

Vote Communications

APPROPRIATION MINISTER(S): Minister for Communications and Information Technology (M88)

APPROPRIATION ADMINISTRATOR: Ministry of Business, Innovation and Employment

RESPONSIBLE MINISTER FOR MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT:
Minister for Economic Development

Summary of the Vote

Overview

Part 1 - Summary of the Vote

The Minister for Communications and Information Technology is responsible for appropriations in the Vote for the 2014/15 financial year covering the following:

- a total of \$13.885 million for the management of New Zealand's radio spectrum, policy advice on New Zealand's communications sector, services to support the Minister and monitoring the performance and compliance of Crown entities
- a total of \$12.049 million for non-departmental output expenditure
- a total of \$56.003 million for non-departmental other expenditure, and
- a total of \$200.200 million for non-departmental capital expenditure.

The Ministry expects to collect \$56.015 million in 2014/15 through the Telecommunications Development Levy, Chatham Islands Rural Broadband investment project contributions, and the Telecommunications Levy, to be used for the purchase of Deaf Relay Services, upgrades to the emergency services calling system, Rural Broadband investments and funding for the Commerce Commission.

Details of these appropriations are set out in Parts 2-4.

Estimates of Appropriations

Details of Appropriations and Capital Injections

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Communications and ICT Operational Policy, Ministerial Servicing and Crown Entity Monitoring (M88) This appropriation is limited to the development of operational policies in relation to information technology, New Zealand's digital capability, telecommunications markets and regulation, broadband investment, postal services, and international for a related to New Zealand's ICT interests, services to support the Minister, and monitoring the performance and compliance of Crown Entities.	599	599	586
Management and Enforcement of the Radiocommunications Act 1989 (M88) 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.	10,264	10,264	9,641
Policy Advice - Communications (M88) This appropriation is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters.	4,104	4,104	3,658
Total Departmental Output Expenses	14,967	14,967	13,885
Non-Departmental Output Expenses			
Administrative Support for Telecommunications Relay Equipment and Services (M88) 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.	1,743	1,154	1,519
Enforcement of Telecommunications Sector Regulation (M88) The regulation and monitoring of telecommunication services in accordance with the Telecommunications Act 2001.	6,000	6,000	6,000
Fibre Drop Costs (M88) This appropriation is limited to the cost of fibre connections between schools and UFB and RBI providers' cable in the roadway or network operators' digital microwave radio towers.	11,884	4,884	4,530
Total Non-Departmental Output Expenses	19,627	12,038	12,049

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Other Expenses			
Broadband Investment (Rural Supply) (M88) 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.	21,460	6,460	10,533
Contributions to International Telecommunications Organisations (M88) The Crown's annual membership of the Asia Pacific Telecommunity and subscription to the International Telecommunications Union.	970	970	970
Telecommunications Development Levy Funded Procurement - Deaf Relay Service TSO (M88) This appropriation is limited to the purchase of deaf relay services which is offset by the Telecommunications Development Levy.	3,120	3,120	2,500
Telecommunications Development Levy Funded Procurement - Non-Urban Infrastructure (M88) This appropriation is limited to the payment of grants and investment for non-urban infrastructure offset by the Telecommunications Development Levy.	90,180	90,180	42,000
International Connectivity (M88) This appropriation is limited to the purchase of an anchor tenancy on a new trans-Tasman and trans-Pacific submarine cable.	15,000	-	-
Total Non-Departmental Other Expenses	130,730	100,730	56,003
Non-Departmental Capital Expenditure			
Acquisition of Textphone Equipment (M88) To purchase textphones after the establishment of a textphone pool for deaf, hearing impaired and speech impaired people.	293	250	200
Total Non-Departmental Capital Expenditure	293	250	200
Total Annual and Permanent Appropriations	165,617	127,985	82,137

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Capital Expenditure		
Broadband Investment (Crown Fibre Holdings Capital Costs) (M88) This appropriation is limited to the provision of ongoing investment funding for Crown Fibre Holdings to implement the Government's broadband investment commitment Commences: 22 August 2011 Expires: 30 June 2016	Original Appropriation Adjustments to 2012/13 Adjustments for 2013/14 Adjusted Appropriation Actual to 2012/13 Year End Estimated Actual for 2013/14 Estimated Actual for 2014/15 Estimated Appropriation Remaining	408,000 774,500 - 1,182,500 165,000 200,000 200,000 617,500

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Formation of MBIE Savings	Communications and ICT Operational Policy, Ministerial Servicing and Crown Entity Monitoring	-	(13)	(13)	(13)	(13)
	Management and Enforcement of the Radiocommunications Act 1989	-	(156)	(156)	(156)	(156)
	Policy Advice - Communications	-	(65)	(65)	(65)	(65)
Total Policy Initiatives		-	(234)	(234)	(234)	(234)

