

19 November 1996

General Manager, Communications

NON-COMMERCIAL TELEVISION LICENCE ALLOCATIONS

1 As you are aware, 21 applications for the UHF TV frequencies reserved for non-commercial television were received by the Ministry, following a call for applications based on the new allocation criteria agreed to by the Government in May [CAB 96 M 16/7 A refers]. A copy of the criteria are attached as Appendix One.

2 This report recommends that licences for reserved UHF frequencies be allocated to the Canterbury Communications Trust (CCT) in Christchurch, Eggplant Television in Dunedin, and Triangle Community Television Ltd in Auckland. The report:

- outlines the decision making process which the assessment team has followed;
- discusses issues arising from a number of submissions which were not applications in terms of the criteria;
- notes that licence conditions for the non-commercial television frequencies will be based on the allocation criteria;
- recommends a process for the ongoing allocation of the remaining reserved UHF frequencies.

Decision-making process

3 In July you agreed to a detailed critical path and decision making process for this process prior to the receipt of applications, which had been cleared by the Ministry's legal section. Attached as Appendix Two is a copy of the agreed critical path and meeting schedule.

4 Consultations with applicants: We have dealt with applicants on five occasions since applications closed.

- We wrote to all applicants on 2 August acknowledging receipt of their applications and indicating that we would be in further contact if we needed to clarify any information.
- We then wrote on 7 August to those applicants whose applications required vague information to be clarified and /or missing information to be supplied. A list of the applicants which were contacted is attached as Appendix Three.
- On 9 August we met with Television New Zealand Ltd and TV3, at their request, to enable them clarify their applications for digital use of the reserved spectrum.
- We wrote to all parties on 13 August to advise the full list of applications received (name and contact details only).
- We wrote to all applicants on 4 September to request views on the proposed release of applications in response to TVNZ's Official Information Act request.
- Following an assessment of the applications, on 17 September further clarification of details of their applications was sought from four applicants: Eggplant Television; the Public Service Broadcasting Network; Triangle Community Television Ltd; and the Canterbury Communications Trust. Clarification of this information was necessary for a final recommendation to be developed.
- On 18 October, in response to concerns expressed by TVNZ and TV3 that their applications in respect of digital use of the non-commercial spectrum had not been adequately heard by the Ministry, we met with both companies to clarify the interrelationship between non-commercial television assessment team and the digital television team, and to provide an opportunity to the companies to further clarify their applications. This meeting was agreed to in acknowledgment of the complex technical issues associated with digital broadcasting, and the need to clarify any arguments for digital use of the reserved spectrum.

All our dealings with applicants have been in the nature of clarifying information provided in the application or specified in our call for applications. No new considerations have been invited or taken into account.

5 Critical path: As noted above, the critical path was developed before applications were received. The number received (21) was unanticipated and this has had some impact on our ability to meet the deadlines preset. All deadlines were met to the end of August. However, further progress was

delayed while we considered TVNZ's Official Information Act request received on 27 August and legal advice in response to Saturn's letter of 30 July raising Commerce Act concerns. Both matters required investigation as to their potential effect on the decision making process before matters could proceed. In addition, delays resulted from the need for further consideration of the applications from TVNZ and TV3 as set out in paragraph 4. Further, given that the number of applications was so large, insufficient time had been provided for the consideration of individual application assessments which provides the foundation of the allocation decision. For these reasons this report had not been prepared at the point envisaged in the critical path.

Application Assessments

6 Each of the 21 applications was considered against the allocation criteria to determine the degree to which it met individual criteria, and the allocation criteria as a whole.¹ A full analysis of the applications is included in Appendix Four, which should be read in conjunction with this report. Four applicants satisfied the allocation criteria in all respects:

- Eggplant Television, who propose broadcasting in Dunedin
- Public Service Broadcasting Network (PSBN), who propose broadcasting in Auckland, Wellington, Christchurch, and Dunedin
- Triangle Community Television Inc, who propose broadcasting in Auckland
- Canterbury Communications Trust (CCT), who propose broadcasting in Christchurch.

7 Eggplant, Triangle and the CCT all propose community services characterised by a high level of access for local programme makers. The proposals demonstrate a good understanding of the "shared use" philosophy demonstrated in "Access" radio, which is one means by which diversity of programming can be provided. The proposals included strong structural mechanisms to support local programme makers. Each of the applicants include scope in their programming schedules for the provision of "non-commercial services not being provided on a national level". The assessment team was satisfied that programme material would be available to the applicants and that the funding estimates were realistic. The team concluded that there was a good prospect that the proposals would be implemented,

¹The criteria taken into account were:

- the Statement of Government Policy and Directions to the Secretary of Commerce by the Minister of Communications (pursuant to section 112 of the Radiocommunications Act 1989) dated 5 June 1996; and
- the provisions in section 15 of the Radiocommunications Regulations 1993 which require the Secretary, in determining whether to grant a radio apparatus licence, to have regard to "The public interest in achieving the maximum benefit from the radio spectrum...".

given their low cost structures, robust management structures, and the level of community interest for this type of channel in the associated regions.

8 PSBN proposes a service which, while providing some access for local programme makers, focuses primarily on the provision of information/documentary style programming and arts and cultural programming. The organisational structure of the network provides for regional branches which would set and interpret programming philosophies for the 20 percent of regional programming provided for in the schedule. The remainder of the programming would be broadcast nationally. The assessment team was satisfied PSBN's objectives were "not for profit", and that the proposed management structure was capable of supporting this objective. The management structure also provides for robust accountability mechanisms. Given the diversity of income sources, the wider public interest in such a service, and the level of experience of key personnel, the assessment team was satisfied that there was a good prospect that the proposal would be implemented.

9 Recommendation: The assessment team was satisfied that both types of service would provide considerable benefits to viewers in terms of the criteria. However, as PSBN and the three local proposals compete directly for the same spectrum resources, the team was required to choose between the applicants in making its recommendation. The team noted that a key judgement taken into account by Cabinet, in approving the criteria, was "that the predominant use of the reserved frequencies should be the provision of non-commercial services of a kind not provided elsewhere". Accordingly, the team considered the availability of the proposed programming of the services in the current broadcasting market, and questioned which applicant, or set of applicants, provided the most in terms of the overall diversity of programming.

10 The team noted that much of PSBN's proposed programming was available, to some degree, in the current broadcasting market. The team concluded that Eggplant, Triangle and CCT increased the diversity of programme choice for viewers to the greatest extent. The team therefore recommends that Eggplant, Triangle and CCT be allocated licences for the reserved non-commercial television frequencies in their respective regions.

11 The assessment team is aware that some members of the CCT are associated with the Christchurch Polytechnic, which is the rightholder of a UHF licence for Channel 52 in Christchurch. As the applicant, the CCT, is not the rightholder of this licence, the team did not consider this a relevant consideration in the allocation process.

