Stoke transmission mast closure

32 https://www.rnz.co.nz/media/240

Chapter 5 Audience Demand Trends

5.1 The audience trends were reported on in the 2024 report. As we noted then (for 2023 and prior years) … "Audiences have turned away from traditional broadcasting – television and radio – over the past nine years, shifting to various forms of digital media. The result: increasing fragmentation of the New Zealand audience, which is consistent with global trends."[33]

5.2 Understanding changing patterns of consumer demand is important for the broadcasting transmission market. As reported last year, broadcaster revenue is dependent upon advertising, which as we noted is driven by audience size. Thus, knowing the distribution of viewing and listening behaviour gives us a fuller picture of decline trends in legacy media.

5.3 Also, we have a better understanding of sunset transition and signals where cost pressure on broadcasters who continue to face unavoidable transmission costs are likely to exacerbate as providers face declining revenues for legacy transmission services in the face of growing competition from overseas digital platforms and over-the top-services.

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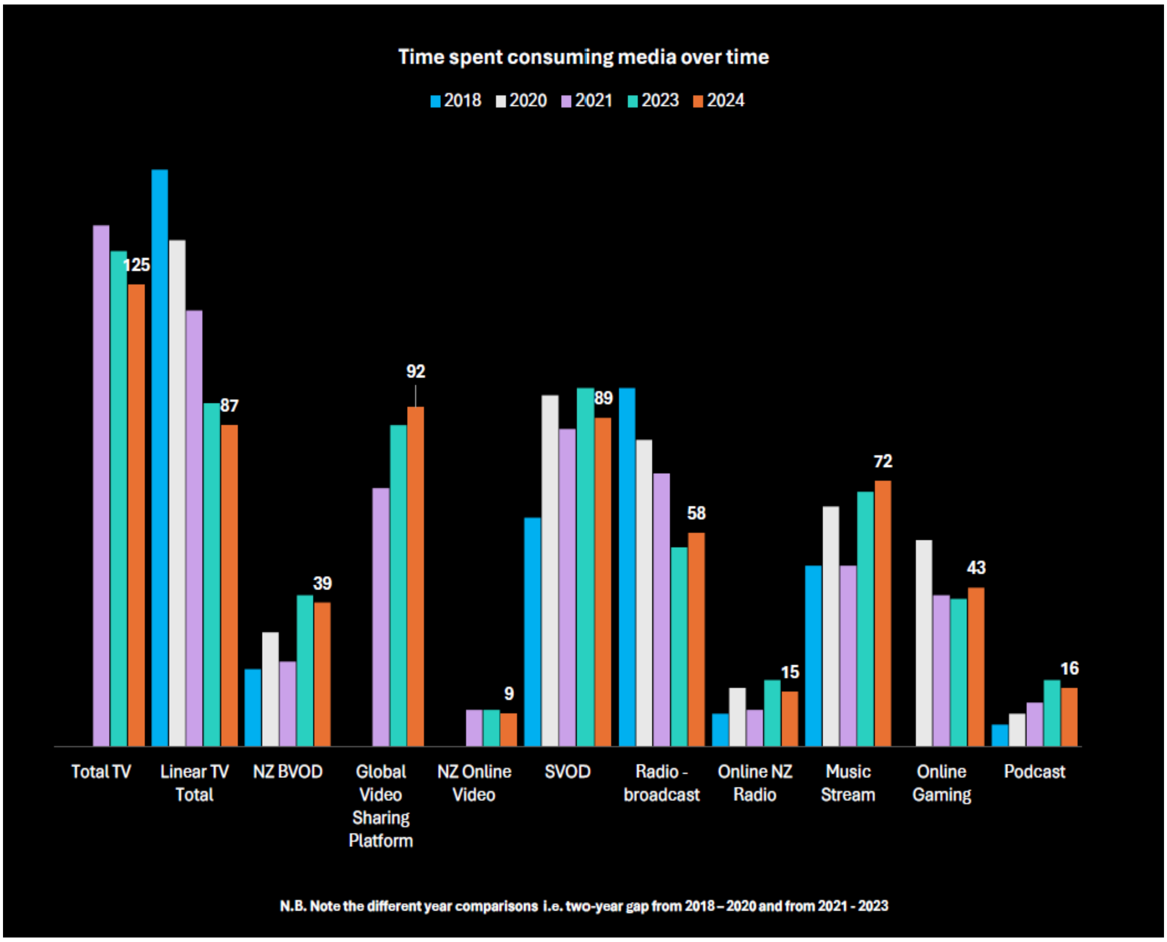
33 Network Strategies "Monitoring broadcasting transmission services Final report for the Commerce Commission", (29 May 2024) page 13 at https://comcom.govt.nz/__data/assets/pdf_file/0018/355023/Monitoring-Broadcasting-Transmission-12-June-2024-Network-Strategies.pdf

