

Television New Zealand Bill

Government Bill

Explanatory note

General policy statement

The public broadcasting Charter for Television New Zealand (TVNZ) has been approved by the Government and will be implemented from 1 July 2002. The Charter establishes the standard the Government wishes to reach in public broadcasting on television. TVNZ's commitment to public broadcasting objectives is an important means of achieving the Government's broadcasting objectives because of TVNZ's important position in the broadcasting market. TVNZ's Charter provides a clear focus for its public broadcasting objectives and places obligations on it that set it apart from other national channels.

TVNZ is currently a State-owned enterprise (SOE), with the primary objective of acting as a successful business. Under the SOE model, TVNZ may implement its Charter only to a degree that is consistent with that objective. This Bill provides for a more appropriate organisational form to allow TVNZ to focus on its Charter. TVNZ will become a Crown-owned company, which will allow it to better deliver both Charter and commercial objectives. Because TVNZ will continue to have commercial objectives, the company form remains appropriate.

In addition to its television business, TVNZ is also involved in the transmission business, which includes domestic and international linking and transmission facilities and services for the television and radio broadcasting and narrowcasting industries. This part of the business does not have a role in implementing the Charter. This Bill allows for the transmission business to continue with its current objective of acting as a successful business.

As the television business and the transmission business operate in different industries and will have different objectives, it is important that they are operationally separate with separate governance. This will allow each to focus on its own respective objectives. To allow for separate operations and governance, the Bill provides for a holding company, TVNZ Group Limited (**TVNZG**). TVNZG will own both the television business (**TVNZ**) and the transmission business (Transmission Holdings Limited (**THL**)) as separate subsidiary companies. Two shareholding Ministers will own TVNZG, which will be responsible for overseeing the operations of the TVNZG subsidiaries and ensuring that they carry out their functions and fulfil their objectives. The TVNZG Crown entity group structure is intended to enable—

- the Charter to be effectively implemented and monitored; and
- the television and transmission businesses to act commercially and the group to continue to generate dividends; and
- the television and transmission businesses to be operationally separate with separate governance.

TVNZG

The Crown will own all shares in TVNZG. Its functions will be to oversee the operations of TVNZ and THL, and endeavour to ensure that they carry out their functions and fulfil their objectives. TVNZG's objectives include endeavouring to ensure that TVNZ gives effect to its Charter while maintaining its commercial performance.

If the functions or objectives of TVNZ or THL conflict or compete, TVNZG will give appropriate weight to the functions and objectives. TVNZG will also be required to maintain its commercial performance.

TVNZ

TVNZ will cease to be an SOE and its shares will be owned by TVNZG. TVNZ's function will be to provide television and other services as specified in its statement of intent. TVNZ will be required to give effect to its Charter while maintaining its commercial performance.

THL

TVNZG will own all shares in THL. As the transmission business is in a state of change as transmission moves from analogue to digital, THL's future activities may be very different from the services it currently provides. THL's function will be to provide services as specified in its statement of intent to allow the flexibility for THL to change its functions as the environment it is working in changes. THL's objective will be to operate as a successful business, as it is in its current SOE form.

Accountability and reporting

The group will follow the accountability and reporting requirements in the Public Finance Act 1989 with additional requirements for half-yearly reporting and Charter performance measures.

Directions

Ministers may not issue directions in relation to editorial or programming matters.

Clause by clause analysis

Clause 1 is the Title clause.

Part 1

Preliminary provisions

Clause 2 is the commencement clause.

Clause 3 sets out the purpose of the Bill.

Clauses 4 and 5 deal with the interpretation of terms used in the Bill.

Clause 6 provides that the Bill binds the Crown.

Part 2

Structure and shareholdings of the TVNZG Crown entity group

Clause 7 declares that TVNZG is a Crown company.

Clause 8 provides for matters relating to TVNZ becoming a subsidiary of TVNZG and ceasing to be a State-owned enterprise.

Clause 9 declares that THL is a subsidiary of TVNZG.

Clause 10 sets out the functions and objectives of TVNZG. One of its functions is to endeavour to ensure that TVNZ gives effect to its Charter and maintains its commercial performance.

Clause 11 provides that a board member of TVNZG is not entitled to compensation or any other payment or benefit in relation to his or her removal or resignation from the board or for any loss of office.

Clause 12 sets out the duties of the TVNZG board that are in addition to those imposed by the Companies Act 1993.

Clause 13 prohibits shareholding Ministers from selling or otherwise disposing of shares and provides that shares may only be allotted or issued to shareholding Ministers.

Clause 14 authorises the Crown shareholding in TVNZG.

Clause 15 provides for a variety of matters relating to Ministers' shareholdings in TVNZG.

