

Telecommunications (Development Levy) Amendment Bill

Government Bill

Explanatory note

General policy statement

The key purpose of this Bill is to make additional funding available, through the telecommunications development levy applied to the telecommunications industry, for the Government's policy of extending the Rural Broadband Initiative and establishing a Mobile Black Spots Fund. To achieve that key purpose, this Bill resets the telecommunications development levy amounts prescribed in Schedule 3B of the Telecommunications Act 2001 for 2016/17 and beyond.

Departmental disclosure statement

The Ministry of Business, Innovation, and Employment is required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement provides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2015&no=20>.

Regulatory impact statement

The Ministry of Business, Innovation, and Employment produced a regulatory impact statement in March 2015 to help inform the main policy decisions taken by the Government relating to the contents of this Bill.

A copy of this regulatory impact statement can be found at—

- <http://www.med.govt.nz/about-us/publications/publications-by-topic/regulatory-impact-statements/mbie-regulatory-impact-statements>
- <http://www.treasury.govt.nz/publications/informationreleases/ris>

Clause by clause analysis

This Bill amends Schedule 3B of the Telecommunications Act 2001 (*see clauses 3 and 4*), which sets out the annual telecommunications development levy.

Currently, the telecommunications development levy for the financial year 2016/17 is \$10 million. For the financial year 2017/18 and each subsequent financial year, the levy is the inflation-adjusted specified telecommunications development levy, which is basically the levy for the previous financial year adjusted by reference to the New Zealand Consumers Price Index (All Groups).

The amendment made by *clause 4* provides that the telecommunications development levy for each of the financial years 2016/17, 2017/18, and 2018/19 is to be \$50 million and the levy for the financial year 2019/20 is to be \$10 million. For the financial year 2020/21 and each subsequent financial year, the levy is to be the inflation-adjusted specified telecommunications development levy.

Hon Amy Adams

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The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Telecommunications (Development Levy) Amendment Act **2015**.
- 2 Commencement** 5
This Act comes into force on the day after the date on which it receives the Royal assent.
- 3 Principal Act**
This Act amends the Telecommunications Act 2001 (the **principal Act**).
- 4 Schedule 3B amended** 10
In Schedule 3B, replace the item relating to 2016/17 and the item relating to 2017/18 and each subsequent financial year with:

2016/17	50 million
2017/18	50 million
2018/19	50 million

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2019/20	10 million
2020/21 and each subsequent financial year	the inflation-adjusted specified telecommunications development levy