



**The Screen Production and Development Association's (SPADA)
Submission in Response to the
Ministry of Economic Development's**

**DIGITAL FUTURES
Planning for Digital Television and New Users
Discussion Paper**

30 September 2009

Introduction

Preliminary

1. The Screen Production and Development Association (**SPADA**) welcomes the opportunity to respond to the Digital Futures: Planning for Digital Television and New Uses Discussion Paper, issued by the Ministry of Economic Development (MED) in August 2009.
2. SPADA's submission reiterates its comments made in earlier submissions on this issue; addresses a number of key concerns; and endorses the issues highlighted by the submissions of The New Zealand Film & Video Technicians Guild Inc (NZFVTG) and The New Zealand Television Broadcasters' Council (TBC).
3. SPADA has no objection to the release of its submission in its entirety.

Background

4. Formed in 1982, SPADA is a non-profit, membership-based organisation with three full-time staff.
5. SPADA's membership represents businesses involved in screen production and post-production, broadcasting, distribution, lawyers and service providers.
6. SPADA's commitment is to the screen production industry's commercial and cultural health, with a focus on the importance of content creation as the industry faces the challenges and opportunities of a multi-platform digital environment.
7. SPADA believes a strong, sustainable independent screen industry is essential in order to generate quality ideas for new programming for New Zealanders.
8. SPADA believes New Zealand viewers want to hear their own voices and see their own stories and experiences on New Zealand screens, regardless of the technology. A vibrant independent production sector is essential to ensure that this continues to happen across all viewing platforms.

Comments

Content Creation/Local Content

9. As outlined in SPADA's submission on the Draft New Zealand Digital Content Strategy (January 2007), its primary focus, throughout the digital switchover process, continues to be content creation and ensuring New Zealand audiences have access to the widest range of high quality local content through a variety of production and distribution opportunities.

10. By international standards, New Zealand has an extremely unregulated broadcasting environment. In the absence of quotas, local content targets by television broadcasters are heavily reliant on access to clearly contestable funding. Support of content creation needs to be made a high priority so that New Zealand develops an integrated industry capacity.

11. Therefore, SPADA believes there needs to be a greater degree of *policy* convergence to match *technological* and *economic* convergence. As technology drives convergence, cultural, broadcasting, telecommunications and information technology policy should also converge; as the industries they address no longer remain discrete.

Spectrum Regulation/Licensing

12. SPADA believes the process for granting rights to network owners and “broadcasters” should include mechanisms for requiring cultural outcomes. At present, there is no obligation on Pay TV operators to provide any element of a “public good” service or to provide local content. However, TVNZ is the most significant commissioner of local content; MediaWorks (TV3) without any imposed requirements has a strong commitment to commissioning local content.
13. New Zealand’s lack of regulation around broadcasting remains out of step with most other countries; and now perhaps is the time to address this situation, by making it a requirement of the new licenses (or renewal of existing licences) that there be a contribution to the creation of local content.
14. This requirement – or commitment to the creation of local content, and to the New Zealand viewer - is also mentioned in the TBC’s submission¹: *“Public benefit must be considered in the widest possible context, not only the immediate financial return to the government, but what the likely best outcome for the public will be in terms of services offered”*.
15. Of the current 12 licenses, five are leased to SKY, one to TVNZ, one to MediaWorks, three to Kordia, one to NZRB and one to the Crown (which is unallocated). The current proposed plan has assumed five licenses to free to air operators and Kordia, which as pointed out by the TBC is only just enough spectrum capacity to move their existing services to HD or 3D making no allowance for new services to enter the market.
16. SPADA therefore supports the TBC’s recommendation relating to questions 13 and 14:

In response to questions 13 and 14, we recommend that all 12 licences (and any additional that are provided for) be regulated so as to require FTA services as the primary use on each licence and that each frequency is filled to reasonable capacity within two years of Digital Switch Over (DSO). Should the frequencies not be so occupied within that time period, the licences should revert to the Crown, which should then auction them off or hold them for use exclusively by new or existing FTA operators.²

¹ The New Zealand Television Broadcasters’ Council, Submission in Response to DIGITAL FUTURES Planning for Digital Television and New Users A Discussion Paper - Submitted by Rick Friesen, Chief Executive

² The New Zealand Television Broadcasters’ Council, Submission in Response to DIGITAL FUTURES Planning for Digital Television and New Users A Discussion Paper - Submitted by Rick Friesen, Chief Executive

17. SPADA believes some form of regulation needs to be applied to the use of the other licenses, otherwise the free to air capacity in New Zealand will be constrained to those numbers. And, accordingly the demand for local content creation will be influenced by the inability to find appropriate broadcasting audiences.

Other Issues

Radio Microphones

18. SPADA supports the NZFTVG's submission recommendations (5)a-h. The screen production industry's ability to continue using wireless microphones is essential to the production of low and high budget feature films, television and TVC productions.
19. Therefore, the NZFTVG's recommendation to hold back the release any of the 700-800 spectrum as part of the Dividend until at least 2012, which takes into consideration the usage surrounding the Rugby World Cup in 2011 is a very valid one. After an event of this size a clearer assessment of radio microphone requirements and usage can be gauged by the Government.
19. SPADA also endorses the NZFVTG's overriding concern there should be provision of sufficient spectrum and quality of spectrum for the use of wireless microphones and other derivative short range audio wireless devices for current levels of demand and projected increases in demand.

Conclusion

20. Although aspects of this discussion paper focus heavily on technical aspects of spectrum allocation; SPADA, representing the domestic screen production industry, would like to highlight the importance; during the switchover; and the allocation of spectrum licenses (or re-allocation) of considering the wider public benefit as well as commercial outcomes.
21. Building upon existing regulations around local content, other countries have been able to use the re-allocation or purchase of new spectrum licences (freed up by the switchover) to embed and continue commitment to local content during the digital switchover process.
22. In this respect New Zealand is at a competitive disadvantage; and SPADA would not like to see the lack of regulation pertaining to local content to be further exacerbated by free to air operators being at a future disadvantage due to restricting their inability to create new services because of limited spectrum capacity.

23. If you would like to discuss any aspects of SPADA's submission please contact:

Penelope Borland
Chief Executive Officer, SPADA
DDI:+64 4 939 6935
M: +64 274 534 177
E: Penelope@spada.co.nz