Clauses 16 and 17 set out the functions and objectives of TVNZ and THL. In particular, *clause 16* provides that, in carrying out its functions, TVNZ's principal objective is to give effect to its Charter, which is set out in this clause, while maintaining its commercial performance.

Clause 18 deals with matters relating to the boards of TVNZ and THL. In particular, it provides that at least 2 members of the boards of both TVNZ and THL must be non-executive directors.

Clause 19 provides that, in addition to the duties under the Companies Act 1993, the TVNZ and THL boards have a duty to act in a manner consistent with their statements of intent.

Clause 20 provides that TVNZG is the sole shareholder of both TVNZ and THL.

Clause 21 ensures that the company names of TVNZG, TVNZ, and THL may be changed by Order in Council on the recommendation of the shareholding Ministers. However, those Ministers must not recommend an order unless, in the case of a change of name of TVNZ or THL, the board of TVNZG consents to the change and the change of name has been registered at the Companies Office.

Clause 22 ensures that, in the event that TVNZG, TVNZ, or THL acquire any equity interests in other bodies or associations, those bodies do not have the capacity to engage in activities that TVNZG, TVNZ, or THL do not have the capacity to engage in. Such bodies must exercise their powers to assist TVNZG, TVNZ, and THL; are subject to the same obligations and restrictions as TVNZG, TVNZ,

and THL; and cannot authorise payments to their directors that cannot be authorised for the directors of TVNZG, TVNZ, and THL.

Part 3

Reporting

Clause 23 provides that the Public Finance Act 1989 applies.

Clause 24 provides that the Auditor-General is the auditor of TVNZG, TVNZ, and THL.

Clause 25 clarifies the type of information that must be provided in their annual reports by TVNZG, TVNZ, and THL under the Public Finance Act 1989. It also sets out some additional information that must also be provided.

Clause 26 sets out the additional information required in each of TVNZG's, TVNZ's, and THL's statements of intent.

Clause 27 provides that TVNZG, TVNZ, and THL must each prepare a half-yearly financial statement.

Clause 28 provides that the statement of intent, annual report, and financial statements must be prepared separately by each of TVNZG, TVNZ, and THL but may be presented in 1 document.

Clause 29 deals with protection from disclosure of sensitive information.

Clause 30 provides that, for the purposes of section 45B of the Public Finance Act 1989, the responsible Minister is either of the shareholding Ministers.

Part 4

Ministers and editorial independence

Clause 31 sets out powers of the shareholding Ministers to direct the board of TVNZG and to determine the amount of dividend payable by the board.

Clause 32 sets out the powers of shareholding Ministers to direct the boards of TVNZ and THL and to determine the amount of dividend payable by TVNZ and THL.

Clause 33 provides that the shareholding Ministers cannot give certain directions. In particular, they cannot give directions relating to a particular programme or to the presentation of news and current affairs programmes. It also sets out certain reasons for which the directors of the boards of TVNZ and THL cannot be removed.

Clause 34 provides that a statement of estimated expenditure must accompany any direction. The statement must be presented to the House of Representatives by either of the shareholding Ministers and be notified in the *Gazette* within 12 sitting days.

Part 5

Miscellaneous

Clause 35 provides that the consequential amendments are set out in *Schedule 1*.

Clause 36 repeals the State-Owned Enterprises Amendment Act (No 4) 1988.

Clause 37 deals with superannuation and retiring allowances for employees of TVNZG, TVNZ, and THL.

Clause 38 ensures that existing Government Superannuation Fund members do not lose any superannuation entitlements as a result of the restructuring of what is currently known as TVNZ into a holding company with 2 subsidiaries.

Clause 39 provides for the possibility of the transfer of certain parcels of land from TVNZ to THL. These are listed in *Schedule 2*.

Schedules

Schedule 1 lists consequential amendments.

Schedule 2 describes the parcels of land that may be transferred by TVNZ to THL.

Regulatory impact statement

Statement of nature and magnitude of problem and need for Government action

TVNZ is currently established as an SOE, which requires that it “be as successful and efficient as businesses that are not owned by the Crown”. This requirement means that TVNZ may implement its Charter to the extent that it maintains or enhances TVNZ’s profitability. However, meeting Charter obligations in some cases may not be consistent with the requirements of the State-Owned Enterprises Act 1986 if the Charter does not maintain or enhance profitability.

Statement of public policy objective

The public policy objective is to enable TVNZ to implement its Charter. The Charter indicates, in broad terms, the form of broadcast content TVNZ must provide. It applies to all those parts of TVNZ's operations that contribute to its broadcast content and it will be fulfilled predominantly through free-to-air services.

Statement of options for achieving desired objective

There are no non-regulatory options to achieve the policy objective. A change to legislation is required to allow for TVNZ to cease to be an SOE and to become a Crown company.