1.2 - Trends in the Vote

Summary of Financial Activity

	2009/10	2010/11	2011/12	2012/13	2013/14		2014/15			2015/16	2016/17	2017/18
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	22,409	20,597	20,592	28,084	34,594	27,005	13,885	12,049	25,934	21,404	21,404	21,404
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	887	906	22,659	105,599	130,730	100,730	-	56,003	56,003	21,103	20,570	20,570
Capital Expenditure	25,432	10,104	127,500	165,107	200,293	200,250	-	200,200	200,200	617,700	200	200
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	48,728	31,607	170,751	298,790	365,617	327,985	13,885	268,252	282,137	660,207	42,174	42,174
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	6,911	8,896	59,842	57,597	56,032	55,000	N/A	56,015	56,015	56,015	56,001	56,001
Capital Receipts	11,667	12,441	19,727	20,818	28,578	28,000	N/A	26,978	26,978	26,928	26,928	26,928
Total Crown Revenue and Capital Receipts	18,578	21,337	79,569	78,415	84,610	83,000	N/A	82,993	82,993	82,943	82,929	82,929

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered.

Adjustments to the Summary of Financial Activity Table due to Vote Restructuring

There have been no restructuring adjustments to prior year information in the Summary of Financial Activity table.

1.3 - Analysis of Significant Trends

Output Expenses

The key initiative that impacts this trend is the funding profile for the fibre drop which impacts from 2012/13 to 2014/15. Previous under-spends in 2012/13 were transferred into 2013/14 to fund additional work. This funding is no longer available for 2014/15 thereby decreasing the relevant appropriations.

The following are the key initiatives that impact the trends:

- the funding profile for investments in non-urban infrastructure (as part of the Rural Broadband Initiative contracts) which started in 2011/12 at \$57 million, \$141 million in 2012/13, \$90 million in 2013/14, \$42 million in 2014/15 and stabilises at \$17 million in 2015/16 and outyears, and
- the funding profile of the Broadband Investment (Rural Supply) also used to fund investments for the Rural Broadband Initiative, which was approved in 2009/10 with the majority of the expenditure occurring in 2013/14 due to expense transfers from prior year.

Other Expenses

The increase from 2014/15 to 2015/16 reflects the capital plan for the Crown entity, Crown Fibre Holdings, to fund the Ultra-Fast Broadband initiative.

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Communications and ICT Operational Policy, Ministerial Servicing and Crown Entity Monitoring (M88)

Scope of Appropriation

This appropriation is limited to the development of operational policies in relation to information technology, New Zealand's digital capability, telecommunications markets and regulation, broadband investment, postal services, and international for a related to New Zealand's ICT interests, services to support the Minister, and monitoring the performance and compliance of Crown Entities.

Expenses and Revenue

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	599	599	586
Revenue from the Crown	599	599	586
Revenue from Others	-	-	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide effective and efficient ministerial services; and to monitor the performance and compliance of Crown entities.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Responses to Parliamentary Questions, Ministerial Correspondence and Ministerial Official Information Act 1982 requests are to be completed within either specified or statutory timeframes.	95% or above	95% or above	95% or above

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Formation of MBIE Savings	2014/15	-	(13)	(13)	(13)	(13)
Efficiency Dividend	2012/13	(30)	(30)	(30)	(30)	(30)

Management and Enforcement of the Radiocommunications Act 1989 (M88)

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,264	10,264	9,641
Revenue from the Crown	787	787	320
Revenue from Others	7,041	7,041	6,885

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide for the effective and efficient allocation and licensing of the radio spectrum. This includes spectrum sales and enforcement activities.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Submitted applications are correctly registered or granted, and documented interference complaints are actioned within the work programme time frame.	Updated measure	Updated measure	95%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Formation of MBIE Savings	2014/15	-	(156)	(156)	(156)	(156)
Efficiency Dividend	2012/13	(115)	(115)	(115)	(115)	(115)

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is a result of a one-off transfer from 2012/13 to 2013/14 to accommodate delay in the 700MHz spectrum auction, and savings returned to the Crown as a result of the formation of MBIE.

Memorandum Account

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Management and Enforcement of Radiocommunications Act 1989			
Opening Balance at 1 July	7,106	7,106	8,989
Revenue	7,041	8,300	6,885
Expenses	(9,477)	(6,417)	(9,477)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	4,670	8,989	6,397

Policy Advice - Communications (M88)*Scope of Appropriation*

This appropriation is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters.