12 Other applicants: The assessment team concluded that the following thirteen applications did not satisfy the allocation criteria in a number of

respects. A full explanation of the grounds on which these applications were considered not to satisfy the criteria is provided in Appendix Four.

- Henry Allison
- Sonic Arts Society Inc Community Arts
- Canterbury Mainland Television Trust
- New Zealand Association of Amateur Radio Transmitters (NZART)
- Golden Horse Productions
- Aztel Holdings Ltd
- Mark Robinson
- Vision Television (VTV)
- Community Television Broadcasting
- Events TV
- Sky Network Television Ltd
- Taranaki Community Broadcasters
- Hawkes Bay Access Television Ltd.

13 Digital television: TVNZ and TV3 applied jointly for the licences to be reserved to provide a transition path, for their free to air networks, to a digital signal. The companies consider that the non-commercial spectrum provides the last available opportunity to the Government to reserve a block of spectrum exclusively for digital transition purposes. They argue that the non-commercial channels should not be allocated until an agreed procedure for the introduction of digital television is adopted by the Ministry.

14 The team does not consider that an assessment against the non-commercial criterion concerning the future transition to digital requires a definitive report on all digital frequency requirements. The non-commercial television assessment team has been provided with two reports by the digital project team as an input to the non-commercial UHF licence allocation process. These reports discuss whether it will be practicable to use adjacent channels in the UHF band for digital services. They are not concerned with making recommendations about the future licensing of all digital broadcasting services. The assessment team considers that these issues are more appropriately examined as part of the ongoing work of the Ministry's digital study group.

15 TVNZ and TV3 note in their applications that the conversion of their channels to digital transmission will involve the simulcasting, for up to 15 years, of digital and analogue versions of their free-to-air networks on UHF and VHF spectrum respectively. TVNZ and TV3 argue that this digital transition is a non-commercial activity, as provision of digital services will not increase audience penetration, therefore advertising income will not increase. The companies noted that to charge a subscription fee for the digital services would result in the public reverting to analogue, and so render redundant the move to the new technology.

16 The assessment team are not persuaded that providing digital transition of the first three free-to-air VHF channels is a non-commercial activity. Many industries face the need to adapt to new technologies to maintain their competitiveness. This may be the case for free-to-air services, as pay television services are planning to provide digital signals and advertisers and/or viewers may place pressure on commercial free-to-air television companies to do likewise. The team noted that it is not yet clear that there will be a pressing demand from audiences for digital conversion of the kind proposed by TVNZ and TV3.

17 TVNZ and TV3's applications were based solely on criterion j, "any potential future public benefit from providing for the transition of services to digital transmission". They contend that the provision of a digital free to air service offers greater long term benefit to the public than any other non-commercial use of the frequencies. According to TVNZ and TV3, these benefits include improved picture quality, freedom from ghosting, lessened interference and noise, more reliable reception, and the fact that when the transition period ceases a considerable amount of VHF spectrum would become available for other uses.

18 The team has considered the potential future public benefit from providing for the transition of services to digital transmission. It notes that the allocation criteria relate to "non-commercial" television, not television in general, as the context for considering such benefits. While the team acknowledges that there would appear to be some public benefit from such a transition, particularly for those viewers who would have access to improved reception of free to air services, it is not persuaded that the benefits outweigh those available to the public from the provision of services which would meet all the criteria set out by the Government.

19 By international standards, most New Zealand viewers currently receive reasonably high quality VHF signals. Therefore the benefits of digital broadcasting are likely to be less significant for these viewers. Improvements in signal reception, as a result of digital broadcasting, will only benefit a minority of the population². Furthermore, the sets required to receive the signal are likely to be expensive for some time yet, hence uptake by consumers is likely to be slow. The assessment team also noted that TVNZ and TV3 do not intend to broadcast in digital for at least 3 years, whereas other applicants are in the position to commence broadcasting (and thereby deliver public benefits), within a much shorter time frame.

20 Submissions made by TVNZ and TV3 during the development of the allocation criteria had indicated that six digital programmes could be compressed into the spectrum occupied by one analogue programme. It was

² TV3 estimates 12 percent of the population receive "bad" reception.

understood by officials that this would provide scope, in about five years time, for the reserved spectrum to meet the needs of both non-commercial broadcasters (broadcasting at that time in digital) and digital transition for free to air services. Following the availability of further information, TVNZ and TV3 now state only 2 or 3 programmes can be broadcast digitally in a UHF channel at the same quality as current analogue services. Subject to advances in compression technology, digital simulcast of free-to-air services in the reserved block of frequencies would therefore preclude the provision of non-commercial television in these blocks.

21 Given that one of the major benefits able to be derived from digital broadcasting is additional channel capacity, the public benefit provided by TVNZ and TV3's applications would be substantially reduced by their requirement for the reserved spectrum simply to rebroadcast existing services. The team noted that the applications did not propose to extend the diversity of programme choice for viewers in any manner, and therefore did not offer any benefits in terms of criteria (a) (b) (c) or (e) .

22 TVNZ has proposed various ways of utilising other existing spectrum resources allocated in the market to provide for non-commercial television, leaving the reserved block available for digital transition. For example, it has suggested that either the UHF frequencies held by the United Christian Broadcasters, the Horizon Pacific Television network, or other private rightholders, could be utilised as outlets for non-commercial broadcasters. They also suggested that non-commercial broadcasters could timeshare with Maori broadcasters in the Block 3 of UHF frequencies (channels 35-38), thereby leaving the frequencies in Block 4 (39-42) free for digital broadcasting. TVNZ has suggested that the Ministry might have a brokering role in facilitating the use of such spectrum by non-commercial broadcasters.

23 The team noted that TVNZ had identified unutilised spectrum available in the market. While TVNZ proposes this could be used for non-commercial services, it is equally the case that some of the identified spectrum could be acquired by a commercial operator for transition to digital broadcasting, though inevitably at some commercial cost. The team also noted that subsequent to the Government's reservation of the UHF channels for Maori and non-commercial broadcasters in 1989, TVNZ has acquired and utilised the nationwide UHF network on which HPTV is broadcast, and TV3 has recently varied its VHF licences to produce additional spectrum for a second near-nationwide network.

24 While TVNZ and TV3 have identified digital transition as important to their business, and spectrum availability as a key constraint, where spectrum has become available to these companies they have made decisions to utilise it for services other than digital broadcasting. As noted above, the team does not accept that digital transition for free-to-air services is a non-commercial activity for commercial broadcasters. Both TVNZ and TV3

operate on a commercial basis and can reasonably be expected to commit resources to improve their services.

25 With regard to TVNZ's suggestion that Maori and non-commercial broadcasters could "timeshare" on the frequencies reserved for Maori broadcasting, the team considered that such an approach would not be seen by Maori as fully consistent with Government statements to this point, which envisaged a dedicated Maori television channel.