As the television business and the transmission business of TVNZ operate in different industries and will have different objectives, it is important that they are operationally separate with separate governance. This will allow each to focus on its own respective objectives. To allow for separate operations and governance, a holding company, TVNZG, will own both the television business (TVNZ) and the transmission business (THL) as separate subsidiary companies. Two shareholding Ministers will own TVNZG, which will be responsible for overseeing the operations of the TVNZG subsidiaries and endeavouring to ensure that they carry out their functions and fulfil their objectives.

Statement of net benefit of proposal

The benefits of this proposal include that—

- the TVNZG group, and in particular TVNZ Crown entity, will be able to become more focused on achieving Charter objectives; and
- the TVNZG Crown entity group will still be required to maintain its commercial performance in order to maintain the value of the Government's investment.

Costs

The costs of the proposal include—

- potential reductions in dividends if the TVNZG Crown entity group becomes less commercially successful as it focuses on Charter objectives; and

- the conflict between TVNZ's Charter and financial objectives, which could make it more difficult to hold it accountable for either of the objectives; and
- the potential for TVNZG and the TVNZ boards to focus on television and Charter performance at the expense of commercial performance.

The TVNZG Crown entity group will need to meet the costs of—

- structural change; and
- giving effect to the Charter.

TVNZ has estimated the direct cost of the structural change at \$0.520 million (GST inclusive) in 2001/02 and \$1.580 million (GST inclusive) in 2002/03 and outyears. This represents additional board costs; the costs of a capital structure review to establish the balance sheets for the new entities; and additional accounting, audit, communication, and other costs.

The costs of giving effect to the Charter are difficult to estimate because the cost will depend on how the Charter is implemented. The Charter is a high-level document, and there is a wide range of possibilities for how it may be implemented. Additional funding for TVNZ to meet the costs associated with the Charter will be considered as part of the 2002 Budget.

Consultation

The following Government agencies and other entities were consulted in preparing this statement: CCMAU, Ministry for Culture and Heritage, Ministry of Economic Development (**MED**), MED's Business Compliance Cost Unit, Te Puni Kōkiri, State Services Commission, Ministry of Justice, and Department of the Prime Minister and Cabinet.

Hon Marian Hobbs

Television New Zealand Bill

Government Bill

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Television New Zealand Act **2001**.

Part 1
Preliminary provisions

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2 Commencement

The Act comes into force on **1 July 2001**.

3 Purpose of Act

The purpose of this Act is to—

- (a) provide for a Television New Zealand Crown entity group consisting of a Crown holding company with 2 subsidiaries, one of which conducts a television business and the other a transmission business: 10
- (b) ensure that the Television New Zealand Crown entity group has, and continues to have, a television function and that the subsidiary responsible for the television business gives effect to its Charter while maintaining its commercial performance: 15
- (c) ensure that the subsidiary responsible for the transmission business operates as a successful business: 20
- (d) provide for the governance of the Crown entity group, including reporting requirements and the role of shareholding Ministers.

4 Interpretation

In this Act, unless the context otherwise requires,— 25

equal employment opportunities programme means a programme aimed at identifying and eliminating all aspects of policies, procedures, and other institutional barriers that cause or perpetuate, or tend to cause or perpetuate, inequality in respect of the employment of any persons or group of persons 30

GAAP means generally accepted accounting practice (as defined in section 2 of the Financial Reporting Act 1993)

good employer means an employer who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment, including provisions requiring— 35

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- (a) good and safe working conditions; and
 - (b) an equal employment opportunities programme; and
 - (c) the impartial selection of suitably qualified persons for appointment; and
 - (d) recognition of— 5
 - (i) the aims and aspirations of Māori; and
 - (ii) the employment requirements of Māori; and
 - (iii) the need for greater involvement of Māori as employees of the employer operating the personnel policy; and 10
 - (e) opportunities for the enhancement of the abilities of individual employees; and
 - (f) recognition of the aims and aspirations, and the cultural differences, of ethnic or minority groups; and
 - (g) recognition of the employment requirements of women; 15
 - and
 - (h) recognition of the employment requirements of persons with disabilities
- shareholding Ministers** means the Minister of Finance and the Minister of Broadcasting 20
- subsidiary** means a company within the meaning of section 5 of the Companies Act 1993
- THL** means the company Transmission Holdings Limited
- TVNZ** means the company Television New Zealand Limited
- TVNZG** means the company Television New Zealand Group Limited 25
- TVNZG Crown entity group** means the companies TVNZG, TVNZ, and THL
- TVNZG subsidiaries** means the companies TVNZ and THL.
- 5 Meaning of maintaining commercial performance** 30
- For the purposes of this Act, a company is **maintaining its commercial performance** if—
- (a) it operates in a financially responsible manner so that it maintains its financial viability; and
 - (b) its activities generate, on the basis of GAAP, an adequate rate of return on shareholders' funds; and 35
 - (c) it is operating as a successful going concern.

