

# *Information Supporting the Supplementary Estimates*

## *Vote Communications*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Communications and Information Technology (M14)

ADMINISTERING DEPARTMENT: Ministry of Economic Development

MINISTER RESPONSIBLE FOR MINISTRY OF ECONOMIC DEVELOPMENT: Minister for Economic Development

## Part 1 - Summary of the Vote

### Part 1.3 - Trends in the Vote

#### Summary of Financial Activity

	2008/09				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	89,296	1,615	(65,016)	(63,401)	25,895
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	6,722	-	(3,004)	(3,004)	3,718
Capital Expenditure	15,610	-	-	-	15,610
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
<b>Total Appropriations</b>	<b>111,628</b>	<b>1,615</b>	<b>(68,020)</b>	<b>(66,405)</b>	<b>45,223</b>
<b>Crown Revenue and Capital Receipts</b>					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	7,791	N/A	-	-	7,791
Capital Receipts	-	N/A	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>7,791</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>7,791</b>

## Part 2 - Details and Expected Performance for Output Expenses

### Part 2.1 - Departmental Output Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<b>Objective:</b> Administration of the Broadband Investment Fund, including (but not limited to) design implementation, monitoring and evaluation, to contribute to the delivery of increased investment in broadband infrastructure.	Administration of Broadband Investment Mechanisms

#### Administration of Broadband Investment Mechanisms (M14)

##### *Scope of Appropriation*

This appropriation is limited to developing mechanisms and administering and monitoring grant funding to deliver increased investment in broadband infrastructure.

##### *Expenses and Revenue*

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	850	850
Revenue from Crown	-	850	850
Revenue from Other	-	-	-

##### *Reasons for Change in Appropriation*

A cabinet policy decision during 2008/09 established the above appropriation. The original appropriation was \$3.250 million of which \$2.400 million was identified to be returned for reprioritisation during the Budget 2009 process.

##### *Output Performance Measures and Standards*

Performance Measures	2008/09		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
The availability of advanced broadband services in New Zealand will reach the top half of the OECD performance by 2010, with the trajectory of overall broadband performance tracking to reach the top quartile by 2015.	N/A	Availability tracking towards reaching the top half of the OECD performance by 2010.	Availability tracking towards reaching the top half of the OECD performance by 2010.

## Management and Enforcement of the Radiocommunications Act 1989 (M14)

### *Scope of Appropriation*

Management of the radio spectrum, including technical arrangements for the allocation of spectrum, representation of New Zealand's international radio spectrum interests, and management of spectrum sales including costs associated with financial assistance for transition of radio licences when a management right is created or spectrum is allocated to a different use.

### *Expenses and Revenue*

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	9,853	199	10,052
Revenue from Crown	320	200	520
Revenue from Other	7,097	(1)	7,096

### *Reasons for Change in Appropriation*

This appropriation increased by \$199,000 as a result of an expense transfer from 2007/08 for delays relating to the radio spectrum sales work.

## Policy Advice - Communications (M14)

### *Scope of Appropriation*

This appropriation is limited to policy advice and ministerial servicing in relation to information technology, the Government's Digital Strategy, telecommunications (including broadband), postal services, and the allocation and management of the radio spectrum.

### *Expenses and Revenue*

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	5,794	566	6,360
Revenue from Crown	5,766	500	6,266
Revenue from Other	28	66	94

### *Reasons for Change in Appropriation*

This appropriation increased by \$566,000 mainly as a result of a one-off expense transfer of \$1 million from 2007/08 to the 2008/09 financial year for delays encountered within projects including Bridging Engagement (local government), an Auckland broadband business case and other broadband issues and a cabinet policy decision for reallocating unused funds from the Broadband Challenge Fund to support Digital Strategy projects of \$700,000. These increases to the appropriation were partially offset by \$1.2 million returned to the Crown as savings in Budget 2009.

## Part 2.2 - Non-Departmental Output Expenses

### Accelerating Broadband (M14)

#### *Scope of Appropriation*

Development and implementation of mechanisms designed to accelerate investment in broadband infrastructure.

#### *Expenses*

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	65,000	(65,000)	-

#### *Reasons for Change in Appropriation*

This new initiative in 2008/09 acted as a placeholder until further decisions were made as to how the funding should be allocated for accelerating improvements in broadband infrastructure. A range of new initiatives for 2009/10 under the Broadband Investment heading have now superseded the 2008/09 decisions and this appropriation has been disestablished accordingly.

### Administrative Support for Telecommunications Relay Equipment and Services (M14)

#### *Scope of Appropriation*

This appropriation is limited to funding expenditure for administering contracts procuring the supply of telecommunications relay services textphones and other equipment for user access to relay service platforms (including video) and the cost for administering rental of relay user equipment and depreciating this equipment, together with sponsoring New Zealand Sign Language interpreter scholarships and the purchase of ancillary services to support the availability and uptake of relay services.

#### *Expenses*

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	859	(16)	843

#### *Reasons for Change in Appropriation*

This appropriation reduced by \$16,000 as a result of an expense transfer of \$600,000 from 2007/08 relating to delays in the Video Relay Service (VRS) trial, offset by a transfer of \$366,000 to 2009/10 relating to further VRS trial delays and savings of \$250,000 identified during the "Value for Money" exercise.

## Part 5 - Details and Expected Results for Other Expenses

### Part 5.2 - Non-Departmental Other Expenses

#### Digital Strategy - High Speed Connectivity for Growth (M14)

##### *Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Digital Strategy - High Speed Connectivity for Growth (M14)</b>	Original Appropriation	20,267
A contestable fund for partnerships that have projects that extend high-speed broadband to regional centres and businesses and make broadband available to smaller communities.	Adjustments to 2007/08	(320)
	Adjustments for 2008/09	(4,200)
Commences: 1 July 2005	Adjusted Appropriation	15,747
Expires: 30 June 2009	Actual to 2007/08 Year End	12,959
	Estimated Actual for 2008/09	2,780
	Estimated Actual for 2009/10	-
	Estimated Appropriation Remaining	8

##### *Reasons for Change in Appropriation*

This appropriation decreased by \$4.200 million as a result of a cabinet policy decision for reallocating funding to support Digital Strategy projects.