26 In response to TVNZ's proposal that the Ministry is the appropriate party to facilitate or promote negotiations with private rightholders of UHF licences, the team noted this would require the Government to purchase such frequencies for non-commercial use. The Government set the reserved UHF spectrum aside for the purpose of ensuring spectrum was available for non-commercial broadcasters. To seek alternative spectrum arrangements, such as those TVNZ has proposed, would require the expenditure of significant public funds.

27 The team concluded that there would be some public benefit derived from the provision of digital services; ie, improved picture quality, freedom from ghosting, lessened interference, and more reliable reception for a minority of viewers. However, TVNZ and TV3 fail to meet the key criterion of being non-commercial. Their applications do not provide any benefits in terms of the criteria other than (j). Accordingly, there is no persuasive case for the allocation of the reserved frequencies for digital broadcasting ahead of other options for use.

28 The team noted that, at present, there is no demonstrated public demand for digital services. However, the demand is likely to grow over time. In comparison, there is presently considerable public demand for non-commercial services such as those Triangle, Eggplant and CCT propose. Joint use by both analogue and digital may be an option for consideration when licence use is reassessed in 5 years time.

29 Current Ministry consideration of digital issues: Earlier this year, the Ministry formed a group to consider the future requirements for digital broadcasting in New Zealand. The terms of reference include the consideration of spectrum availability, and the allocation policies to facilitate the introduction of digital broadcasting as it becomes viable in the New Zealand context.

30 It is not yet clear how, or on what policy basis, spectrum will be made available for the operation of digital television in New Zealand. It is clear, however, that the allocation of channels 39 through 42, for use as an analogue non-commercial transmission system, will not preclude the introduction of digital television at a later date.

31 In order to ensure satisfactory operation in overseas markets, current digital systems have been designed to function in a manner that permits adjacent channel operation with analogue systems. This is expected to also be possible in New Zealand. The Ministry concurs with the opinions of TVNZ and TV3 that a large number of factors must be considered before adjacent channel operation of digital and analogue systems can be guaranteed in New Zealand. The Ministry also agrees with TVNZ and TV3 that, with the cooperation of existing licenceholders, use of adjacent channels will be possible. Provided any technical issues can be resolved, the use of adjacent channels, could provide sufficient UHF coverage for all present free-to-air channels.³

32 Other options are also available, including the use of licences already in the market, as identified by TVNZ above (para 22), and the use of alternative distribution systems such as cable and satellite. It seems highly likely that digital services will become progressively available through these means, including potentially the three nationwide free-to-air channels, should TVNZ and TV3 be willing to make their signals available. It is notable that the initial availability of digital signals in the United Kingdom will be through satellite based pay TV. The availability of digital signals from pay TV operators seems likely, over time, to increase the incentives for commercial free-to-air operators to provide digital signals, to avoid losing audiences to pay TV.

33 In addition, channels 25 and 26 have not yet been allocated. Given that licences for the reserved spectrum are to be issued initially for periods of no more than five years, there is also scope to reconsider the use of this spectrum for digital purposes at that time, in the light of technological developments. This could allow for it to be made available for digital provision of non-commercial and other services.

34 Spectrum allocation issues associated with digital broadcasts are still being considered, but there are a range of options for digital conversion that do not require the use of the reserved channels, and there is scope to revisit this issue when the proposed non-commercial licences expire. The implication of TVNZ's and TV3's submissions is that the spectrum for digital conversion should be made available at no cost to commercial broadcasters. Under present spectrum allocation policies, if the channels currently reserved for non-commercial television were to be made available for other uses, they would be allocated via the market based system.

³ The Ministry has considered the International Telecommunications Union Radiocommunication Study Group's report "A Guide to Digital Terrestrial Television Broadcasting in the VHF/UHF Bands" (ITU Document 11/4, 19 April 1996). The Ministry's approach to adjacent channelling is consistent with this report.

35 Other submissions: Auckland Community Television Ltd and the Churches Broadcasting Commission made separate submissions in response to the call for applications. These submissions were not applications in terms of the criteria. Rather they requested that each group's particular broadcasting needs be taken into account during the decision making process. The Ministry notified both groups that it would take their interests into account when deciding on the allocation of licences for the reserved frequencies, but that it could not provide any guarantee that either group would be made a partner in any successful proposal.

Amateur broadcasting

36 The New Zealand Association of Amateur Radio Transmitters (NZART) applied for channel 39 on a nationwide basis. The assessment team concluded that NZART's proposal would not be an efficient use of Channel 39 for the purposes of the allocation criteria. The Amateur service is defined in the International Radio Regulations (...a service for the purpose of self training, intercommunication and technical investigations carried out by amateurs...) and is not intended for public broadcasting. Whilst Amateur activities are generally conducted on a non commercial basis it would be inconsistent with the aims of the Amateur service to expect Amateurs to establish non commercial services in terms of the approved criteria. The other concern of NZART is in continued access to use of Channel 39 for Amateur television activities, and in particular the present repeater facilities. This matter is subject to separate correspondence with NZART.

Licence Conditions

37 As you are aware, the frequencies reserved for the non-commercial television are subject to provisions in the Radiocommunications Act 1989 concerning "radio apparatus licences". Pursuant to section 111(3) of the Act conditions may be attached to radio apparatus licences to prohibit the licenceholder from transferring the licence to any party other than the Secretary of Commerce, and to apply terms of use in accord with the non-commercial status of the licence.

38 Licence conditions for the non-commercial television frequencies will be developed in consultation with the Legal division, and will be based on the allocation criteria. It is envisaged that the conditions will include strict reporting requirements in order to enable effective ongoing monitoring of the successful applicants' compliance with licence conditions. Licences would be issued on an annual basis, renewable subject to compliance with licence conditions, and would be available for an operating period of up to five years. Under section 17 of the Radiocommunications Regulations 1993, the Secretary may revoke any licence in the event the rightholder fails to comply with any of the attached terms and conditions.

Future allocation policy

39 If you agree to the issue of licences to Eggplant, Triangle and the CCT, there will be a considerable amount of the reserved UHF spectrum which would remain unallocated. It is recommended that the following approach be applied to the consideration of any further applications for the reserved UHF frequencies.

40 Where an expression of interest is received by the Ministry which meets the allocation criteria to a sufficient degree to warrant consideration, a public consultation would be undertaken in the associated locality, in order to ensure that all interested groups and organisations were provided with the opportunity to participate in the call for applications. The decision-making process for this initial call for applications provides a sound base for consideration of future applications, with appropriate modifications. It is recommended that you agree to the critical path attached as Appendix Five as the path for consideration of future applications for the reserved frequencies for non-commercial television.

