

# *Performance Information for Appropriations*

## *Vote Communications*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Communications and Information Technology (M88)

ADMINISTERING DEPARTMENT: Ministry of Economic Development

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

## Part 1 - Summary of the Vote

### Part 1.1 - Overview of the Vote

The Minister for Communications and Information Technology is responsible for appropriations in the Vote for the 2012/13 financial year covering the following:

- a total of just under \$14.200 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 \$6.970 million for international membership fees and Commerce Commission costs to enforce regulated telecommunications services and undertake specific telecommunications regulatory functions
- a total of just over \$1.200 million for subsidised equipment for hearing and speech impaired people and support and administration costs related to enabling access to the telecommunications relay service
- a total of just over \$7.900 million for fibre connections between schools and Ultra-Fast Broadband and Rural Broadband providers' cable in the roadway or network operators' digital microwave radio towers
- a total of \$96.400 million for the purchase of Deaf Relay Services and Rural Broadband investments recoverable by the Telecommunications Development Levy, and
- a total of \$100 million for capital investment in the development of Ultra-Fast Broadband infrastructure.

Details of these appropriations are set out in Parts 2-6 below.

## Part 1.2 - High-Level Objectives of the Vote

### Government Priorities and Outcomes - Links to Appropriations

Government Priorities	Government Outcomes	Appropriations
Build a more competitive and productive economy	Efficient, reliable and responsive infrastructure services	Policy Advice - Communications Communications and ICT operational policy, ministerial servicing and Crown entity monitoring Management and Enforcement of the Radiocommunications Act 1989
Build a more competitive and productive economy	Productive and competitive businesses	Policy Advice - Communications Communications and ICT operational policy, ministerial servicing and Crown entity monitoring
Deliver better public services	A world-class business environment	Management and Enforcement of the Radiocommunications Act 1989

Note - The Government Priorities are also referred to as the Key Government Goals

### Objectives of the Vote

The Government's key goals for this term of government include building a more competitive and productive economy and delivering better public services.

Work under Vote Communications directly contributes to these goals by helping to develop efficient, reliable and responsive infrastructure, productive and competitive businesses, and a world-class business environment.

It provides the Government with strategic and technical policy advice on broadband investment and uptake, information technology, New Zealand's digital capability, telecommunications markets and regulation, postal services, and allocation and management of the radio spectrum. It also provides services relating to radio frequency spectrum management in relation to the management of the Radiocommunications Act 1989, and the enforcement of the telecommunications sector regulation.

## Part 1.3 - Trends in the Vote

### Summary of Financial Activity

	2007/08	2008/09	2009/10	2010/11	2011/12		2012/13			2013/14	2014/15	2015/16
	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
<b>Appropriations</b>												
Output Expenses	22,021	22,293	22,409	20,597	35,830	26,393	14,159	15,239	29,398	28,508	27,748	23,218
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	7,360	3,589	887	906	123,270	10,736	-	97,370	97,370	45,470	45,470	20,570
Capital Expenditure	5	92	25,432	10,104	710,200	142,600	-	100,200	100,200	192,200	300,200	8,200
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
<b>Total Appropriations</b>	<b>29,386</b>	<b>25,974</b>	<b>48,728</b>	<b>31,607</b>	<b>869,300</b>	<b>179,729</b>	<b>14,159</b>	<b>212,809</b>	<b>226,968</b>	<b>266,178</b>	<b>373,418</b>	<b>51,988</b>
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	6,738	5,037	6,911	8,896	61,947	62,179	N/A	59,277	59,277	60,089	59,001	59,001
Capital Receipts	7,499	3,150	11,667	12,441	20,251	20,240	N/A	27,156	27,156	27,423	27,423	27,447
<b>Total Crown Revenue and Capital Receipts</b>	<b>14,237</b>	<b>8,187</b>	<b>18,578</b>	<b>21,337</b>	<b>82,198</b>	<b>82,419</b>	<b>N/A</b>	<b>86,433</b>	<b>86,433</b>	<b>87,512</b>	<b>86,424</b>	<b>86,448</b>