6 Act binds the Crown

This Act binds the Crown.

Part 2

**Structure and shareholdings of TVNZG Crown
entity group**

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7 TVNZG

There is a company called Television New Zealand Group Limited incorporated under the Companies Act 1993, all the shares of which are held by the shareholding Ministers.

8 TVNZ to be subsidiary of TVNZG

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(1) On the day of commencement of this Act,—

(a) TVNZ will cease to be a State enterprise subject to the State-Owned Enterprises Act 1986; and

(b) the Ministers who hold shares in TVNZ will transfer their shares to TVNZG for the consideration that the shareholding Ministers determine, following consultation with TVNZ.

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(2) The shareholding Ministers are responsible to the House of Representatives for the exercise or performance of the powers, duties, and functions conferred or imposed on them by this Act or the constitution of TVNZG.

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(3) The ceasing of TVNZ to be a State enterprise and the transfer of shares from the shareholders of TVNZ to TVNZG under **subsection (1)** does not give any party to a contract with TVNZ or any of its subsidiaries a right to avoid that party's obligations under that contract.

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9 Additional subsidiary to be formed

There is a subsidiary of TVNZG called Transmission Holdings Limited.

10 Functions and objectives of TVNZG

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(1) The constitution of TVNZG must provide that TVNZG's principal functions are to—

(a) endeavour to ensure that the TVNZG subsidiaries carry out their functions and fulfil their objectives; and

(b) oversee the operations of the TVNZG subsidiaries; and

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- (c) endeavour to ensure that TVNZ gives effect to its Charter while maintaining its commercial performance.
- (2) In carrying out its functions, TVNZG has the following objectives:
- (a) to be a good employer, as defined in **section 4:** 5
 - (b) to develop and publish for itself an equal employment opportunities programme each year and to ensure that that programme is complied with:
 - (c) to exhibit a sense of social responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage those interests when able to do so: 10
 - (d) to ensure that, in the event that the functions or objectives of the TVNZG subsidiaries are or may be in conflict or competition, those functions or objectives are given the appropriate weight: 15
 - (e) to maintain its commercial performance, as defined in **section 5.**
- 11 TVNZG board** 20
- A board member of TVNZG is not entitled to any compensation or other payment or benefit relating to his or her removal or resignation from office or loss of office.
- 12 Duties of TVNZG board** 25
- In addition to their duties under the Companies Act 1993, the board of TVNZG must—
- (a) ensure that TVNZG acts in a manner consistent with its current statement of intent; and
 - (b) endeavour to ensure that each of the TVNZG subsidiaries acts in a manner consistent with its current statement of intent. 30
- 13 Ministers to hold all shares in TVNZG**
- (1) A shareholding Minister of TVNZG may not—
- (a) sell or otherwise dispose of any shares in TVNZG held in the Minister's name; or
 - (b) permit shares in TVNZG to be allotted or issued to any person other than a shareholding Minister. 35
- (2) Nothing in **subsection (1)** applies to redeemable preference shares that—

- (a) are not convertible into shares of any other class; and
- (b) do not confer any rights to vote at any general meeting of TVNZG.

14 Authorising Crown shareholding in TVNZG

- (1) The shareholding Ministers may, from time to time, on behalf of the Crown,— 5
 - (a) subscribe for, or otherwise acquire shares in, TVNZG; and
 - (b) exercise any or all of the Crown's rights as the holder of any shares in TVNZG. 10
- (2) Each shareholding Minister must hold the same number of shares in TVNZG.

15 Further provisions relating to Ministers' shareholding in TVNZG

- (1) Shares in TVNZG held in the name of the person described as the Minister of Finance or the Minister of Broadcasting must be held by the person for the time being holding the office of Minister of Finance or Minister of Broadcasting. 15
- (2) It is not necessary to complete or register a transfer of shares in TVNZG as a result of a change in the person holding the office of Minister of Finance or Minister of Broadcasting. 20
- (3) Each shareholding Minister may exercise all the rights and powers attaching to the shares in TVNZG held by that Minister.
- (4) A shareholding Minister may, at any time or times, by written notice to the directors of TVNZG, authorise (on the terms and conditions that are specified in the notice) a person to act as the Minister's representative at any or all of the meetings of shareholders of TVNZG, and any person so authorised is entitled to exercise the same powers on behalf of the Minister as the Minister could exercise if present in person at the meeting. 25 30
- (5) **Subsections (2) and (4)** apply despite any other enactment or rule of law.

16 Functions and objectives of TVNZ 35

- (1) The constitution of TVNZ must provide that TVNZ's principal function is to provide the television and other services that

may be specified from time to time in its current statement of intent.

