

VOTE

Communications

VOTE Communications

OVERVIEW

Appropriations for department output classes Vote Communications in 1998/99 total \$16.713 million. This is to be applied as follows:

- \$2.916 million (17% of the departmental output class appropriation) on policy advice on the communications and information technology sector. This activity is 96% Crown funded
- \$0.297 million (2% of the departmental output class appropriation) on creating and disposing radio frequency spectrum licences and management rights. This activity is Crown funded
- \$13.500 million (81% of the departmental output class appropriation) on the ongoing management of radio frequency spectrum licences and management rights including a product declaration scheme designed to control interference caused by electrical and electronic equipment, including radio transmitters. This activity is third-party funded
- Non-departmental appropriations for department output classes Vote Communications in 1998/99 total \$22.076 million
- The Ministry expects to collect \$12.696 million of Crown revenue in 1998/99, most of which is revenue received from the tendered radio spectrum licences and payment received from the Broadcasting Commission (NZ On Air) and Te Reo Whakapuaki Irirangi (Te Mangai Paho) Crown entities for amounts equivalent to their administration costs.

Details of how the appropriations are to be applied appear in Parts B1, C, D, and E of this Vote. Details of Crown revenue appear in Part F.

Terms and Definitions Used

| | |
|-------|---|
| APT | <i>Asia - Pacific Telecommunity</i> |
| BSA | <i>Broadcasting Standards Authority</i> |
| IT | <i>Information technology</i> |
| ITU | <i>International Telecommunications Union</i> |
| SOLAS | <i>Safety of Life at Sea</i> |
| TRWI | <i>Te Reo Whakapuaki Iirangi (Te Mangai Paho)</i> |

Footnotes

| | |
|--------|---|
| Note 1 | <i>Not applicable as Crown revenue is not appropriated</i> |
| Note 2 | <i>Appropriations are stated GST inclusive (where applicable).</i> |
| Note 3 | <i>The range is (1) not satisfactory, (2) fell short of expectations, (3) satisfactory, (4) met expectations, (5) fully met expectations.</i> |

VOTE Communications

VOTE MINISTER: MINISTER OF COMMUNICATIONS
ADMINISTERING DEPARTMENT: MINISTRY OF COMMERCE

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote Communications

Related Government Outcomes

The services to be purchased and other payments under Vote Communications will contribute to the Government's strategic objectives in the area of improving efficiency, competitiveness, consumer choice, and growth within the communications and information technology sectors.

To achieve these outcomes, the appropriations will fund the following types of activity:

- provision of policy advice on issues relating to the communications and information technology sectors, reflecting reform of its regulatory environment and assistance structure
- efficient management and licensing of the radio spectrum to ensure efficiency and competitiveness in the telecommunications and broadcasting markets

The appropriations also provide for the operation of the Broadcasting Standards Authority (BSA), the Broadcasting Commission (NZ On Air) and Te Reo Whakapuaki Irirangi (Te Mangai Paho)(TRWI); and funding for international bodies associated with the above activities.

Links Between the Output Classes and the Government's Outcomes

The links between the Government's strategic objectives and the classes of outputs being purchased under Vote Communications are:

| Output Classes | Related Outcomes |
|--------------------------------|--|
| Policy Advice – Communications | The policy advice in this area relates to the Government's strategic objectives dealing with broadcasting, telecommunications, commerce and industry. The following policy outcomes are relevant to maintain a strong and open internationally competitive economy which encourages export growth. |

| Output Classes | Related Outcomes |
|--|---|
| | In addition, the following specific policy results are sought: |
| | Telecommunications: the regulatory regime for telecommunications interconnection is intended to ensure a telecommunications market where there is effective competition with benefits for users and a minimum of regulation. |
| | Broadcasting: To ensure there is an impartial, quality public-owned broadcasting regime operating in a competitive market with private sector participants, the Government proposes to implement decisions in relation to its ownership interests in TVNZ, its Māori television policy, the suitability of arrangements for Māori radio and the future operation of TRWI. |
| | Postal: The regulatory regime for Postal Policy should provide benefits to users through the provision of competition. |
| | Information technology: The Government proposes a series of IT initiatives to improve public access to information technology and the effective use of information management in the public sector, and to assess the impact of IT in the wider legislative/regulatory environment. |
| | Radio spectrum: This is to ensure that there is a management framework in place which supports competitive markets in telecommunications and broadcasting. |
| Management and Enforcement of the Radiocommunications Act 1989 | To improve the value of the radio spectrum to society, and the efficient conduct of businesses which use the radio frequency spectrum. |