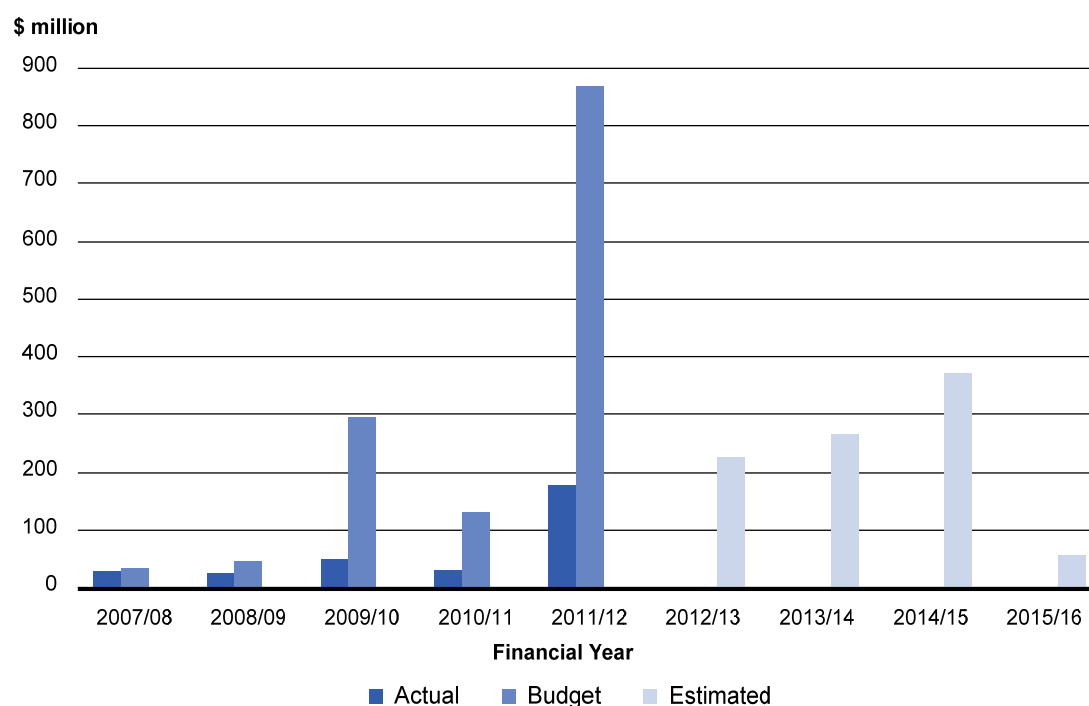
## New Policy Initiatives

Policy Initiative	Appropriation	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
<b>Current Government</b>						
Efficiency Dividend	Policy Advice - Communications	-	(189)	(189)	(189)	(189)
	Communications and ICT Operational Policy, Ministerial Servicing and Crown Entity Monitoring	-	(30)	(30)	(30)	(30)
	Management and Enforcement of the Radiocommunications Act 1989 (All Departmental Output Expenses)	-	(115)	(115)	(115)	(115)
Broadband and Cybersecurity Fiscal Pressures	Policy Advice - Communications - Departmental Output Expense	848	848	848	848	848
Crown Fibre Holdings - Ultra-Fast Broadband	Broadband Investment (Crown Company Capital Costs)	242,000	300,000	200,000	200,000	-
Establish new Multi-Year Appropriation for Ultra-Fast Broadband	Broadband Investment (Crown Company Capital Costs)	-	(300,000)	(108,000)	-	-
<b>Total Initiatives</b>		<b>242,848</b>	<b>514</b>	<b>92,514</b>	<b>200,514</b>	<b>514</b>

