

# *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

	2009/10				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	30,499	600	(5,568)	(4,968)	25,531
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	48,930	-	-	-	48,930
Capital Expenditure	234,610	-	(13,910)	(13,910)	220,700
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
<b>Total Appropriations</b>	<b>314,039</b>	<b>600</b>	<b>(19,478)</b>	<b>(18,878)</b>	<b>295,161</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	786	786	786
<b>Total Crown Revenue and Capital Receipts</b>	<b>7,791</b>	<b>N/A</b>	<b>786</b>	<b>786</b>	<b>8,577</b>

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

### Part 2.1 - Departmental Output Expenses

#### 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*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	9,862	-	9,862
Revenue from Crown	320	-	320
Revenue from Other	7,106	-	7,106

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

No changes were made in this appropriation for the 2009/10 financial year.

#### Policy Advice - Communications (M14)

##### *Scope of Appropriation*

This appropriation is limited to the following communications and ICT related issues; policy advice and ministerial servicing in relation to information technology, New Zealand's digital capability, telecommunications markets and regulation, broadband investment, postal services, and the allocation and management of the radio spectrum, and participation in international fora and trade agreements as this applies to New Zealand's ICT interests.

##### *Expenses and Revenue*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	5,622	600	6,222
Revenue from Crown	5,514	600	6,114
Revenue from Other	108	-	108

*Reasons for Change in Appropriation*

This appropriation increased by \$600,000 through a fiscally neutral transfer from the appropriation Broadband Investment (Crown company operating costs) to assist with the increase in operating costs borne by MED as a result of delays in establishing the new Crown company Crown Fibre Holdings Ltd.

**Part 2.2 - Non-Departmental Output Expenses****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*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,225	432	1,657

*Reasons for Change in Appropriation*

This appropriation increased by \$432,000 as a result of a transfer of \$310,000 from the related capital expenditure appropriation and an expense transfer of \$122,000 from 2008/09 relating to an extension of, and initial delays in, the Video Relay Service trial respectively.

## Broadband Investment (Crown company operating costs) (M14)

### *Scope of Appropriation*

This appropriation is limited to the operational funding for the Crown-owned company which will function as the vehicle for investing and managing the Government's broadband infrastructure commitment.

### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	6,000	(6,000)	-

### *Reasons for Change in Appropriation*

This appropriation decreased by \$6 million due to \$5.400 million being transferred to Crown Fibre Holdings Limited (CFH) for capitalisation via the appropriation Broadband Investment (Crown Company Capital Costs), and \$600,000 transferred to Policy Advice - Communications to assist with the increase in operating costs borne by MED as a result of delays in establishing the new Crown company CFH.

## Enforcement of Telecommunications Sector Regulation (M14)

### *Scope of Appropriation*

Purchase of services for dispute resolution over regulated telecommunication services and advice on possible future regulated services and Kiwi Share related issues.

### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	7,790	-	7,790

### *Reasons for Change in Appropriation*

No changes were made in this appropriation for the 2009/10 financial year.

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

### Part 5.2 - Non-Departmental Other Expenses

#### Broadband Investment (Rural Supply) (M14)

##### *Scope of Appropriation*

This appropriation is limited to the provision of funding for grants or consumer subsidies relating to the deployment of broadband infrastructure in rural regions of New Zealand.

##### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	48,000	-	48,000

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

No changes were made in this appropriation for the 2009/10 financial year.

#### Contributions to International Telecommunications Organisations (M14)

##### *Scope of Appropriation*

The Crown's annual membership of the Asia Pacific Telecommunity and subscription to the International Telecommunications Union.

##### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	930	-	930

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

No changes were made in this appropriation for the 2009/10 financial year.

## Part 6 - Details and Expected Results for Capital Expenditure

### Part 6.2 - Non-Departmental Capital Expenditure

#### Accelerating Broadband (M14)

##### *Scope of Appropriation*

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

##### *Capital Expenditure*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	15,000	15,000

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

This appropriation increased by \$15 million as a result of a transfer from 2008/09 relating to delays in the trans-Tasman cable project.

#### Acquisition of Textphone Equipment (M14)

##### *Scope of Appropriation*

To purchase textphones after the establishment of a textphone pool for deaf, hearing impaired and speech impaired people.

##### *Capital Expenditure*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	610	(310)	300

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

This appropriation decreased by \$310,000 as a result of a transfer to Administrative Support for Telecommunications Relay Equipment and Services for an extension to the Video Relay Service trial.

**Broadband Investment (Crown Company Capital Costs) (M14)***Scope of Appropriation*

This appropriation is limited to the establishment of and provision of ongoing investment funding for a Crown-owned investment company which will function as the vehicle for investing and managing the Government's broadband infrastructure commitment.

*Capital Expenditure*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	200,000	5,400	205,400

*Reasons for Change in Appropriation*

This appropriation increased by \$5.400 million as a result of a fiscally neutral transfer from the Broadband Investment (Crown company operating costs) appropriation, to assist with the Crown Fibre Holdings Ltd capitalisation.

**Broadband Investment (Schools) (M14)***Scope of Appropriation*

This appropriation is limited to making schools broadband ready, including providing schools with suitable internal networks to take advantage of fast or ultrafast broadband; meeting costs of the National Education Network trial; and programme and business case development.

*Capital Expenditure*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	34,000	(34,000)	-

*Reasons for Change in Appropriation*

This appropriation decreased by \$34 million due to transfers to Vote Education to support the introduction of ultra-fast broadband to schools.