| Output Classes | Related Outcomes |
|---|--|
| Maintenance of Standards in Broadcasting Disbursement of the Public Broadcasting Fee | To ensure there is an impartial quality public-owned broadcasting regime operating in a competitive market with private sector participants. |
| Māori Broadcasting Administration of Māori Broadcasting | To ensure broadcasting maintains, promotes and protects the Māori language. |

Part A2 - Trends in Vote Communications

The fluctuations in Crown revenue over the period 1993/94 to 1998/99 are generally due to whether or not radio spectrum tender rounds were held in a given period and the extent of private sector activities in seeking replacement, higher value, licences. The 1995/96 figure includes the VHF TV revenue, originally forecast to be received in 1994/95 but held up by delays in the passage of the relevant legislation.

The major fluctuation in other expenses in 1994/95 reflected the fiscally neutral repurchase of previously tendered frequencies. This was offset by the increase in Crown revenue in the same year. The significant increase in non-departmental output classes in 1998/99 provides for the purchase of Māori-language promotion through television broadcasting.

Reimbursement of the Election Programme Production costs were also transferred from Vote Communications to Vote Justice in 1996/97.

The Ministry ceased operating the testing laboratory service in the 1997/98 year.

Trends in Vote Communications - Summary of Appropriations and Crown Revenue

| Types of Appropriation | 1993/94 | 1994/95 | 1995/96 | 1996/97 | 1997/98 | | 1998/99 Appropriations to be Used | | | | Total \$000 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|---|----------------|--------------------------------------|----------------|----------------|
| | Actual \$000 | Actual \$000 | Actual \$000 | Actual \$000 | Budget \$000 | Estimated Actual \$000 | By the Department Administering the Vote | | For Non-Departmental Transactions | | |
| | | | | | | | Annual \$000 | Other \$000 | Annual \$000 | Other \$000 | |
| Operating Flows | | | | | | | | | | | |
| Classes of Outputs to be Supplied | 19,864 | 24,510 | 23,977 | 23,567 | 23,498 | 23,499 | 16,713 | - | 20,408 | - | 37,121 |
| Benefits and Other Unrequited Expenses | - | - | - | - | - | - | N/A | N/A | - | - | - |
| Borrowing Expenses | - | - | - | - | - | - | N/A | N/A | - | - | - |
| Other Expenses | 2,911 | 28,985 | 902 | 807 | 1,542 | 882 | - | - | 1,668 | - | 1,668 |
| Capital Flows | | | | | | | | | | | |
| Capital Contributions | - | 101 | - | - | - | - | - | - | - | - | - |
| Purchase or Development of Capital Assets | - | - | - | - | - | - | N/A | N/A | - | - | - |
| Repayment of Debt | - | - | - | - | - | - | N/A | N/A | - | - | - |
| Total Appropriations | 22,775 | 53,596 | 24,879 | 24,374 | 25,040 | 24,381 | 16,713 | - | 22,076 | - | 38,789 |
| Total Crown Revenue and Receipts (see note 1) | 2,079 | 31,231 | 23,022 | 4,886 | 3,296 | 6,979 | N/A | N/A | N/A | N/A | 12,696 |

Part B - Statement of Appropriations

Part B1 - Details of 1998/99 Appropriations (see note 2)

| Appropriations | 1997/98 | | | | 1998/99 | | Description of 1998/99 Appropriations |
|--|-----------------|----------------|------------------|----------------|-----------------|----------------|---|
| | Vote | | Estimated Actual | | Vote | | |
| | Annual \$000 | Other \$000 | Annual \$000 | Other \$000 | Annual \$000 | Other \$000 | |
| Departmental Output Classes (Mode B Gross) | | | | | | | |
| D1 Policy Advice - Communications | 3,299 | - | 3,300 | - | 3,213 | - | - Policy advice on the telecommunications, postal services, broadcasting and information technology industries and on the management of the radio frequency spectrum, including creating and disposing of licences and management rights. |
| D2 Management and Enforcement of the Radiocommunications Act 1989 | 12,666 | - | 12,666 | - | 13,500 | - | - Management of the radio frequency spectrum by granting radio apparatus licences, compliance activities, maintaining a register of licences issued, and creating spectrum licences for Crown-owned management rights. |
| Total Appropriations for Departmental Output Classes (Mode B Gross) | 15,965 | - | 15,966 | - | 16,713 | - | Refer to Part C1 for a full description. |