- (2) In carrying out its functions, TVNZ's principal objective is to give effect to its Charter (set out below) while maintaining its commercial performance. 5

The following charter shall apply to all those parts of TVNZ's operations that contribute to its broadcast content. It shall be predominantly fulfilled through free-to-air broadcasting.

TVNZ will

- feature programming across all genres that informs, entertains and educates New Zealand audiences; 10
- strive always to set and maintain the highest standards of programme quality and editorial integrity;
- provide shared experiences that contribute to a sense of citizenship and national identity; 15
- ensure in its programmes and programme planning the participation of Māori and the presence of a significant Māori voice;
- feature programming that serves the varied interests and informational needs and age groups within New Zealand society, including tastes and interests not generally catered for by other national television broadcasters; 20
- maintain a balance between programmes of general appeal and programmes of interest to smaller audiences;
- seek to extend the range of ideas and experiences available to New Zealanders; 25
- play a leading role in New Zealand television by setting standards of programme quality and encouraging creative risk-taking and experiment;
- support and promote the talents and creative resources of New Zealanders and of the New Zealand film and television industry 30

In fulfilment of these objectives, TVNZ will

- provide independent, comprehensive, impartial, and in-depth coverage and analysis of news and current affairs in New Zealand and throughout the world and of the activities of public and private institutions; 35
- feature programming that contributes towards intellectual, scientific and cultural development, promotes informed and many-sided debate and stimulates critical thought, thereby enhancing opportunities for citizens to participate in community, national and international life; 40
- in its programming enable all New Zealanders to have access to material that promotes Māori language and culture;
- feature programmes that reflect the regions to the nation as a whole
- promote understanding of the diversity of cultures making up the New Zealand population; 45
- feature New Zealand films, drama, comedy and documentary programmes;

- feature programmes about New Zealand's history and heritage, and natural environment;
 - feature programmes that serve the interests and informational needs of Māori audiences, including programmes promoting the Māori language and programmes addressing Māori history, culture and current issues; 5
 - include in programming intended for a mass audience material that deals with minority interests;
 - feature programmes that provide for the informational and entertainment needs of children and young people and allow for the participation of children and young people; 10
 - maintain and observe a code of ethics that addresses the level and nature of advertising to which children are exposed;
 - feature programmes that encourage and support the arts, including programmes featuring New Zealand and international artists and arts companies; 15
 - reflect the role that sporting and other leisure interests play in New Zealand life and culture;
 - and feature programming of an educational nature that supports learning and the personal development of New Zealanders. 20
- (3) TVNZ also has the following further objectives in carrying out its functions:
- (a) to be a good employer, as defined in **section 4**;
 - (b) to develop and publish for itself an equal employment opportunities programme each year and to ensure that that programme is complied with: 25
 - (c) to exhibit a sense of social responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage those interests when able to do so. 30

17 Functions and objectives of THL

- (1) The constitution of THL must provide that THL's principal function is to provide the services that may be specified from time to time in its current statement of intent.
- (2) In carrying out its functions, THL's objective is to operate as a successful business and, to this end,— 35
- (a) to be as profitable and efficient as comparable businesses that are not owned by the Crown;
 - (b) to be a good employer, as defined in **section 4**;
 - (c) to develop and publish for itself an equal employment opportunities programme each year and to ensure that that programme is complied with: 40
 - (d) to exhibit a sense of social responsibility by having regard to the interests of the community in which it

operates and by endeavouring to accommodate or encourage those interests when able to do so.

18 TVNZG subsidiaries boards

- (1) TVNZG must consult with the shareholding Ministers before appointing members to the boards of the TVNZG subsidiaries. 5
- (2) The chairperson of the TVNZG board may be a member and may also be the chairperson of either or both of the TVNZG subsidiaries boards.
- (3) At least 2 members of each TVNZG subsidiary board must be non-executive directors who are not members of the TVNZG board. 10
- (4) The TVNZG board may, after consultation with the chief executive of the relevant TVNZG subsidiary, appoint executive directors to each of the TVNZG subsidiaries boards.
- (5) A board member of a TVNZG subsidiary is not entitled to any compensation or other payment or benefit relating to his or her removal or resignation from office or loss of office. 15

19 Duties of TVNZG subsidiaries boards

In addition to the duties under the Companies Act 1993, every director of a TVNZG subsidiary must ensure that the subsidiary acts in a manner consistent with its current statement of intent. 20

20 TVNZG must hold all shares in TVNZG subsidiaries

- (1) TVNZG may not—
 - (a) sell or otherwise dispose of any shares in the TVNZG subsidiaries; or 25
 - (b) permit shares in the TVNZG subsidiaries to be allotted or issued to any person other than TVNZG.
- (2) Nothing in **subsection (1)** applies to redeemable preference shares that—
 - (a) are not convertible into shares of any other class; and 30
 - (b) do not confer any rights to vote at any general meeting of the relevant TVNZG subsidiary.