Expenses and Revenue

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,104	4,104	3,658
Revenue from the Crown	4,093	4,093	3,658
Revenue from Others	11	11	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide high quality policy advice to Ministers.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
The satisfaction of the Minister for Communications and Information Technology with the policy advice service, as per the common satisfaction survey.	At least 70%	At least 70%	At least 70%
Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%.	At least an average of 73%	At least an average of 73%	At least an average of 73%
The total cost per hour of producing outputs	At most \$155	At most \$155	At most \$155

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Formation of MBIE Savings	2014/15	-	(65)	(65)	(65)	(65)
Efficiency Dividend	2012/13	(189)	(189)	(189)	(189)	(189)
Broadband and Cyber Security Fiscal Pressures	2011/12	(848)	(848)	(848)	(848)	(848)

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is mainly due to one-off transfers from 2012/13 to 2013/14 only for retention in underspends, and savings returned to the Crown as a result of the formation of MBIE.

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Administrative Support for Telecommunications Relay Equipment and Services (M88)

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,743	1,154	1,519

What is Intended to be Achieved with this Appropriation

This appropriation is intended to fund procurement of telecommunications relay services, administration of relay user equipment rental and sponsorship of New Zealand Sign Language interpreter scholarships.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental output expense is less than \$5 million.

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Consultel Associates Ltd	90	90	78	Monthly Status Update	Ongoing
CSD - Communication Service for the Deaf	248	248	216	Monthly Status Update	Ongoing
Sprint International Ltd	1,405	816	1,225	Monthly Status Update	Ongoing

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Video Remote Interpreting Service	2013/14	250	250	250	250	250

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is a result of a one-off transfer from 2012/13 to 2013/14 to reflect the timing of the Caption Telephone Service.

Enforcement of Telecommunications Sector Regulation (M88)*Scope of Appropriation*

The regulation and monitoring of telecommunication services in accordance with the Telecommunications Act 2001.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	6,000	6,000	6,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure competition in the telecommunications market for the long-term benefit of end-users.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Determinations			
Number of determinations (includes determinations, clarifications, reviews and amendments).	2-4	4	2-4
Average time to complete telecommunications determinations. (See Note 1)	10 months	10.5 months	6 months
Completion date for the Unbundled Bitstream Access (UBA) and Unbundled Copper Local Loop (UCLL) Final Pricing Principle (FPP) determinations.	New measure	New measure	30 April 2015
Percentage of stakeholders who find the Commerce Commission's determinations and supporting reasons clear.	75%	75%	80%

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Public Reports and Advice to Officials			
Number of reports completed (monitoring reports, summary and analysis reports, information disclosure reports, ministerial reports).	3-8	5	3-8
Number of substantial pieces of advice provided to officials to inform policy design.	2-4	2	2-4
Percentage of stakeholders who rate our reports good or above.	75%	75%	80%
Percentage of reports completed by the set date.	100%	100%	100%
Compliance and Enforcement			
Number of compliance assessments completed.	0-4	2	0-4
Number of enforcement cases taken.	0-1	0-1	0-1
Percentage of compliance assessments completed by the set date.	100%	100%	100%

Note 1 - The average time to complete telecommunications determinations above excluding the UBA and UCLL FPP determination.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Commerce Commission in its annual report.

Fibre Drop Costs (M88)

Scope of Appropriation

This appropriation is limited to the cost of fibre connections between schools and UFB and RBI providers' cable in the roadway or network operators' digital microwave radio towers.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	11,884	4,884	4,530

What is Intended to be Achieved with this Appropriation

This appropriation is intended to fund fibre connections between schools and Ultra-Fast Broadband and Rural Broadband Initiative providers' cable.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
UFB and RBI providers comply with the contractual deliverables for supply of fibre connections from the school boundary to the school building.	Meet contractual obligations as specified in contract	Meet contractual obligations as specified in contract	Meet contractual obligations as specified in contract

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister in an appendix to the Ministry of Business, Innovation and Employment's annual report.

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Ultra-Fast Broadband and Rural Broadband Initiative Providers	11,884	4,484	4,530		- Ongoing

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Fibre Drop for Schools	2011/12	5,290	4,530	-	-	-

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is a result of one-off transfers from 2012/13 to 2013/14.

3.4 - Non-Departmental Other Expenses

Broadband Investment (Rural Supply) (M88)

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

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	21,460	6,460	10,533

What is Intended to be Achieved with this Appropriation

This appropriation is intended to fund grants or consumer subsidies relating to the deployment of broadband infrastructure in rural regions of New Zealand.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Rural broadband (capable of peak speeds of at least 5 megabits per second) is available to 86% of rural homes and businesses by the end of 2016.	Rollout targets are met	Rollout targets are met	Rollout targets are met
Vendors comply with contractual arrangements for the supply of telecommunications services associated with RBI.	Meet contractual obligations as specified in the contract	Meet contractual obligations as specified in the contract	Meet contractual obligations as specified in the contract

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister in an appendix to the Ministry of Business, Innovation and Employment's annual report.