| | | | | | | | |
|--|--------|---|--------|---|---------------|---|---|
| Non-Departmental Output Classes | | | | | | | |
| O1 Maintenance of Standards in Broadcasting | 550 | - | 550 | - | 550 | - | Exercise of the statutory functions of the BSA. |
| O2 Collection and Disbursement of the Public Broadcasting Fee | 1,883 | - | 1,883 | - | 1,883 | - | Administration costs for the Broadcasting Commission (known as NZ on Air). |
| O3 Māori Broadcasting | 4,000 | - | 4,000 | - | 16,875 | - | Funding for programming and items targeted at promotion of Māori language and culture through television broadcasting by TRWI. |
| O4 Administration of Māori Broadcasting | 1,100 | - | 1,100 | - | 1,100 | - | Administration costs for TRWI. |
| Total Appropriations for Non-Departmental Output Classes | 7,533 | - | 7,533 | - | 20,408 | - | Refer to Part C2 for a full description. |
| Other Expenses to be Incurred by the Crown | | | | | | | |
| Contributions to International Telecommunications Organisations | 918 | - | 748 | - | 918 | - | The Crown's annual membership of the Asia - Pacific Telecommunity (APT) and subscription to the International Telecommunications Union (ITU). |
| Defence of Litigation | 124 | - | 124 | - | 250 | - | Provision of funding to defend litigation action(s). |
| Repurchase of Tendered Frequencies | 500 | - | 10 | - | 500 | - | Provision for funding the repurchase and resale of radio frequency licences where these transactions will improve the value of the licence. |
| Total Appropriations for Other Expenses to be Incurred by the Crown | 1,542 | - | 882 | - | 1,668 | - | |
| Total Appropriations | 25,040 | - | 24,381 | - | 38,789 | - | |

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

Output Class D1 - Policy Advice - Communications

Description

The Minister of Communications will purchase, in respect of telecommunications, postal services, broadcasting, information technology and the management of the radio spectrum:

- policy advice on the regulation, operation, development and effectiveness of these sectors
- representation of New Zealand's international interests in these sectors
- advice on the operations of the Broadcasting Commission (known as NZ On Air), the BSA and, TRWI (known as Te Mangai Paho)
- advice on the exercise of ministerial statutory powers
- the monitoring and enforcement of compliance with telecommunications, broadcasting and postal services legislation, and the establishment of tradeable radio spectrum rights.

Quantity, quality, timeliness and cost

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|--|---|---|
| <u>Quantity</u> | | |
| <i>Work programme</i> | | |
| Policy advice will be delivered in accordance with the prioritised requirements of a work programme negotiated annually with the Minister. | Delivery of policy advice projects in accordance with the terms of the work programme agreed with the Minister. | Delivery of policy advice projects in accordance with the terms of the work programme agreed with the Minister. |

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|---|--|---|
| <i>Coverage</i> | | |
| <p>Provision of a comprehensive service which has the capacity:</p> <ul style="list-style-type: none"> • to react promptly • to offer timely and relevant briefings on significant issues • to give ministerial services and support as required. | <p>The Minister's feedback is within the range (4) "met expectations" to (5) "fully met" in the quarterly review of the Ministry's performance (see note 3).</p> | <p>The Minister's feedback is within the range (3) "satisfactory" to (5) "fully met" in the quarterly review of the Ministry's performance.</p> |
| <u>Quality</u> | | |
| <p>The Ministry's policy framework provides that advice has the following quality characteristics:</p> <ul style="list-style-type: none"> • Purpose - the aim of the advice is clearly stated and it answers the questions set. • Logic - the assumptions behind the advice are explicit and the argument is logical and supported by the facts. • Accuracy - the facts in the papers are accurate and all material facts are included. • Options - an adequate range of options is presented and the benefits, costs and consequences of each option to the Government and the community are assessed. | <p>The Minister's feedback is within the range (4) "met expectations" to (5) "fully met" in the quarterly review of the Ministry's performance.</p> | <p>The Minister's feedback is within the range (3) "satisfactory" to (5) "fully met" in the quarterly review of the Ministry's performance.</p> |