Figure 5.1 Time spent consuming media over time (all ages 15+) Average minutes per day



Source: NZ On Air[34]

5.4 Time spent watching linear television continues to decline but not rapidly. On the other hand, time spend listening to radio, after several years of decline has increased in 2024. This is most likely due to accessibility over numerous devices, and the ability of radio to still reach audiences, especially for local content and news.

5.5 Radio broadcasters are investing in alternative delivery platforms. With no sign of Digital Audio Broadcasting (DAB) being implemented in the near future in New Zealand, the ease of listening in cars remains similar to what we reported last year.

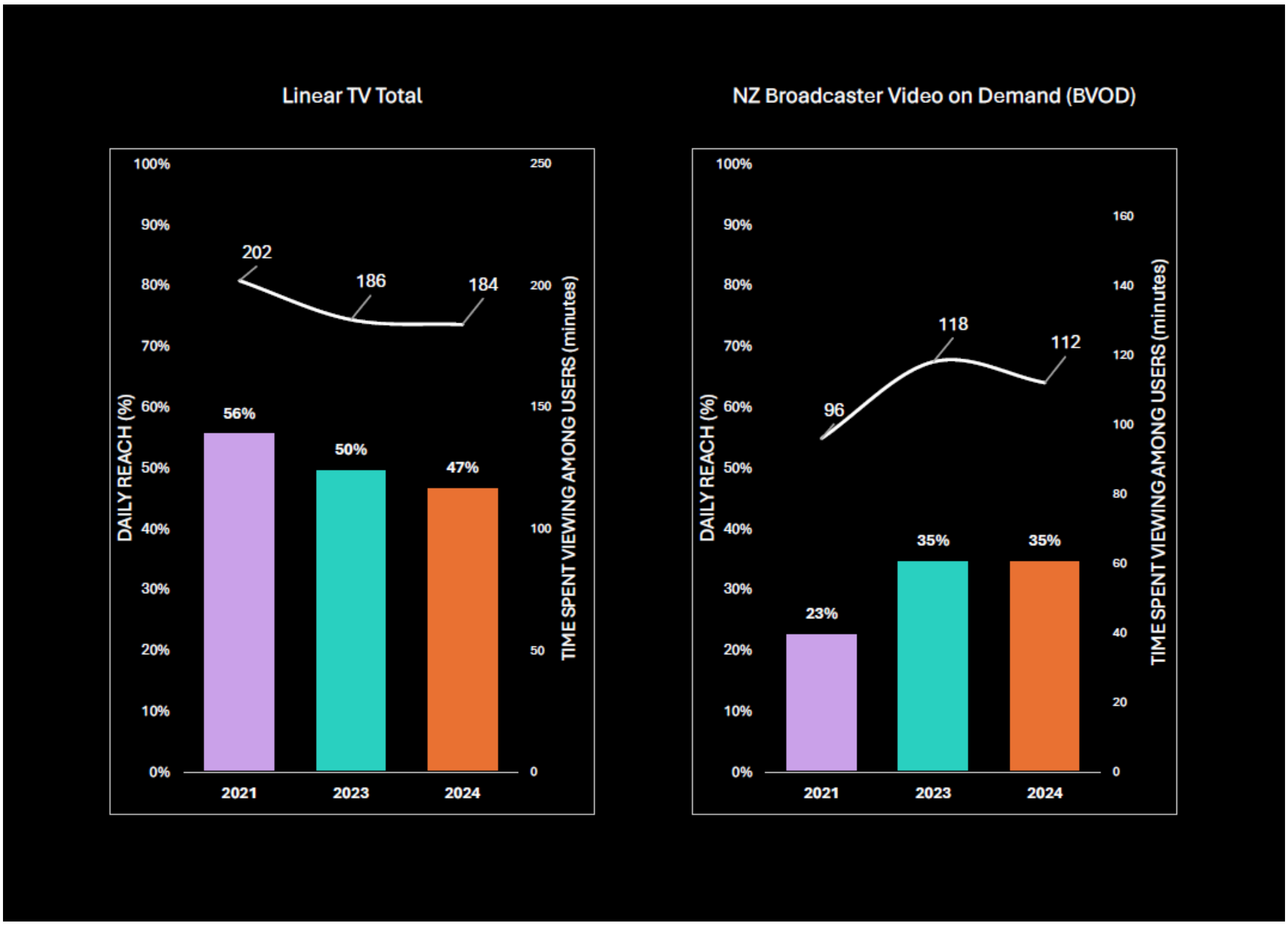
34 NZ On Air "Where are the Audiences 2024". At https://www.nzonair.govt.nz/documents/1183/Where_are_the_Audiences_2024_Report_Final_21_08_24.pdf page 30.