Recommendations

41 It is recommended that you:

- (i) agree that licences for reserved UHF frequencies be allocated to the Canterbury Communications Trust (CCT) in Christchurch, Eggplant Television in Dunedin, and Triangle Community Television Ltd in Auckland.
- (ii) note that licence conditions for the non-commercial television frequencies will be developed in consultation with the Legal division, and will be based on the allocation criteria.
- (iv) agree to the critical path attached as Appendix Five as the process for consideration of future applications for the reserved frequencies for non-commercial television

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Team Member

Chris Zawodny
Team Member

Agree/Disagree

Hunter Donaldson
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Communication

Date:

Appendix One

ALLOCATION CRITERIA FOR UHF FREQUENCIES RESERVED FOR NON-COMMERCIAL TELEVISION.

The following criteria will be taken into account by the Secretary of Commerce when deciding on the allocation of a licence for a reserved non-commercial television frequency:

- a The extent to which the proposal increases the diversity of programme choice for viewers.
- b The extent to which a proposal can cater for non-commercial services not being provided on a national level. These may include Parliamentary broadcasts, educational services such as foreign language programming, religious programming, coverage of minority sports, and New Zealand documentaries and short films.
- c The extent to which the proposal provides access to local and regional programme makers.
- d The extent of geographic coverage possible for non-commercial services, given spectrum capacity.
- e The extent to which time is made available for non-commercial uses, including in prime time.
- f The extent to which the proposal can demonstrate that its overall objective is "not for profit".
- g The prospect that the proposal will be implemented.
- h The extent to which the proposal contains sufficient accountability mechanisms to ensure that it delivers on its undertakings to provide services.
Arrangements may include:
 - Mechanisms for equitable allocation of air time among all interested users.
 - Procedures for resolving disputes over allocation of time to users.
 - Systems for ensuring efficient management of services.

- Provision of satisfactory services to the full variety of audience to be catered for.
 - Mechanisms for ensuring compliance by all users on the frequency with broadcasting standards.
- j Any potential future public benefit from providing for the transition of services to digital transmission.
- k Any other benefits the Secretary of Commerce considers the proposal may offer.

Communications Division
Ministry of Commerce
May 1996

CRITICAL PATH FOR THE ALLOCATION OF RESERVED UHF FREQUENCIES

- I. Policy direction to Secretary from MW**
- II. Information to interested parties - end of May**
 - A. ministerial press release
 - B. call for applications
 - C. newspaper advertisement
- III. Applications close 31 July**
- IV. Process for applications received**
 - A. acknowledge within 2 working days of receipt. Note any further information required will be requested by the Ministry.
 - B. enter into ARDDOC
 - C. enter into our own non-com television register of applications
 - D. following team members assessment of application, request any additional information required
- V. Assessment process**
 - A. any opportunities for further representations to Ministry must be offered to all applicants once this process starts
 - B. criteria sheet to be attached to each application
 - C. assessment team meet to discuss applications, and develop a short list or a recommendation if appropriate
 - D. recommendation to GMC to issue a licence or licences for reserved non-commercial UHF TV frequencies

VI. Announcement

- A. Report to Cabinet on outcome
- B. notify all interested parties of outcome
- C. gazette notice re successful applicant(s)
- D. Ministerial press release

VII. Licensing

- A. develop a licence agreement (clarify expectations re the term of the licence period, including milestones or performance criteria)
- B. develop a set of conditions to be included in the licence(s) (performance measures against the criteria will need to be developed which are consistent with our recommendations above; same licence conditions apply to all licences issued)
- C. obtain approval from GMC for issue and terms of licences (including conditions)
- D. negotiate licence agreement with the successful applicant

Non commercial television team: Meeting schedule

NB: All team meetings are in the classroom 7th floor

On arrival, applications will be acknowledged. Applicants will be advised that they will be contacted if any additional information is needed by the Ministry.

31 July (W)

- Applications circulated to team and Managers with and information checklist attached - team members to note any information required.

5 Aug (M) 9-11am

- Team to meet to discuss information required from applicants. SH/SC to write to applicants, as necessary, requesting info within 5 working days, ie by 13 Aug (T).

13 Aug (T)

- Additional information requested from applicants due. Circulate info to team members for consideration, in conjunction with original application. Team members to individually consider applications in preparation for preliminary assessment meetings.

15 Aug (Th) 9-12am

- Preliminary team assessment meeting

16 Aug (F) 1-5pm

- Preliminary team assessment meeting. Assessment sheets copied to managers for information.

20 Aug (T) 10.30-12am

- Meetings with respective managers to discuss preliminary assessments.

21 Aug (W) 10.30-11.30am

- Meeting of team to discuss final assessments and report structure. SH/SC to draft report.

27 Aug (T)

- Circulate draft report to team for comment.

28 Aug (W)

- Comments from team about report to SC/SH to incorporate.

29 Aug (Th)

- Draft report to managers and legal for comment.

4 Sept (W)

- Comments back from managers and legal. Comments circulated to team for consideration/incorporation.

6 Sept (F)

- Final draft circulated to team and managers for review.

15 Sept (M)

- Report to General Manager Communications.

Appendix Three**LIST OF APPLICANTS CONTACTED AT 7 AUGUST 1996 TO CLARIFY INFORMATION OR SUPPLY MISSION INFORMATION.**

- Public Service Broadcasting Network
- Events TV
- Golden Horse Productions
- Canterbury Mainland Television Trust
- Eggplant Television
- Henry Allison
- Sky Network Television Ltd
- Sonic Arts Society Inc Community Arts TV
- Mark Robinson
- Taranaki Community Broadcasters
- Community Television Broadcasters
- Hawkes Bay Access Television Ltd
- Auckland Community Television Inc
- Churches Broadcasting Commission

Appendix Four

NON-COMMERCIAL TELEVISION APPLICATIONS -ASSESSMENTS-

NB: References to specific criteria are noted in brackets.

1. Henry Allison, Faith Outreach Centre.

The objective of the applicant is to broadcast Christian programming to the Canterbury region, and to provide Christian programmes for broadcast by non-commercial stations in Auckland and Wellington (d). While this would provide an alternative programme genre for viewers interested in Christian programme material, the proposal does not provide any real diversity to other interest groups, or indeed, to other religious groups. (a) (b)

While the applicant proposes some limited access for local Christian programme makers, the schedule relies heavily on internationally sourced Christian programmes. (c) Furthermore, the team noted the absence of any support structures or administrative procedures to deal with shared use.(h) The assessment team was satisfied that the objectives of the applicant are fundamentally non-commercial in nature, but were concerned at the absence of any structural means of safeguarding the non-commercial status. (e) (f) (h)

The team was satisfied that the proposed Christian programmes were available to the applicant, and that it was feasible that a low powered transmission system could be developed as proposed. (g) However, the proposal did not provide any evidence of a management structure, indications of community support, or accountability mechanisms. Furthermore, the assessment team was not satisfied that a range of material other than Christian programmes would be provided on the proposed service.