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|--|--|--|
| <ul style="list-style-type: none"> • Consultation - the Ministry has consulted with other government agencies and other affected parties and possible objections to proposals are identified. • Practicality - the problems of implementation, technical feasibility, timing and consistency with other policies have been considered. • Presentation - the format meets Cabinet Office requirements: the material is effectively, concisely and clearly presented, has short sentences in plain English and is free of spelling or grammatical errors. | | |
| Ministerial servicing in the form of letters and parliamentary questions is undertaken as required by the Minister. | An acceptance rate of 100% is achieved in respect of first drafts. | An acceptance rate of 100% is achieved in respect of first drafts. |
| <u>Timeliness</u> | | |
| All reports and verbal advice to the Minister are delivered within the timeframes required by, and agreed with, the Minister. | 100% | 100% |

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|--|------------------------------------|--------------------------------|
| <p>Draft ministerial correspondence is submitted to the Minister within:</p> <ul style="list-style-type: none"> • 10 working days of receipt in Ministry • 15 working days of receipt in Ministry • 20 working days of receipt in Ministry. | <p>100%</p> <p>-</p> <p>-</p> | <p>-</p> <p>80%</p> <p>95%</p> |
| <p>Where only an interim reply is possible a final reply shall be provided within the following timeframes:</p> <ul style="list-style-type: none"> • within 20 working days of the original receipt in the Ministry • within 30 working days of receipt in the Ministry. <p>Advice to the Minister on statutory appointments to Crown entity boards.</p> | <p>90%</p> <p>100%</p> <p>100%</p> | <p>-</p> <p>-</p> <p>100%</p> |
| <p>Monitor and report to the Minister on the financial and non-financial performance of Crown entities as reflected through:</p> <ul style="list-style-type: none"> • Statement of Intent • Memorandum of Understanding • management reports to the Minister • <i>Annual Report.</i> | | |

Outputs within this class are:

- telecommunications and postal policy advice
- broadcasting policy advice
- information technology policy advice
- radio spectrum policy advice
- establishment and allocation of tradeable rights by tender or otherwise.

Cost

This output class will be provided within the appropriated sum of \$3.213 million (inclusive of GST).

| Year | Cost GST incl \$000 | Cost GST excl \$000 | Total Revenue GST excl \$000 | Revenue Crown GST excl \$000 | Revenue Other GST excl \$000 |
|---------|---------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 1998/99 | 3,213 | 2,856 | 2,855 | 2,739 | 116 |
| 1997/98 | 3,299 | 2,933 | 2,932 | 2,812 | 120 |

Output Class D2 - Management and Enforcement of the Radiocommunications Act 1989

Description

The Minister of Communications will purchase radio frequency spectrum management services. These services include:

- licensing and registering of radio frequencies
- resolving radio interference problems and ensuring compliance with radio regulation requirements
- surveys of radios used on ships in New Zealand waters
- operating a product declaration scheme for radio frequency interference.

Quantity, quality, timeliness and cost

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|--|---|---|
| <u>Quantity</u> | | |
| <i>Licences</i> | | |
| Numbers issued, assignment-based: | Estimates (demand-driven) | Estimates (demand-driven) |
| • broadcasting | 400 | 400 |
| • radiocommunications | 3,300 | 3,300 |
| • other. | 4,500 | 4,500 |
| <i>Interference complaints</i> | | |
| Numbers handled: | | |
| • safety services | up to 150 | up to 150 |
| • other. | up to 3,000 | 2,000 to 3,000 |
| <i>Ship surveys</i> | | |
| Number carried out. | 1,250 | 1,250 |
| <i>Product standards</i> | | |
| Declarations processed. | 1,500 | 1,500 |
| <i>Registry</i> | | |
| Instruments registered. | up to 2,000 | - |
| <u>Quality</u> | | |
| <i>Licences</i> | | |
| Compliance with accepted engineering standards, including those specified by the ITU. | 100% compliance in accordance with the Ministry's <i>Engineering Procedures Manual</i> . | 100% compliance in accordance with the Ministry's <i>Engineering Procedures Manual</i> . |
| <i>Interference complaints</i> | | |
| Compliance with the Radiocommunications Act 1989 and the Radiocommunications (Radio) Regulations 1993. | Full compliance including compliance with the Ministry's Interference Protection to Broadcasting Services operating guidelines. | Full compliance including compliance with the Ministry's Interference Protection to Broadcasting Services operating guidelines. |

