

The Treasury

COVID-19: Financial Support Package for Television New Zealand Limited Information Release

September 2020

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Cabinet Document Details

Title: **Cabinet Minute: DEV-20-MIN-0143: COVID-19: Financial Support Package for Television New Zealand Limited**

Date: **22 July 2020**

Creator: Cabinet Office

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Key to sections of the Act under which information has been withheld:

[25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information

[38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice

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Cabinet Economic Development Committee

Minute of Decision

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COVID-19: Financial Support Package for Television New Zealand Limited

Portfolios Finance / Broadcasting, Communications and Digital Media

On 22 July 2020, the Cabinet Economic Development Committee:

- 1 **noted** that, as a result of the impact of COVID-19, Television New Zealand Limited (TVNZ) has experienced, and is forecasting, an ongoing decline in its advertising revenues, and therefore risks not being certified as a going concern in its year-end accounts;
- 2 **noted** that, based on conservative modelling, the TVNZ board has requested a \$30 million uncalled capital facility from the Crown, as shareholder, to address potential liquidity and solvency issues;
- 3 **noted** that an uncalled capital facility is the preferred mechanism for providing shareholder support, due to [25,38]
- 4 **noted** that financial support of TVNZ in 2020/21 will allow Ministers the time to consider next steps for progressing the Strong Public Media programme, which would have direct implications for TVNZ's future;

Financial implications

- 5 **agreed** to provide an uncalled capital facility to TVNZ of up to \$30 million in 2020/21, to be made available as is necessary, depending on [25]
- 6 **agreed** to establish the following new appropriation:

Vote	Appropriation Minister	Title	Type	Scope
Finance	Minister of Finance	COVID-19: Uncalled Capital Facility for Television New Zealand Limited	Non-Departmental Capital Expenditure	This appropriation is limited to the provision of an uncalled capital facility to Television New Zealand Limited, via subscription for new ordinary shares, in response to the impacts of COVID-19.

- 7 **approved** the following changes to appropriations to give effect to paragraph 5 above, with a corresponding impact on net core Crown debt:

	\$m – increase/(decrease)			
Vote Finance Minister of Finance	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Capital Expenditure COVID-19: Uncalled Capital Facility for Television New Zealand Limited	30.000	-	-	-

- 8 **agreed** that the change to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 9 **agreed** that the capital expenditure incurred under paragraph 7 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;
- 10 **authorised** the Minister of Finance and the Minister of Broadcasting, Communications and Digital Media (shareholding Ministers) to give effect to the provision of an uncalled capital facility as is necessary, funded by the appropriation agreed in paragraph 7 above;
- 11 **noted** that shareholding Ministers will send a revised Letter of Expectations to the TVNZ board, advising of the provision of an uncalled capital facility and updating their expectations for TVNZ.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Winston Peters
Rt Hon Winston Peters
Hon Kelvin Davis
Hon Grant Robertson (Chair)
Hon Phil Twyford
Hon Dr Megan Woods
Hon David Parker
Hon Stuart Nash
Hon Jenny Salesa
Hon Damien O'Connor
Hon Shane Jones
Hon James Shaw
Hon Eugenie Sage

Officials present from:

Office of the Prime Minister
Office of the Chair
Officials Committee for DEV