2. Eggplant Television.

Eggplant Television proposes a community based television channel for the Dunedin metropolitan area. (d)The proposal focuses on local community involvement, and the production and broadcast of programmes which reflect and develop the identity and culture of the Dunedin region. (c) The proposed programme schedule provides for a range of special interests, and includes programmes for women, children and youth, persons with disabilities, ethnic groups, and other minority interest groups.(a) While the proposal has a strong community and regional focus, it also undertakes to reflect and promote the identity and culture of New Zealand through the broadcast of New Zealand films, archive programmes, and music. (b)

The application includes letters of support from a considerable number of potential programme suppliers, including educational, social support, arts and culture groups. Provided the proposed programme sources are realised, the application would greatly increase the diversity of programming in Dunedin. (a) The team noted that all the programming outlined in the programme schedule was non-commercial in nature. While the programme schedule leaves the hours from 11pm to 8am unallocated, it does not factor any revenue from the sale of airtime to commercial operations into its financial estimates. The team concluded that the proposal made considerable time available for non-commercial programming. (e)

The application illustrates a strong degree of understanding of the 'shared use' philosophy, and demonstrates clearly that Eggplant Television's overall objective is "not for profit". (f) The applicant is a registered Incorporated Society, and its articles included details of accountability mechanisms, such as dispute resolution processes, and procedures to manage broadcasting standards issues. (f) (h) The articles also include details of the proposal's programming policies.

The application provides clear and realistic costings for the development of the channel. While there is no evidence of available capital, the assessment team noted that there was a reasonable prospect of raising the establishment funding required, given the level of community support for the proposal. (g)

3. Public Service Broadcasting Network (PSBN)

The PSBN proposes the development of a network of stations in Auckland, Wellington, Christchurch and Dunedin. (d) The proposal has a number of objectives including the provision of an outlet for regional programme makers for experimentation and innovation (c); the provision of opportunities for communities to access a wide and deep range of current events, political, religious, spiritual, cultural, artistic and sports programming; and the provision of learning opportunities with programming which reinforces the New Zealand curriculum framework. (a) (b)

The proposed schedule includes two programmes which broadcast solely at a regional level, with four others produced in the regions for national broadcast on a weekly basis. All regional programmes broadcast twice daily. The proportion of regional input to the channel is approximately twenty percent of the total programme schedule. (c) The schedule relies on international sources (such as the British Broadcasting Corporation, Film Australia, and the Canadian Broadcasting Corporation) for approximately forty to fifty percent of its programming, and focuses heavily on the information/documentary genre in keeping with the stated educative aims of the channel. (b)

The organisational structure of the network provides for regional branches which would be responsible for setting and interpreting programming philosophies for each region. Members (by right of an annual membership fee) would be surveyed on an six monthly basis to ascertain their level of satisfaction with the service.

Models for the provision of ‘shared use’ channels, in discussions on non-commercial television to date, have tended to be informed by the experience in ‘Access’ radio. The assessment team concluded that while the proposed structure did not provide ‘shared use’ of this kind, the scope for regional input to the channel was well structured, and provided for an extension of the local input as demand required.

The proposal envisages leasing downtime (midnight to 7am) to a commercial operator as a means of earning some revenue. (e) The remainder of its broadcast hours would be used for non-commercial programming. An Incorporated Society would be developed to provide leadership for the project, to monitor progress against objectives, and to ensure the terms of the licence were met. Regional societies would be established as subsets of the national society, and would be responsible for representing the local community and reflecting regional interests. The assessment team was satisfied that the application illustrated PSBN’s objectives were “not for profit”, and that the proposed management structure was capable of supporting this objective. (f) (h)

The management structure also provides mechanisms for the resolution of disputes, and for ensuring compliance with broadcasting standards. The assessment team noted that, given the formal structure for regional and local programme input, the accountability mechanisms in place were of a different nature to those that would be required for a channel maintaining a “shared use” philosophy, but could be equally effective in delivering services. (h)

PSBN proposes raising funds for the establishment and ongoing costs of the channel through advertising and sponsorship fees, membership fees, grants from local councils, educational institutions and other relevant government agencies, merchandising of PSBN goods and services, and fundraising activities. PSBN considers its income projections for membership and corporate participation are conservative, and has allowed for maximum flexibility of costs by not investing in fixed assets, rather purchasing services as required. Given the diversity of income sources, and the level of experience of key personnel, the assessment team was satisfied that there was a reasonable prospect that the proposal would be implemented. (g)

4. Sonic Arts Society Inc. Community Arts Television

The objective of the applicant is to broadcast theatre, arts and music presentations, in addition to local arts ‘previews’ and ‘reviews’ to the

Wellington region. (d) The applicant also proposes broadcasting locally produced sports, religious, and foreign language programmes, and undertakes to provide training and education courses for the community.

The assessment team noted that there was little evidence of diversity in the programme schedule provided, as approximately two thirds of proposed programming was either music videos, or based on Wellington arts and music events. (a) (b) There were no indications of possible programme sources for the other genres of programming proposed. The proposed provision of access to local programme makers was not quantified, and there was no evidence of management structures or administrative procedures to deal with such access. (c) (h)

The assessment team noted that the music video component of the programme schedule could reasonably be defined as commercial, given the proven viability of this style of programming on commercial networks. The team therefore concluded that that the proportion of airtime available for non-commercial uses was limited. (e) (f)

The mission statement of the Sonic Arts Society focuses on music and music video production, and the development of community sound recording facilities. The application did not provide an analysis of the funding requirements or likely sources of revenue for the proposed non-commercial television service. Furthermore, the applicant's financial data failed to illustrate any distinction between the Society's current activities (primarily music and video production) and the proposed non-commercial television service. The assessment team was concerned that, given it was intended the two operations function as divisions of the Sonic Art Society, it would be difficult to distinguish the separate financial activities to ensure the television service was operating independently and that no cross-subsidisation was occurring between the services. (f) The assessment team concluded that it was questionable whether the proposal would be implemented. (g)

5. Triangle Community Television Ltd

Triangle proposes the development of a community television channel for the Auckland region. (d) The channel would provide a diversity of low cost local interest programming to Auckland's social, ethnic and special interest groups. Air time would be made available to community groups, educational organisations, or individuals for the broadcast of their programmes. (c) Triangle also proposes the provision of training and work experience to employees and volunteers.