21 Changes in names of companies

- (1) The Governor-General may, from time to time, by Order in Council made on the recommendation of the shareholding 35

- Ministers, change the name of TVNZG or either of the TVNZG subsidiaries.
- (2) The shareholding Ministers must not recommend the making of an order in respect of a change of name of TVNZG or the TVNZG subsidiaries unless satisfied that,— 5
- (a) in the case of a TVNZG subsidiary, the board of TVNZG has given its consent; and
- (b) the change of name has been registered at the Companies Office in accordance with section 23 of the Companies Act 1993. 10
- 22 Shares or interests of TVNZG or TVNZG subsidiaries in bodies corporate or interests in associations**
- TVNZG or a TVNZG subsidiary must, if it forms or acquires or holds any equity interest in a body corporate, partnership, joint venture, or other association of persons, or settles or is appointed a trustee of a trust, use its best endeavours to ensure that the body corporate, partnership, joint venture, trust, or other association of persons— 15
- (a) does not carry on or undertake any business or activity, do any act, or enter into any transaction that TVNZG or the TVNZG subsidiary itself has no capacity or power to carry on, undertake, do, or enter into; and 20
- (b) exercises its powers for the purpose of performing, or assisting TVNZG or the TVNZG subsidiary to perform, their functions; and 25
- (c) in carrying on or undertaking a business or activity, doing an act, or entering into a transaction, is subject to the same obligations and restrictions as would apply to TVNZG or the TVNZG subsidiary in relation to that matter; and 30
- (d) does not authorise remuneration or allowances for its members that could not be authorised for the directors of TVNZG or the TVNZG subsidiary.

Part 3 Reporting

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23 Application of Public Finance Act 1989

TVNZG and the TVNZG subsidiaries are each Crown entities for the purpose of the Public Finance Act 1989.

- 24 Auditor-General is auditor of TVNZG Crown entity group**
 TVNZG and the TVNZG subsidiaries are each public entities as defined in section 4 of the Public Audit Act 2001 and, in accordance with that Act, the Auditor-General is their auditor. 5
- 25 Information required in annual report for TVNZG and TVNZG subsidiaries**
- (1) Without limiting section 41I of the Public Finance Act 1989, every annual report of TVNZG and the TVNZG subsidiaries must contain— 10
- (a) a statement of any fees (including consultancy fees) received by board members in any capacity from TVNZG and any of its subsidiaries; and
- (b) a statement of the number of employees or former employees of TVNZG and any of its subsidiaries who, during the accounting period, received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded \$100,000 per annum, and showing the number of those employees or former employees in brackets of \$10,000. 15 20
- (2) In addition to the information required to be contained in the annual report under section 41I of the Public Finance Act 1989,—
- (a) TVNZG’s annual report must include a statement of how it ensured that, in the event that the functions or objectives of the TVNZG subsidiaries were or may have been in conflict or competition, it gave those functions or objectives the appropriate weight; and 25
- (b) TVNZ’s annual report must include a statement of its performance against its Charter, using the performance measures set out in its statement of intent. 30
- 26 Additional information requirements for statement of intent**
 In addition to the information required to be contained in the statement of intent under section 41D of the Public Finance Act 1989,— 35
- (a) TVNZG’s statement of intent must include a statement of the methods to be used and the principles to be taken

- into account to ensure that, in the event that the functions or objectives of the TVNZG subsidiaries are or may be in conflict or competition, it will give those functions or objectives the appropriate weight:
- (b) TVNZ's statement of intent must include the following information: 5
- (i) its functions; and
 - (ii) performance measures for measuring performance against its Charter; and
 - (iii) a statement of how it will involve the public in measuring performance against its Charter: 10
- (c) THL's statement of intent must include a statement of its functions.
- 27 Half-year financial statements** 15
- In addition to the annual financial statements required to be prepared under section 41 of the Public Finance Act 1989, TVNZG and the TVNZG subsidiaries must, within 2 months after the end of the first 6 months of each financial year, each prepare financial statements for that half-year in accordance with GAAP. 20
- 28 Preparation of statements of intent, annual reports, and half-year financial statements**
- The statements of intent, annual reports, and financial statements of TVNZG and the TVNZG subsidiaries must be prepared separately by each company, but the separate statements or reports, as the case may be, may be presented in a single document. 25
- 29 Protection from disclosure of sensitive information**
- Nothing in this Act must be construed as requiring in any statement of intent, annual report, or financial statement any information that could be properly withheld if a request for that information were made under the Official Information Act 1982. 30
- 30 Responsible Minister** 35
- For the purposes of section 45B of the Public Finance Act 1989, **responsible Minister** means either shareholding Minister.