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|---|---|---|
| <i>Ship surveys</i> | | |
| Vessels surveyed to the relevant criteria, eg, Shipping (Radio) Regulations 1989, Shipping (Lifesaving Appliances) Regulations 1989, and the 1978 Safety of Life at Sea (SOLAS) Protocol. | Full compliance through adopting ISO9002 quality system for marine radio surveys. | Full compliance through adopting ISO9002 quality system for marine radio surveys. |
| <i>Product standards</i> | | |
| Declarations of conformity will be registered within the following deadlines and comply with statutory reports. | See Timeliness below. | - |
| <i>Registry</i> | | |
| Compliance with statutory requirements | Full compliance with statutory requirements. | - |
| <u>Timeliness</u> | | |
| <i>Licences</i> | | |
| <p>Correctly completed and signed applications for head office-assigned licences to be completed:</p> <ul style="list-style-type: none"> • Within 20 working days of receipt for new broadcasting licences covering populations less than 1,000, variations to broadcasting licences requesting a power decrease only, and non-broadcasting applications involving one or two sites and/or channels. | 90% | 90% |

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|--|-------------------------------|-------------------------------|
| <ul style="list-style-type: none"> • Within 25 working days of receipt for new broadcasting licences covering populations greater than or equal to 1,000, and non-broadcasting applications involving three to six sites and/or channels. | 90% | 90% |
| <ul style="list-style-type: none"> • Within 27 working days of receipt, or by the date negotiated with the client, for variations to existing broadcasting licences other than those stated above. | 90% | 90% |
| <ul style="list-style-type: none"> • Within 30 working days of receipt for: non-broadcasting licences involving six to ten sites and/or channels, satellite earth station coordination assessments, or trial operation of new services or technologies. | 90% | 90% |
| <ul style="list-style-type: none"> • By the date agreed in negotiation with the client for non-broadcasting applications involving more than 10 sites or channels. | 90% | 90% |
| <p>Correctly completed and signed applications for field office-assigned licences:</p> | | |
| <ul style="list-style-type: none"> • To be completed within two working days of receipt of an application. | 90% | 90% |

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|--|--------------------------------------|--------------------------------------|
| <ul style="list-style-type: none"> Acknowledgement to be sent where an application is not completed within one week. | 100% | - |
| <i>Interference complaints</i> | | |
| Interference complaints to safety services responded to and remedial action proposed within two hours of the complaint being lodged. | 90% | 90% |
| Radio and television interference complaints responded to and remedial action proposed within two working days. | 90% | 90% |
| Interference complaints to all services other than broadcasting and safety responded to and remedial action proposed within one working day of the complaint being lodged. | 90% | 90% |
| <i>Ship surveys</i> | | |
| Survey visits will be carried out by the date agreed in negotiation with the client. | 95% | 95% |
| <i>Product standards</i> | | |
| Correctly completed declarations of conformity to be processed within two working days. | 90% | 90% |
| <i>Registry</i> | | |
| Instruments registered within five working days of receipt. | 90% | - |

Outputs within this class are:

- licensing and enforcement of radio frequency
- management of Crown-owned radio spectrum management rights
- registration of radio spectrum management and licence rights
- survey of marine radio equipment.

Cost

This output class will be provided within the appropriated sum of \$13.5 million (inclusive of GST).

| Year | Cost GST incl \$000 | Cost GST excl \$000 | Total Revenue GST excl \$000 | Revenue Crown GST excl \$000 | Revenue Other GST excl \$000 |
|---------|---------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 1998/99 | 13,500 | 11,925 | 12,600 | - | 12,600 |
| 1997/98 | 12,666 | 11,116 | 12,400 | - | 12,400 |

Part C2 - Non-departmental Output Classes

Output Class O1 - Maintenance of Standards in Broadcasting

Description

The Minister of Communications will purchase, from the BSA the quasi-judicial determination of complaints on broadcasting standards, and support for broadcasters in discharging their responsibilities in relation to programme standards.