The assessment team noted that the proposed schedule provided considerable diversity of programme choice to the Auckland region. (a) The schedule focuses on ethnic and minority interest programming and children's programming, but includes scope for the provision of broader appeal public

interest programming. (b) Triangle proposes to supplement local programming with community oriented programming sourced nationally and internationally. Triangle are currently working to establish a national body of community broadcasters, which could distribute programming produced regionally for broadcast by other channels. The assessment team was confident that the management and structure of the proposal could adequately respond to community demand for different styles of programming, as required. (h)

The applicant illustrates a strong understanding of the 'shared use' philosophy, and has robust structures and processes in place to manage community access and time allocation. (h) Prime time is dedicated to community and access programming, and commercial programmes (defined as those produced for profit, and supplied by commercial producers and organisations) would be limited to twenty percent of the programme schedule. Any funds generated by commercial programmes would be retained for channel development. (e)

The non-commercial nature of the proposal is clearly illustrated in the company's objectives and is supported by the draft policy and guidelines for programme providers. (f) Triangle propose funding the service through user fees, sponsorship, membership fees, grants from regional and national funding bodies, and advertising. The assessment team noted that the financial information provided made conservative revenue estimates and provided for contingencies. The assessment team noted that while the proposal provided for a potential number of minutes per hour of advertising (a possible twelve minutes by the user, and another three minutes by the channel), cash flow projections were based on one minute of channel advertising per hour for six hours daily. Triangle noted it did not consider all community groups and program providers would require the full twelve minutes of advertising provided for in the proposal. (f)

The team was satisfied that programme material would be available to the applicant, and that the funding estimates are realistic. The team concluded that there was a good prospect that the proposal would be implemented, given its low cost structure, robust management structures, and the level of community interest for this type of channel in the Auckland region. (g)

6. Canterbury Mainland Television Trust (CMTV)

The objective of CMTV is to broadcast locally produced "family" television (identified as news, sports, educational programmes and other general interest programmes), to the Canterbury region. (d) The majority of programming will rely on input from local organisations, with educational and recreational groups being major contributors. It is proposed that educational programming would be allocated approximately 60% of the programme schedule. Other community groups would be allocated time which was not

required by educational groups. The proposal envisages including some nationally and internationally sourced programming in the programme schedule (a) (b) (c).

The assessment team noted that the proposed programme schedule contained a considerable proportion of programming which in some form was available on commercial channels (e). The proposal provided for some limited access by community groups (other than educational groups), but did not specify how this access would be managed. The proposal did not provide any details of administrative procedures or accountability mechanisms. (c) (h)

The proposal relies entirely on advertising for establishment and ongoing funding, which the team considered may require the applicant to act in a commercial manner. In addition to this, the assessment team observed that the applicant intended to provide a return to the community, and noted this indicated a profit imperative which could also require the operation to act in a commercial manner. The team concluded the overall objective could not reasonably be defined as not-for-profit, and was therefore not consistent with the approved allocation criterion (f).

The team noted that there was no evidence that the proposed programming sources were available, or that the level of advertising required to sustain the operation would be achievable. (g) Given this, and the absence of any indications of community support for the proposal, the team concluded that the viability of the proposal was questionable. (G)

7. The New Zealand Association of Radio Transmitters Incorporated (NZART)

The NZART has applied for Channel 39 on a nationwide basis for the transmission of amateur services for the purpose of self training, intercommunication, and technical investigations. (d) The NZART currently broadcasts on Channel 39 at six different sites, and wish to reserve the remainder of Channel 39 for future broadcast opportunities for amateurs.

The amateur services currently broadcasting have limited signals due the low powered transmission. (d) The programmes broadcast on the signals are produced by individual members, and rely on their efforts for transmission. The proposal notes the expected audience for such broadcasts is very small, given the specialised interests of participants. The proposal does not provide for access to the frequency by community groups other than amateur broadcasters.(c)

The team noted that while the proposal was certainly achievable given its low cost structures (g), and was inherently not-for-profit (f), it provided limited scope for interested individuals or organisations to broadcast programme

material. (c) The proposal provides only for the interests of amateur broadcasters, and has no structural mechanisms to deal with access to the frequencies by other community groups. (c) (h) As the service has no structured programming policy, or programme schedule, the team was unable to determine the likely diversity of programming. (a) (b) The team was not confident that adequate programme sources were available to the applicant to ensure the potential broadcast time was utilised to the fullest extent. (e) The team concluded that, given the low powered signals and limited use of the frequency by amateur broadcasters, that NZART's proposal was not an efficient use of Channel 39 for the purposes of the allocation criteria.

8. NU Tang, Golden Horse Productions.

The applicant's objective is the development of a television channel to broadcast programmes of interest to Asian and Pacific Island communities in Auckland, Wellington and Christchurch. (d) The proposal would also promote and encourage "local performing and creative talent" and act as a communication channel for Asian and Pacific Island groups. While an incorporated society will be formed to manage the frequency, all editorial control would reside with the producers of individual shows. (c)

The applicant includes community, educational and parliamentary broadcasts in the programme schedule. However, there is little evidence of adequate programme sources for material other than Asian programmes. While the service may provide some diversity of programme choice for viewers, the extent of that choice appears to be limited to primarily internationally sourced Asian and Indian material. (a) (b) The team noted that from the programme schedule and programme descriptions, it was not clear what proportion of airtime or primetime would be available for non-commercial programming. (e) (f)

The assessment team was satisfied that there was scope for the local ethnic community to be involved in the proposal, but noted that there was little evidence of structural mechanisms or administrative procedures to manage such access. (c) (h)

As financial data was not provided, the assessment team was unable to analyse the financial viability of the proposal. (f) The applicant has access to production studios at an educational institution, and appears to have access to some programme material. However, due to the absence of any financial data or details of potential funding bodies, the team was not confident that the proposed sources of funding (donations, grants and a bank loan) would provide adequate establishment and ongoing funding. (g)

9. Aztel Holdings Ltd

Max TV - the Music Channel is a youth oriented channel which currently broadcasts in Auckland. Aztel Holdings proposes using the reserved frequencies to extend Max TV's coverage to areas where a significant number of youth live, but where audience numbers would be well below those required to make extension profitable.(d)The applicant notes that if the non-commercial frequencies were used for this purpose, the increased revenue generated from advertising to these new areas would justify and meet the increased costs of linking and broadcasting to these areas.

The programmes broadcast on Max TV are primarily music videos, though recently new programming initiatives in the form of music programmes were undertaken. These involve New Zealand producers, creative and technical staff, and provide the opportunity for youth to participate in the creation and production of programmes.(a) (b)

The proposal makes available the hours between 9am and 3pm, Monday to Friday, for regional breakouts from the Max TV programmes broadcasting in and from Auckland. (c) This time would be made available to groups at a marginal or direct cost only basis. Depending on demand, the applicant may also make some of the prime time hours between 6-9pm available for access by local groups. (e)

The assessment team noted that the diversity of programme choice achieved by Aztel's proposal would be limited, given the focus on the music television genre. (a) (b) The team noted that as some music programming was currently available on commercial channels, and as at least three full time music channels are broadcasting successfully around New Zealand, it was reasonable to define much of the proposed programming as commercial. The team therefore concluded that the total number of non-commercial hours would be fairly limited given only one quarter of total broadcast time was set aside for "shared use", and the initial offer includes no prime time for this purpose. (e) (f) Furthermore, the assessment team was concerned that while access hours were available, there were no support structures in place to facilitate the community's involvement in the channel. (h)

The team noted that no structures were in place to safeguard any non-commercial objectives, or to distinguish between the company's other activities and the non-commercial television project. (f) While the team was satisfied the proposal was viable (as sufficient equity is available) it was not satisfied that the objective of the applicant could be defined as non-commercial, or that any revenue generated by the non-commercial channels would be reinvested for their development. (g) (f)

10. Canterbury Communications Trust (CCT)

Canterbury Communications Trust is a registered charitable trust, established in 1986 with three objectives: the provision of community access broadcasting; the provision of student training; and the provision of distance education. (f) Community access radio has been broadcasting under the CCT successfully since 1988. The CCT has thirteen trust members: five representatives from Christchurch Polytechnic's Broadcasting School; five from New Zealand Public Radio; two from the Community Broadcasters Society (Canterbury); and one from the Independent Broadcasters Association.