5.6 This combination of not relying on AM/FM with the proliferation of on-line streaming platforms, the adoption of smart speakers and other digital devices serves to make radio apparently more adaptive to the challenge from global digital platforms.

5.7 In other words, radio content can be delivered in a multitude of ways and is most likely co-incident with radio and podcasts being widely available on smartphones.

5.8 Interestingly, as the figure below shows, engagement with linear television, although continuing to decline, is also co-incident with a corresponding drop-off in consumers' appetite for video-on-demand which has stabilised.

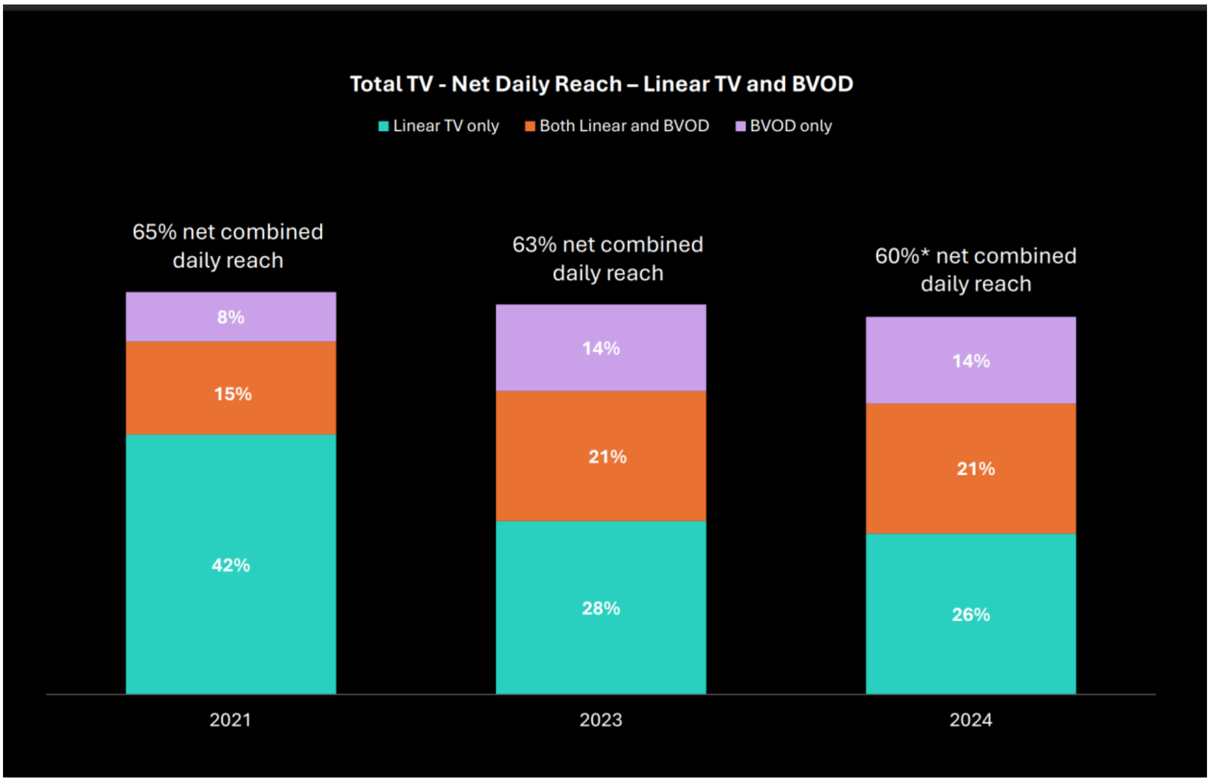
Figure 5.2 Total Daily Reach (all New Zealanders) and Time Spend Among Users - TV



Source: NZ On Air[35]

[35] NZ On Air "Where are the Audiences 2024". At https://www.nzonair.govt.nz/documents/1183/Where_are_the_Audiences_2024_Report_Final_21_08_24.pdf

Figure 5.3 Total TV – Net Daily Reach Linear TV and BVOD



Source: NZ On Air[36]

Key findings

5.9 As we reported last year, digitisation is compelling broadcasters (who rely on advertising) to pursue digital strategies to compensate for consumers having more choice in the ways that they watch and listen to broadcasting content.