The BSA is responsible for encouraging the establishment and maintenance, by broadcasters, of acceptable standards of broadcasting on television and radio within the context of current social values and research. The BSA:

- receives and determines complaints where the public is dissatisfied with the broadcaster's response
- imposes sanctions on broadcasters where appropriate
- issues advisory opinions on standards and ethical conduct
- ensures codes of practice are developed and observed
- conducts and publishes research on standards matters.

Quantity, quality, timeliness and cost

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|--|---|---|
| <u>Quantity</u> | | |
| Formal complaints received. | 200 (estimate - the actual number will be demand-driven). | 200 (estimate - the actual number will be demand-driven). |
| Research and code reviews. | At least one piece of original commissioned research. | At least one piece of original commissioned research. |
| <u>Quality</u> | | |
| Compliance with statutory requirements (Broadcasting Act 1989, Parts II and III) and the Authority's Statement of Intent. | 100% compliance | 100% compliance |
| Consultation with broadcasters and other interested parties in accordance with statutory requirements. | 100% compliance | 100% compliance |
| <u>Timeliness</u> | | |
| Decisions on complaints issued within 40 working days after full documentation received unless delayed by court proceedings. | 90% | 90% |

Cost

| | | |
|---------|--|-----------|
| 1998/99 | Total output class to be provided within (GST inclusive) | \$550,000 |
| 1997/98 | Total output class to be provided within (GST inclusive) | \$550,000 |

Provider

Broadcasting Standards Authority.

Output Class O2 - Disbursement of the Public Broadcasting Fee

Description

The Minister of Communications will purchase, from the Broadcasting Commission (NZ On Air), the disbursement of the public broadcasting fee for the purposes of broadcasting, production and archiving of programmes in accordance with the Government's social objectives in broadcasting.

In disbursing this fee, NZ On Air seeks to promote the production of radio and television programmes which reflect New Zealand identity and culture, provide for a range of interests within the community, and ensure the availability of broadcasts to areas which would not otherwise receive a commercially viable signal and encourage the archiving of programmes likely to be of historical interest to New Zealand.

Quantity, quality, timeliness and cost

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|---|--------------------------------------|--------------------------------------|
| <u>Quantity</u> | | |
| Activities carried out in accordance with the provisions of the Broadcasting Act 1989, any directions issued by the Minister of Communications pursuant to sections 44 and 49 of the Act, and Memorandum of Understanding between the Ministry of Commerce and the Commission, and the Commission's annual Statement of Intent. | 100% compliance | 100% compliance |
| <u>Quality</u> | | |
| Activities will meet the standards defined in any directions issued by the Minister of Communications pursuant to section 44 of the Broadcasting Act 1989, and Memorandum of Understanding between the Ministry of Commerce and the Commission, and in the Commission's annual Statement of Intent. | 100% compliance | 100% compliance |

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|--|--------------------------------------|--------------------------------------|
| <u>Timeliness</u> | | |
| Activities will be performed in accordance with the deadlines in any directions issued by the Minister of Communications pursuant to section 44 of the Broadcasting Act 1989, and Memorandum of Understanding between the Ministry of Commerce and the Commission, and in the Commission's annual Statement of Intent. | 100% compliance | 100% compliance |

Cost

| | | |
|---------|--|-------------|
| 1998/99 | Total output class to be provided within (GST inclusive) | \$1,883,000 |
| 1997/98 | Total output class to be provided within (GST inclusive) | \$1,883,000 |

Provider

Broadcasting Commission (also known as NZ On Air).

Output Class O3 - Māori Broadcasting*Description*

The Minister of Communications will purchase from TRWI (Te Mangai Paho) broadcasting outputs in accordance with the Government's Māori broadcasting objectives.