The CCT's objective is to extend its success in community radio by providing community television to the Canterbury region. (d) It proposes broadcasting primarily programmes produced by the local community, by community channels elsewhere in New Zealand, and by community access channels in Australia. (a) It is proposed that programmes produced by Canterbury media and broadcast students, and distance education programmes will also feature strongly in the schedule. (b) Other programme sources may include Parliamentary broadcasts, minority sports programming, and internationally sourced special interest programmes. (b)

The assessment team noted that the proposal included a wide diversity of programme options, and that while local programming took priority, there was scope in the schedule for the broadcast of programming not being provided elsewhere on a national level. (a) (b) The applicant illustrates a strong understanding of the 'shared use' philosophy, and has robust structures and processes in place to manage community access and time allocation. (c) (h)

The proposal provides all primetime hours to community groups, and any downtime (when neither community groups or educational groups are broadcasting) would be allocated to: local community organisations or sports groups not covered by the mainstream media; local councils for activities, special interest lectures and discussion groups; and to community access material from outside the region, including Parliamentary broadcasts concerning matters of parochial interest. (e)

CCT does not discount the idea of negotiating with commercial users, but emphasises that the objectives of the trust would remain the governing criteria for programming content. (e) (f)

The CCT has capital available for establishing the transmission facilities, and has access to the production studios and facilities at the New Zealand Broadcasting School. Ongoing funding sources include distance learning and student training programme fees, community access television fees,

subscriptions to the Community Broadcasters Society, and grants from local and national funding bodies. (f)

The assessment team concluded there was a good prospect the proposal would be implemented, given the available funding and production facilities, robust management structures, and the experience of the applicant in community broadcasting. (g)

The team noted that the current trust documents do not provide a clear structural separation between the activities in radio and proposed activities in television. However, the applicant notes that accounting procedures are in place which are transparent and that all transactions can be traced to reflect accountability, therefore funds provided for a specific purpose could not be applied to any other activities. (h)

12. Mark Robinson

The applicant proposes broadcasting live community events by providing mobile transmission facilities. (d) (e) These activities would be funded through user fees, public subscriptions, and from the applicant's own resources. (f)

The assessment team noted that the proposal was limited to the broadcast of events, and that only a technical service was offered by the applicant. (a) (b) The proposal does not include any structural mechanisms to support community groups in the production of broadcast material, or any evidence of accountability mechanisms. (c)(h) The assessment team also noted that while the objectives of the applicant are fundamentally non-commercial in nature, there were no structural means in place to safeguard the non-commercial status. (f) There was no financial plan included to enable analysis of the proposal's financial viability. (g)

The team concluded that the proposal would only provide limited benefits to the community due to the limited scope of the proposal and the absence of structures to facilitate community access. (g)

13. Vision Television (VTV)

The applicant proposes the development of a channel to service the needs of the community, to provide access to community programme makers, and to provide educational, arts, cultural and general lifestyle programming of a kind not available elsewhere. VTV's objective is to broadcast in Auckland and Wellington initially, with possible expansion to Canterbury, Otago and Southland as funding permitted. (d)

VTV propose placing particular emphasis on programming for the growing 'mature' audience. It is envisaged that the licenceholder would be a

charitable trust, which would direct a professional management team in operational matters.

The proposal includes a comprehensive indicative list of programme genres including lifestyle programmes (focusing on homes, gardens, health, conservation and the environment, pets, etc), religious programmes, news and current affairs, talk shows, sports, arts and culture, music, New Zealand films and documentaries, ethnic programming, science and technology programmes, parliamentary broadcasts and international cinema. Provided the programming sources were available, the assessment team were satisfied the proposal would increase the diversity programming in the Auckland and Wellington regions. (a) (b) However, it did note that on the basis of the programme descriptions in the application, the proposed programme schedule contained a considerable proportion of programming which in some form was available on commercial channels. (e)

The proposal provided for some limited access by community groups, but, beyond noting the role of the “Television Manager” in liaising with community groups, did not specify how this access would be managed. The proposal did not provide any details of administrative procedures or accountability mechanisms. (c) (h)

The assessment team noted that on the basis of the sources of establishment funding (Government grants and loans), and ongoing funding (local and national grants bodies, corporate bodies, supplemented with limited advertising) the proposal could be considered not-for-profit. (f) The applicant has the expectation that a considerable level of Government funding will be provided. The team was not satisfied that the funding expectations were realistic, given the high cost structures, absence of any evidence of programme availability, and absence of any evidence of community support. (g)

14. Community Television Broadcasting (CTB)

The objective of CTB is to broadcast programmes of local interest such as events, news, sports, and local activities, to the South New Brighton community of Christchurch. (d) The transmission facilities would be supplied by the applicant, with establishment and ongoing funding being obtained through donations and user fees.

The assessment team noted that the proposal would only provide limited diversity of programming given the potential programme sources and the limited coverage. (a) (b) There was no indication that the applicant would provide, or had the scope to cater for, more general interest programming not being provided elsewhere. (b) The team was satisfied that the programming proposed was non-commercial in nature. (e)

The team were satisfied that the objective of the applicant was not-for-profit, but was concerned at the absence of any structure to protect the non-commercial status. (f) (h) The team noted the absence of any structural mechanisms for ensuring accountability, or support mechanisms to facilitate community access. (c) (h) While the team was satisfied that the proposal was technically feasible, it was not satisfied that the programming sources and structural mechanisms were adequate to make the proposal viable. (g)

16. Events TV

The objective of the applicant is to broadcast coverage of local events to the Dunedin region. (d) The service would broadcast from 7pm to 11pm daily, and would cover local government, educational, agricultural, music, religious, community and sporting events. (a) (b) One hour each day would be available to community groups for shared use. (c)

The assessment team noted that while the proposal would provide some degree of programme diversity to the Dunedin region, this was limited to coverage of events. (a) There appears limited scope for expansion into other styles of programming, and access for community groups is restricted due to limited broadcast hours. (c) The proposal provided no evidence that the hours of broadcast would be extended.

