

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

Supplementary Estimates of Appropriations

Details of Appropriations

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total 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
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.	9,797	467	10,264
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.	4,133	(29)	4,104
Total Departmental Output Expenses	14,529	438	14,967
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.	1,519	224	1,743
Enforcement of Telecommunications Sector Regulation (M88) The regulation and monitoring of telecommunication services in accordance with the Telecommunications Act 2001.	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.	10,290	1,594	11,884
Total Non-Departmental Output Expenses	17,809	1,818	19,627
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.	31,260	(9,800)	21,460
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

Titles and Scopes of Appropriations by Appropriation Type	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$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	-	15,000
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.	2,500	620	3,120
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.	52,000	38,180	90,180
Total Non-Departmental Other Expenses	101,730	29,000	130,730
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.	200	93	293
Total Non-Departmental Capital Expenditure	200	93	293
Total Annual and Permanent Appropriations	134,268	31,349	165,617

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

1.2 - Trends in the Vote

Summary of Financial Activity

	2013/14				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	32,338	438	1,818	2,256	34,594
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	101,730	-	29,000	29,000	130,730
Capital Expenditure	200,200	-	93	93	200,293
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	334,268	438	30,911	31,349	365,617
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	56,018	N/A	14	14	56,032
Capital Receipts	26,978	N/A	1,600	1,600	28,578
Total Crown Revenue and Capital Receipts	82,996	N/A	1,614	1,614	84,610

Mapping the Layout of the 2013/14 Supplementary Estimates to the Layout of the 2013/14 Estimates

Supplementary Estimates Structure 2013/14		Estimates Structure 2013/14	
Part #	Part Name	Part #	Part Name
2.1	Departmental Output Expenses	2.1	Departmental Output Expenses
2.2	Departmental Other Expenses	5.1	Departmental Other Expenses
2.3	Departmental Capital Expenditure and Capital Injections	6.1	Departmental Capital Expenditure
3.1	Non-Departmental Output Expenses	2.2	Non-Departmental Output Expenses
3.2	Non-Departmental Benefits and Other Unrequited Expenses	3.2	Non-Departmental Benefits and Other Unrequited Expenses
3.3	Non-Departmental Borrowing Expenses	4.2	Non-Departmental Borrowing Expenses
3.4	Non-Departmental Other Expenses	5.2	Non-Departmental Other Expenses
3.5	Non-Departmental Capital Expenditure	6.2	Non-Departmental Capital Expenditure
4	Multi-Category Expenses and Capital Expenditure	N/A	Did not exist in the Estimates

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

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		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	9,797	467	10,264
Revenue from the Crown	320	467	787
Revenue from Others	7,041	-	7,041

Reasons for Change in Appropriation

This appropriation increased by \$467,000 to \$10.264 million for 2013/14 as a result of an expense transfer from 2012/13 to reflect the timing of the revised timetable for the 700MHz Spectrum auction.

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		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,133	(29)	4,104
Revenue from the Crown	4,133	(40)	4,093
Revenue from Others	-	11	11

Reasons for Change in Appropriation

This appropriation decreased by \$29,000 to \$4.104 million for 2013/14. The decrease relates to fiscally neutral adjustments to Vote Foreign Affairs and Trade to lead Free Trade Agreement negotiations where the Ministry of Business, Innovation and Employment (MBIE) has policy leadership. The decrease is partially offset by revenue from Ministry of Foreign Affairs and Trade to cover related travel costs.

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.

Reasons for Change in Appropriation

This appropriation increased by \$224,000 to \$1.743 million for 2013/14. The increase relates to an expense transfer from 2012/13 to reflect the timing of the Caption Telephone Service launch.

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.

Reasons for Change in Appropriation

This appropriation increased by \$1.594 million to \$11.884 million for 2013/14. The increase relates to an expense transfer from 2012/13 to accommodate timing of the roll-out of the Rural Broadband Investment and Ultra-Fast Broadband required before fibre drops into New Zealand schools.

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.

Reasons for Change in Appropriation

This appropriation decreased by \$9.800 million to \$21.460 million for 2013/14. The decrease relates to a \$10 million expense transfer from 2013/14 to 2014/15 to reflect the timing of the staged implementation of the Rural Broadband Initiative (RBI). The decrease is offset by an increase of \$200,000 to support the Chatham Islands Broadband project.

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.

Reasons for Change in Appropriation

This appropriation increased by \$620,000 to \$3.120 million for 2013/14. The increase relates to an expense transfer from 2012/13 to reflect the delay in receiving cost determinations from the Commerce Commission.

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.

Reasons for Change in Appropriation

This appropriation increased by \$38.180 million to \$90.180 million for 2013/14. The increase relates to an expense transfer from 2012/13 to reflect the timing of the roll-out 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		Total \$000
	Estimates \$000	Supplementary Estimates \$000	
Total Appropriation	200	93	293

Reasons for Change in Appropriation

This appropriation increased by \$93,000 to \$293,000 for 2013/14. This increase relates to an expense transfer from 2012/13 to reflect the timing of the demand for this service.