## Analysis of Significant Trends

*Total Vote: All Appropriations*

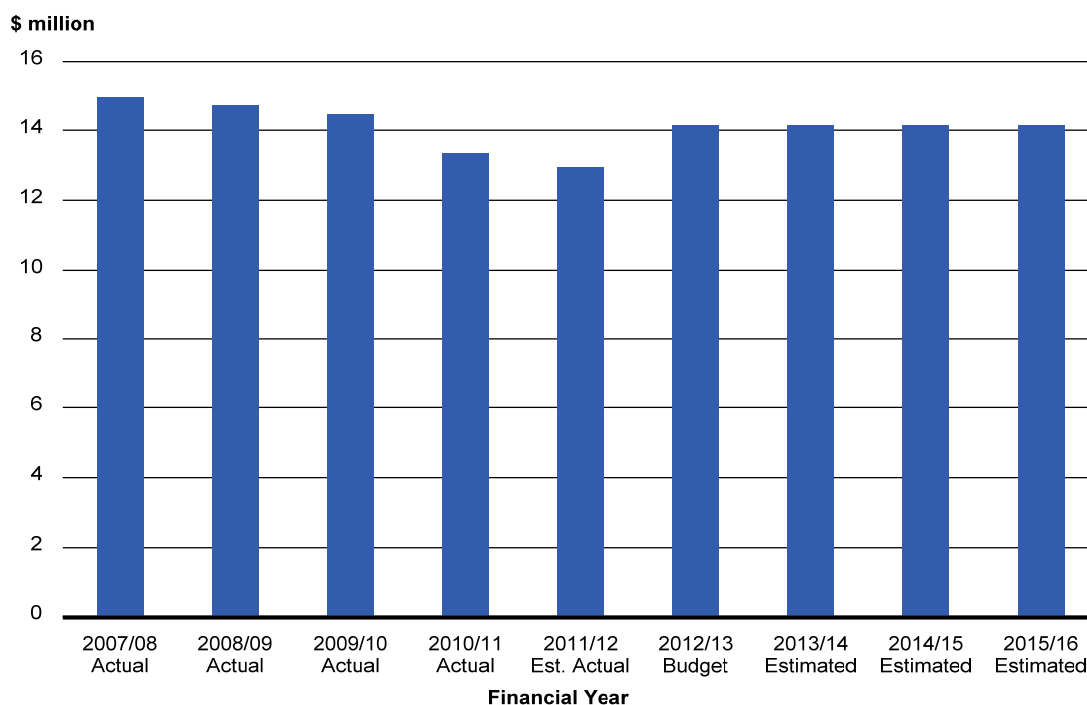
**Figure 1** - Trends in actual, budget and estimated expenses and capital expenditure



Source: MED

The movements in appropriations in Vote Communications, which are detailed in the Summary of Financial Activity table above, are driven by movements in departmental, non-departmental output and non-departmental other expenses as detailed below.

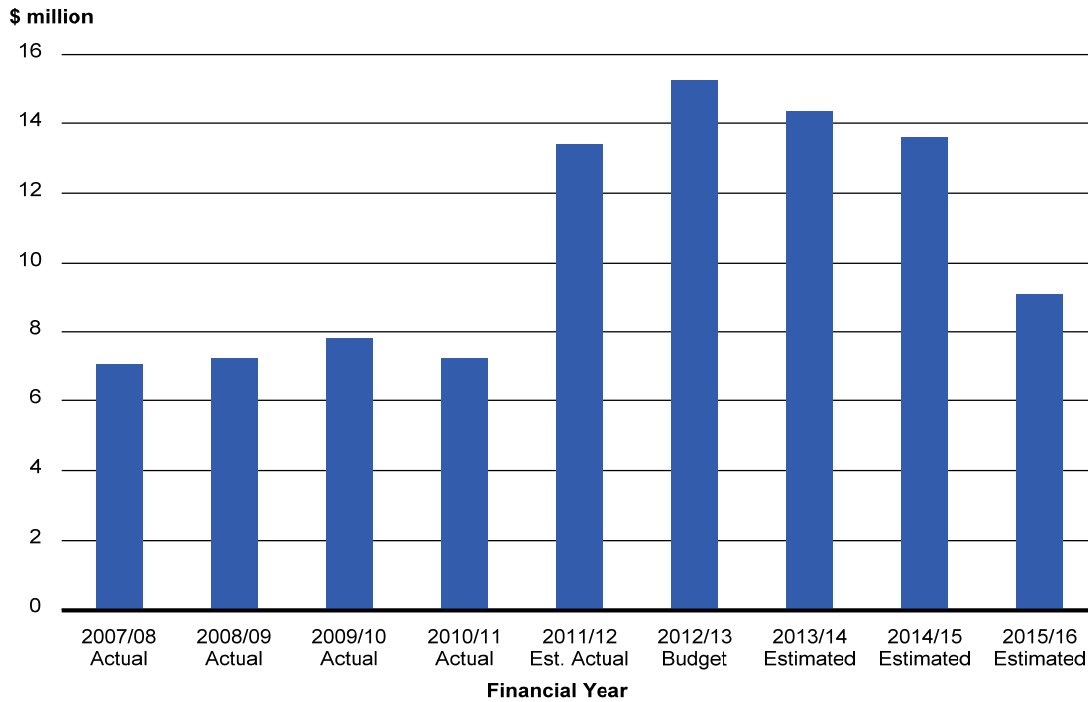
**Figure 2** - Departmental output expenses from 2007/08 to 2015/16