Quantity, quality and cost

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|--|--------------------------------------|--------------------------------------|
| <u>Quantity</u> | | |
| Activities carried out in accordance with the provisions of the Broadcasting Act 1989, and provisions of any Memorandum of Understanding between the Minister of Communications and TRWI annual Statement of Intent. | 100% compliance. | 100% compliance. |
| <u>Quality</u> | | |
| Activities will meet the standards defined in any Memorandum of Understanding between the Minister of Communications and TRWI, and in TRWI's annual Statement of Intent. | 100% compliance. | 100% compliance. |

Cost

| | | |
|---------|--|--------------|
| 1998/99 | Total output class to be provided within (GST inclusive) | \$16,875,000 |
| 1997/98 | Total output class to be provided within (GST inclusive) | \$4,000,000 |

Provider

Te Reo Whakapuaki Irirangi (Te Mangai Paho).

Output Class O4 - Administration of Māori Broadcasting*Description*

The Minister of Communications will purchase, from TRWI, administration services to enable the purchase and monitoring of Māori broadcasting outputs.

Quantity, quality, timeliness and cost

| Performance Measures | 1998/99 Performance Standards | 1997/98 Performance Standards |
|---|--------------------------------------|--------------------------------------|
| <u>Quantity, quality and timeliness</u> | | |
| Activities will be carried out in accordance with the provisions of the Broadcasting Act 1989, as amended by the Broadcasting Act 1993, and Memorandum of Understanding between the Ministry of Commerce and the Commission, and any directions issued by the Minister pursuant to section 53M of that Act and the agency's annual Statement of Intent. | 100% compliance | 100% compliance |

Cost

| | | |
|---------|--|-------------|
| 1998/99 | Total output class to be provided within (GST inclusive) | \$1,100,000 |
| 1997/98 | Total output class to be provided within (GST inclusive) | \$1,100,000 |

Provider

Te Reo Whakapuaki Irirangi (Te Mangai Paho).

Part D - Explanation of Appropriations for Other Operating Flows

Part D1 - Benefits and Other Unrequited Expenses

There is no appropriation for Part D1.

Part D2 - Borrowing Expenses

There is no appropriation for Part D2.

Part D3 - Other Expenses

Information on this appropriation is provided in Part B1.

Part E - Explanation of Appropriations for Capital Flows

Part E1 - Capital Contributions

There is no appropriation for Part E1.

Net Worth of Entities Owned

Statement of Estimated and Forecast Net Worth

| | Balance Date | Estimated Net Worth 1998 \$ million | Forecast Net Worth 1999 \$ million |
|-------------------------------------|--------------|--|---------------------------------------|
| Crown Entities: | | | |
| BSA | 30 June | 0.08 | 0.08 |
| Broadcasting Commission (NZ On Air) | 30 June | 0 | 0 |
| TRWI (Te Mangai Paho) | 30 June | 0.11 | 0.10 |

Part E2 - Purchase or Development of Capital Assets by the Crown

There is no appropriation for Part E2.

Part E3 - Repayment of Debt

There is no appropriation for Part E3.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

| | 1996/97 | | 1997/98 | Description of 1997/98 Crown Revenue |
|--|----------|------------------|---------|--|
| | Budgeted | Estimated Actual | Budget | |
| | \$000 | \$000 | \$000 | |
| Current Revenue | | | | |
| Non-Tax Revenue | | | | |
| Administration of Māori Broadcasting | 978 | 978 | 978 | In accordance with the Broadcasting Act 1989, the Crown receives revenue from TRWI equivalent to the agreed administration costs of that Crown entity. These administration costs are paid to TRWI via a separate payment from the Crown. |
| Broadcasting Commission | 1,674 | 1,674 | 1,674 | This figure represents the administration costs of the Broadcasting Commission (NZ On Air), which in turn refunds the Crown an equivalent amount. |
| Broadcasting Standards Authority - Complaints Upheld | 44 | 20 | 44 | The Broadcasting Act 1989 (as amended by the Broadcasting Amendment Act 1996) empowers the BSA to order costs of up to \$5,000 against a broadcaster on each complaint upheld against that broadcaster. These receipts will be treated as Crown revenue, and a corresponding payment made to the BSA by the Crown. |
| Radio Spectrum | 600 | 4,307 | 10,000 | Revenue is obtained from the tendered radio spectrum licences and from resource payments under the Radiocommunications Act 1989. |
| Total Non-Tax Revenue | 3,296 | 6,979 | 12,696 | |
| Total Current Revenue | 3,296 | 6,979 | 12,696 | |
| Total Crown Revenue and Receipts | 3,296 | 6,979 | 12,696 | |