5.10 Commenting on the data presented in the figure above, NZ On Air notes that:

> *There was a large decrease in Linear TV only viewing from 2021 to 2023, with an increase in viewing of both Linear /BVOD and BVOD only. In 2024, the continued decline in Linear only viewing is contributing to the overall decrease in Total TV viewing.*[37]

5.11 We note that the significant drop in linear TV only occurred between 2021 and 2023. Between 2023 and 2024 the decline was less sharp.

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[36] NZ On Air "Where are the Audiences 2024". At https://www.nzonair.govt.nz/documents/1183/Where_are_the_Audiences_2024_Report_Final_21_08_24.pdf page 61.

[37] Ibid.

5.12 Advertising revenue across all media was $3.359 billion dollars for the 12 months ended 31 December 2023 compared to $3.592 billion dollars for the 12 months ended 31 December 2024. This may demonstrate adaptability from the broadcasting industry in the face of disruption from alternative delivery platforms.[38]

[38] Advertising Standards Authority, "Advertising Turnover Report 2024". At https://asa.co.nz/wp-content/uploads/2025/03/Final-New-Zealand-Advertising-Turnover-2024-.pdf And Advertising Standards Authority, "Advertising Revenue Report 2023". At https://asa.co.nz/wp-content/uploads/2025/02/9-April-2024-ASA-Advertising-Turnover-2023.pdf

Chapter 6 Concluding Remarks

6.1 The broadcasting transmission market for the reporting year is typified by several key trends. The first of these is digitisation and the reaction to it from traditional linear television and radio. There is resilience in the market as traditional forms of broadcasting continue to achieve material audience reach.

6.2 On the other hand, advertising, from which most of the broadcast industry relies upon, continues to shift to ‘Digital Only’ platforms, which puts additional pressure on broadcasters and providers alike as, for example, local content and the sustainability of traditional broadcasting models is challenged.

6.3 Two additional areas are noteworthy here. Firstly, despite the audience reach of traditional linear television, content broadcast via broadband due to the near ubiquitous nature of broadband penetration in New Zealand presents an on-going challenge for the consumption of and engagement with global content provided by overseas entities in relation to local content.

6.4 Secondly, satellite transmission remains a strategically vital component to ensure universal free-to-air coverage, especially in more rural and remote areas of the country, helping to future proof high-definition quality programming and to complement content delivered over competing technology platforms.

6.5 By contrast radio seems to be better equipped to quickly adapt to a ‘digital only’ environment, while still retaining significant audience reach and engagement with traditional AM/FM broadcasting.

Attachment A Data Sources for this Report

6.6 On 13 August 2024 we sent a letter to key stakeholders seeking feedback from the Broadcasting Industry on our approach to annual data collection: specific to broadcasting transmission services.

6.7 The purpose of this letter was to inform stakeholders and seek their feedback on:

6.7.1 our approach for this year's data collection;

6.7.2 our high-level metrics for this year's data collection; and

6.7.3 key engagement dates for this year's data collection.

6.8 The stakeholder engagement letter was sent to the following recipients:

6.8.1 Discovery

6.8.2 JDA

6.8.3 Kordia Group

6.8.4 Māori Television

6.8.5 Mediaworks

6.8.6 New Zealand Media and Entertainment

6.8.7 Radio New Zealand

6.8.8 Rhema Media

6.8.9 Sky Network Television Limited

6.8.10 Television New Zealand.

6.9 We did not receive any feedback on the specifics of the metrics other than a few questions about confidentiality. We reminded those who asked that both public and confidential submissions could be submitted.

6.10 We subsequently issued voluntary Requests for Information (RFIs) to these stakeholders on 3 September 2024. We did not receive a response from Māori Television, Sky NZ, and Mediaworks. Other responses were limited or omitted financial and investment information, citing commercial sensitivity and confidentiality concerns. We thank all the respondents who submitted data as part of this information-gathering exercise. Please note that results from every question contained in the information request are not presented in this report.

6.11 Additional data was sourced from NZ on Air and the Advertising Standards Authority.