Part 4

Ministers and editorial independence

- 31 Powers of shareholding Ministers in relation to TVNZG**
- (1) The shareholding Ministers may, by written notice to the TVNZG board,— 5
- (a) direct the board to include in, or omit from, its statement of intent any provision or provisions of a kind referred to in **section 26**; and
- (b) determine the amount of dividend payable by TVNZG to the Crown in respect of any financial year or years. 10
- (2) TVNZG must comply with the directions set out in a notice given under **subsection (1)**.
- (3) Before giving any notice under **subsection (1)**, the shareholding Ministers must have regard to the objectives and functions of TVNZG and consult with the board of TVNZG as to the matters to be referred to in the notice. 15
- 32 Powers of shareholding Ministers in relation to TVNZG subsidiaries**
- (1) The shareholding Ministers may, by written notice to the boards of TVNZG and the relevant TVNZG subsidiary,— 20
- (a) direct the board of that TVNZG subsidiary to include in, or omit from, its statement of intent any provision or provisions of a kind referred to in **section 26**; and
- (b) determine the amount of dividend payable to TVNZG in respect of any financial year or years. 25
- (2) The TVNZG subsidiary must comply with the directions set out in a notice given under **subsection (1)**.
- (3) Before giving any notice under **subsection (1)**, the shareholding Ministers must have regard to the functions and objectives of TVNZG and the TVNZG subsidiary and consult with the board of TVNZG and the TVNZG subsidiary as to the matters to be referred to in the notice. 30
- 33 Shareholding Ministers must not give certain directions**
- (1) Nothing in this Act authorises any shareholding Minister to give a direction to TVNZG or to any of its subsidiaries, or to any director or officer or employee of TVNZG or of any of its subsidiaries, in respect of— 35

- (a) a particular programme or a particular allegation or a particular complaint; or
 - (b) the gathering or presentation of news or the preparation or presentation of current affairs programmes; or
 - (c) programme standards. 5
- (2) No director of TVNZG or of any of its subsidiaries may be removed for any reason relating to—
- (a) a particular programme or a particular allegation or a particular complaint relating to a particular programme; or 10
 - (b) the gathering or presentation of news or the preparation or presentation of current affairs programmes; or
 - (c) the responsibility of TVNZG or any of its subsidiaries for programme standards. 15

Compare: 1988 No 162 s 7

34 Directions and compliance costs

- (1) Every direction given under **section 31 or section 32** must be accompanied by a statement of the estimated expenditure to be incurred and revenue to be forgone by TVNZG or any of its subsidiaries. 20
- (2) Every direction and its accompanying statement of the estimated expenditure and revenue forgone must be presented by either of the shareholding Ministers to the House of Representatives and notified in the *Gazette* within 12 sitting days.

Part 5 Miscellaneous

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35 Consequential amendments to enactments

The enactments listed in **Schedule 1** are amended in the manner indicated in that schedule.

36 Consequential repeal

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The State-Owned Enterprises Amendment Act (No 4) 1988 is repealed.

37 Superannuation or retiring allowances

For the purposes of providing a superannuation fund or retiring allowances for its employees, TVNZG, the TVNZG subsidiaries, or any subsidiary of the TVNZG subsidiaries may, 35

from time to time, pay sums by way of subsidy or contribution into any superannuation scheme that is registered under the Superannuation Schemes Act 1989.

- 38 Existing Government Superannuation Fund members**
- (1) A person who, immediately before becoming an employee of TVNZG, the TVNZG subsidiaries, or a subsidiary of a TVNZG subsidiary, was a contributor to the Government Superannuation Fund under Part II or Part IIA of the Government Superannuation Fund Act 1956 is, for the purposes of that Act, deemed to be employed in the Government service so long as that person continues to be an employee of TVNZG, the TVNZG subsidiary, or any subsidiary of a TVNZG subsidiary, and that Act applies to that person in all respects as if that person's service as an employee of TVNZG, the TVNZG subsidiaries, or any subsidiary of the TVNZG subsidiaries were in the Government service.
- (2) Nothing in **subsection (1)** entitles a person to become a contributor to the Government Superannuation Fund after that person has ceased to be a contributor.
- (3) For the purposes of applying the Government Superannuation Fund Act 1956 under **subsection (1), controlling authority**, in relation to that employee, means TVNZG, the TVNZG subsidiaries, or any subsidiary of the TVNZG subsidiaries.
- 39 Transfer of land from TVNZ to THL**
- (1) Despite any other enactment or rule of law, on any day on or after the commencement of this Act, TVNZ may transfer to THL or to any of its subsidiaries the areas of land listed in **Schedule 2** for the consideration that is determined between TVNZ and THL.
- (2) Nothing in sections 40 to 42 of the Public Works Act 1981 applies to the transfer of land from TVNZ to THL or to any of its subsidiaries under this Act, but sections 40 to 42 of that Act will, after that transfer, apply to the land as if THL or any of its subsidiaries were the Crown and the land had not been transferred under this Act.
- (3) The Governor-General may, from time to time, by Order in Council,—
- (a) amend **Schedule 2** by including additional areas of land to the list in that schedule:

- (b) otherwise amend **Schedule 2**, or revoke that schedule, and substitute a new schedule.
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Schedule 1 Consequential amendments

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- Broadcasting Act 1989** (1989 No 25)
Repeal paragraph (e) of the Preamble.
- Income Tax Act 1994** (1994 No 164) 5
Insert in Schedule 18, in their appropriate alphabetical order, the words “Television New Zealand Group Limited” and “Transmission Holdings Limited”.
- Official Information Act 1982** (1982 No 156) 10
Insert in Part II of the First Schedule, in their appropriate alphabetical order, the words “Television New Zealand Group Limited” and “Transmission Holdings Limited”.
- Ombudsmen Act 1975** (1975 No 9) 15
Insert in the First Schedule, in their appropriate alphabetical order, the words “Television New Zealand Limited”, “Television New Zealand Group Limited”, and “Transmission Holdings Limited”.
- Public Finance Act 1989** (1989 No 44) 20
Insert in the Fourth and Sixth Schedules, in their appropriate alphabetical order, the words “Television New Zealand Limited”, “Television New Zealand Group Limited”, and “Transmission Holdings Limited”.
- State-Owned Enterprises Act 1986** (1986 No 124)
Omit from the First Schedule the words “Television New Zealand Limited”.
Omit from the Second Schedule the words “Television New Zealand Limited”. 25
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s 39(1), (3)(a) and (b)

Schedule 2

Land to be transferred from TVNZ to THL

Description	Area (more or less)	Title document	
<i>North Auckland Land District</i>			
Lot 1, Deposited Plan 113371 and Sections 1, 2, and 3 on Survey Office Plan 45895	9.4906 hectares	Certificate of Title 63D/289	5
Section 14, Block III Tangihua Survey District	98.685 hectares	Certificate of Title 241/300	10
Part Lots 3 and 4, Deposited Plan 8837, allotment 566, Parish of Waipareira	1.6890 hectares	Certificate of Title 9B/564	
Allotment 550, Parish of Waipareira	440 square metres	Certificate of Title 3A/1104	15
<i>South Auckland Land District</i>			
Part Rotomahana Parekarangi 3A 3B 5A block	1184 square metres	Certificate of Title 12D/123	20
<i>Hawkes Bay Land District</i>			
Blocks VII and XI, Te Mata Survey District, being Part Lot 24, Deeds Plan 107, more particularly described on Survey Office Plan 6486	2.3435 hectares	Certificate of Title F2/719	25
Block XI, Te Mata Survey District being Part Lot 4 and Parts of Lot 5, Deeds Plan 713, being part Block 12, Te Mata Crown Grant, District Part Te Wharau, and part Kohinurakau Blocks	3.9337 hectares	Certificate of Title E4/1121	30
<i>Wellington Land District</i>			
Lot 1, Deposited Plan 61858	3350 square metres	Certificate of Title 31A/317	35
Situated partly in the City of Wellington and partly in Blocks III Port Nicholson Survey District and Block XI Belmont Survey District, being part section 135 Ohariu District and being also Lot 2 Deposited Plan 27542	29.29 hectares	Certificate of Title 10A/838	40
Situated in the City of Wellington, being Part Section 94, Ohariu District	6.0275 hectares	Certificate of Title 13C/999	45
City of Wanganui, Section 351, Right Bank Wanganui River	2.2763 hectares	Certificate of Title 12C/965	50
County of Masterton, Lot 1 Deposited Plan 59378	6999 square metres	Certificate of Title 32A/765	55

Description	Area (more or less)	Title document	
<i>Nelson Land District</i>			
City of Nelson, Section 31 Block 'D', Wakatu District	1801 square metres	Certificate of Title 3C/881	5
<i>Westland Land District</i>			
Rural Section 5640, Block I, Cobden Survey District	600 square metres	Lease 5C/829	
<i>Canterbury Land District</i>			
Block VIII Part Run 284, Waihao Survey District	11.5158 hectares	Certificate of Title 8F/956	10
<i>Otago Land District</i>			
Section 68 Block II, Caimhill Survey District	2.2210 hectares	Lease 10A/399	
Section 48, Block IX, Tarras Survey District	4800 square metres	Lease 9A/222	15
Section 1, Block IV, Naseby Survey District	6650 square metres	Lease 8D/701	
Sections 31 and 32, Block I and Section 31 Block IV, Kuriwao District	51.3154 hectares	Certificate of Title 3B/435	20
<i>Southland Land District</i>			
Lot 2, Deposited Plan 8310, being Part Section 65 Block VI Waimumu Hundred	13.0840 hectares	Certificate of Title 5A/398	25