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is a result of a one-off transfer of \$30.926 million from 2012/13 to 2013/14 to accommodate the timing of the staged implementation of the RBI. This is partially offset by a transfer of \$10 million from 2013/14 to 2014/15 to accommodate lower cost parts of the programme being completed in 2013/14.

Contributions to International Telecommunications Organisations (M88)*Scope of Appropriation*

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

Expenses

Total Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
	970	970	970

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide annual membership subscriptions to the Asia Pacific Telecommunity and the International Telecommunications Union.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental output expense is less than \$5 million.

Telecommunications Development Levy Funded Procurement - Deaf Relay Service TSO (M88)

Scope of Appropriation

This appropriation is limited to the purchase of deaf relay services which is offset by the Telecommunications Development Levy.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,120	3,120	2,500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to fund the purchase of deaf relay services from the service providers.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental output expense is less than \$5 million.

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Consultel Associates Ltd Administrative Support for Telecommunications Relay Equipment and Services	78	92	92	-	Ongoing
CSD Administrative Support for Telecommunications Relay Equipment and Services	216	160	216	-	Ongoing
Sprint International Administrative Support for Telecommunications Relay Equipment and Services	1,225	1,025	1,225	-	Ongoing

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Telecommunications Industry Levies	2011/12	2,500	2,500	2,600	2,600	2,600

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is a result of a one-off transfer from 2012/13 to 2013/14 to reflect the timing of the Commerce Commission providing a cost determination for the levy.

Telecommunications Development Levy Funded Procurement - Non-Urban Infrastructure (M88)

Scope of Appropriation

This appropriation is limited to the payment of grants and investment for non-urban infrastructure offset by the Telecommunications Development Levy.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	90,180	90,180	42,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide payment of grants and investment for non-urban infrastructure associated with the Rural Broadband Initiatives.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Rural Broadband (capable of peak speeds of at least 5 megabits per second) is available to 86% of rural homes and businesses by the end of 2016.	Rollout targets are met	Rollout targets are met	Rollout targets are met
Vendors comply with contractual arrangements for the supply of telecommunications services associated with RBI.	Meet contractual obligations as specified in contract	Meet contractual obligations as specified in contract	Meet contractual obligations as specified in contract

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister in an appendix to the Ministry of Business, Innovation and Employment's annual report.

Service Providers

Provider	2013/14 Budgeted \$000	2013/14 Estimated Actual \$000	2014/15 Budget \$000	Reporting to the House	Expiry of Resourcing Commitment
Vodafone	18,500	18,500	8,400	MBIE Annual Report	30 June 2016
Chorus	72,030	72,030	33,600	MBIE Annual Report	30 June 2016

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Telecommunications Industry Levies	2011/12	42,000	42,000	17,000	17,000	17,000

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is a result of one-off transfers from 2012/13 to 2013/14 to reflect the timing in the roll-out of deployment of the RBI.

3.5 - Non-Departmental Capital Expenditure**Acquisition of Textphone Equipment (M88)***Scope of Appropriation*

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

Capital Expenditure

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	293	250	200

What is Intended to be Achieved with this Appropriation

This appropriation is intended to fund the purchase textphones for deaf, hearing impaired and speech impaired people.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(iii) of Public Finance Act as the amount of this annual appropriation for a non-departmental capital expenditure is less than \$15 million.

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is a result of a one-off transfer from 2012/13 to 2013/14 to reflect the demand for this service.

Broadband Investment (Crown Fibre Holdings Capital Costs) (M88)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Broadband Investment (Crown Fibre Holdings Capital Costs) (M88)	Original Appropriation	408,000
This appropriation is limited to the provision of ongoing investment funding for Crown Fibre Holdings to implement the Government's broadband investment commitment	Adjustments to 2012/13	774,500
	Adjustments for 2013/14	-
Commences: 22 August 2011	Adjusted Appropriation	1,182,500
Expires: 30 June 2016	Actual to 2012/13 Year End	165,000
	Estimated Actual for 2013/14	200,000
	Estimated Actual for 2014/15	200,000
	Estimated Appropriation Remaining	617,500

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide ongoing investment funding for Crown Fibre Holdings as part of the Government's UFB commitment.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Ultra-fast broadband (capable of peak speed of 100 megabits per second) is available to businesses, schools and health service providers in ultra-fast broadband candidates areas by the end of 2015 and 75% of New Zealanders by the end of 2019.	Roll out targets are met	Roll out targets are met	Roll out targets are met

End of Year Performance Reporting

Performance information for this appropriation is will be reported by the Crown Fibre Holding Ltd in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Multi-Year Appropriation for Ultra-Fast Broadband	2011/12	100,000	100,000	8,000	-	-