Funding for the proposal would be sought from New Zealand on Air, local and national grants bodies, and community groups. User fees would be charged for sports broadcasts and access groups. While the assessment team was satisfied that the proposal was inherently non-commercial, it did not provide any evidence of a structural mechanism for safeguarding the non-commercial status. (e) (f) (h) The team concluded that, given the absence of any management structure, indications of community support, accountability mechanisms, establishment funding, or transmission or production facilities, the viability of the proposal appeared questionable. (g)

18. Sky Television Network Ltd.

Sky has applied, on behalf of an, as yet unformed, charitable trust, for a nationwide allocation of the reserved frequencies. (d) Sky proposes that in return for provision of the transmission facilities and ongoing operational services, it be allocated the hours of 7pm to 7am daily for the broadcast of its own encrypted programming. The remainder of the time would be used by the trust to broadcast non-commercial programmes which are consistent with the allocation criteria. (e)

The proposal expects that the Crown will purchase the transmission equipment at cost from Sky on termination of the licence period, or on termination of the trust or Sky's right to use the frequencies.

The assessment team noted that while some diversity of programme choice for viewers was illustrated in the sample programme schedule, this was subject to confirmation of programme availability, and the proposed schedule being sustainable. (a) (b) The proposal includes a schedule allocation for community access but no evidence of structures to support such access. (c) (h) Furthermore, the proposal requires the trust to cover the cost of providing regional breakouts - a requirement which the assessment team was concerned may be prohibitive. (c)

The proposal provides a considerable level of coverage, ie it replicates Sky's current pay television UHF offering. However, the team noted that non-commercial, free-to-air hours make up only fifty percent of total broadcast hours, and only one hour a day is available in prime time for non-commercial programming. (e)

The team noted that while the time allocated for non-commercial services could reasonably be defined as not-for-profit, that the remainder of the time was to be used for an encrypted, commercial service. This raised the issue of whether funds generated by the commercial portion of the channel would be reinvested for the benefit of the non-commercial service. Given the proportion of programming which was commercial, and the associated profit motive of this part of the channel, the assessment team concluded the not-for-profit status of the channel as a whole was questionable. (f)

The team was confident that the proposal was technically feasible given Sky's resources and experience in UHF transmission. (g) However it noted this feasibility relied on the Government's eventual subsidy of the technical equipment. With regard to the non-commercial trust, the absence of detail about management structures, operational funding, programming sources, and accountability mechanisms, made it difficult to ascertain whether the proposal could deliver a service which would meet the allocation criteria. (g)

20. Taranaki Community Broadcasting (TCB)

TCB's objective is to provide an informational service which promotes the awareness of local community activities, supports community organisations through publicity, and promotes the tourism destination of the region. The proposed channel would broadcast coverage of tourism, community, social and sporting activities occurring in South and Central Taranaki. (h) Local news would also feature on the channel. A charitable trust would hold the licence and seek funding through grants and donations from other community trusts. Operational funding would be provided through advertising and sponsorship.

The applicant would consult with the community and, through an ongoing survey process, determine whether programming policies are meeting viewer demands.

The assessment team noted that the proposal would increase the amount of local programme content available to the South and Central Taranaki region. (a) However, the proposal did not provide any evidence that programming not being provided at a national level would be broadcast, nor was it explicit as to whether access would be available for community groups. (b) (c) Certainly there is no evidence of structural mechanisms to deal with such access. (c)

The assessment team was concerned that the tourism elements in the proposed programme schedule could reasonably be defined as commercial, given the proven viability of such channels elsewhere in New Zealand. (e) (f) The team concluded that, given the uncertainty of funding, absence of establishment capital, absence of management structures or accountability mechanisms (h) and uncertainty of programme sources, the prospect that the proposal would be implemented was questionable. (g)

21. Hawkes Bay Television Ltd.

The applicant proposes the development of a non-profit community television channel in Napier, Hastings and Gisborne(d) in order to: serve the needs of the community; offer training and production facilities to meet interests of women, children, people with disabilities, ethnic groups and other minorities; and to provide access to such groups to increase their ability to produce programmes which reflect the diversity that exists in the community. (a) (c) Broadcast hours would initially be 6pm to 10pm, with expansion as funds allow. (e) Proposed programme sources include locally produced programming, other New Zealand produced programming, and internationally sourced public service broadcasting programmes. (b)

The applicant proposes seeking capital funds from local and national government sources and community organisations. Operational funding would be generated through the sale of airtime to commercial organisations, advertising, sponsorship, and grants.

The assessment team noted that the proposal provided some scope for an increase in programme diversity in Napier, Hastings and Gisborne. (a) However, the proposal provided no indication that other genres of programming would be made available. (b) The proposal has a strong focus on community access and training, though there was little indication of support structures or community interest in these activities. (h) Furthermore, it was not clear whether studio facilities would be made available in each centre for the production of local programming, or if all programming would be developed in Hastings.

The assessment team was satisfied that the proposal's objectives were "not-for-profit" , but was concerned at the absence of any structural mechanisms to safeguard this objective. (f) (h) The team noted that there was no evidence that the proposed programming sources were viable, or that funding sources were available for the proposed activities. (g) Given this, and the absence of community support for the proposal, the team concluded that the viability of the proposal was questionable. (g)

Appendix Five**CRITICAL PATH FOR THE FUTURE ALLOCATION OF RESERVED UHF FREQUENCIES****I. Expression of interest received by Ministry**

- a) Ministry considers the application against the allocation criteria to determine whether it satisfies the allocation criteria to a sufficient degree to warrant consideration.

II. Public consultation undertaken in associated locality

- A. Develop “call for applications” document. Include advice that any applications received are subject to the provisions in the Official Information Act, and commercially sensitive information should be identified as such.
- B. Advertise call for applications in local newspaper
- C. Information to interested parties.

III. Applications close as at set date**IV. Process for applications received**

- A. acknowledge within 2 working days of receipt. Notify all applicants of the critical path for making a decision. Note any further information required will be requested by the Ministry.
- B. enter into Ministry’s non-com television register of applications
- C. following assessment of application, request any additional information required

V. Assessment process

- A. any opportunities for further representations to Ministry must be offered to all applicants once this process starts
- B. criteria sheet to be attached to each application
- C. assessment team meet to discuss applications, and develop a short list or a recommendation if appropriate

- D. recommendation to General Manager Communications to issue a licence or licences for reserved non-commercial UHF TV frequencies

VI. Announcement following General Manager Communication's approval of recommendation

- A. noting report to the Minister of Communications
- B. notify all interested parties of outcome
- C. gazette notice re successful applicant(s)

VII. Licensing

- A. develop a licence agreement (clarify expectations re the term of the licence period, including milestones or performance criteria)
- B. negotiate licence agreement with the successful applicant
- C. obtain approval from General Manager Communications for issue and terms of licences (including conditions)