Source: MED

The funding for the work on the implementation of the Governments Ultra Fast Broadband (UFB) and Rural Broadband Initiative (RBI) started in 2009/10 and reduced in 2011/12. The 2010/11 and 2011/12 years also reflect the underspend in Radio Spectrum Management in order to manage their memorandum account. The increase in 2012/13 and outyears reflects full spend in Radio Spectrum Management, the management of RBI contracts, work in relation to UFB and RBI uptake factors, and the Telecommunications Service Obligations (TSO) review.

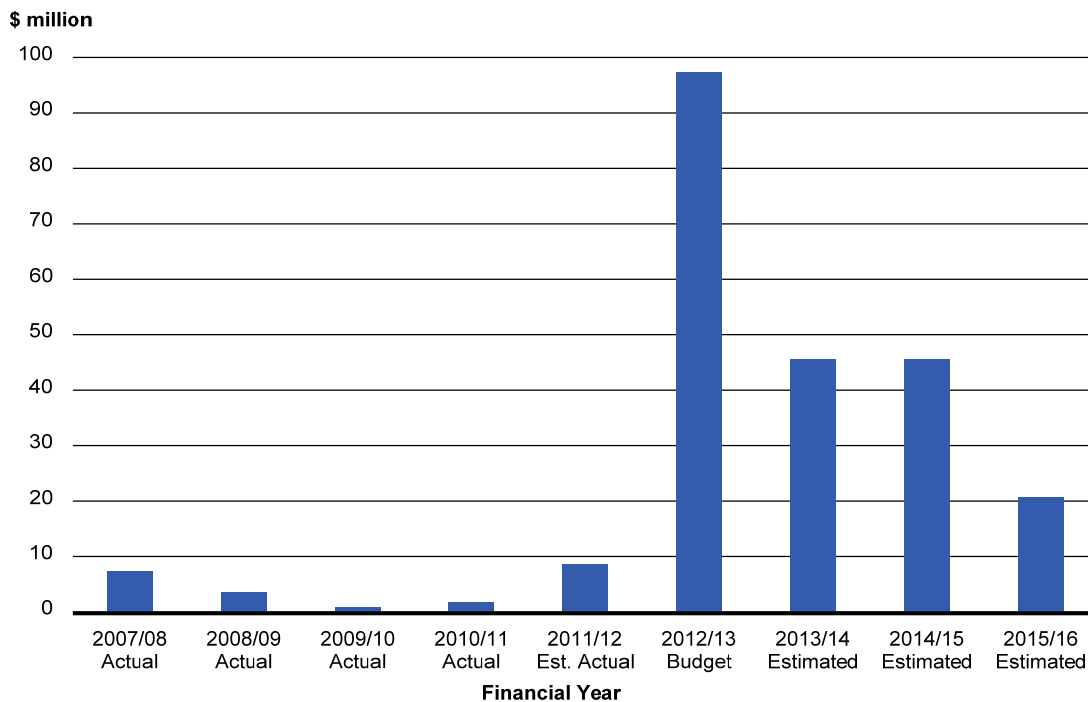
**Figure 3 - Non-departmental output expenses from 2007/08 to 2015/16**



Source: MED

Expenditure increased from 2008/09 through to 2009/10 due to increased funding in "Administrative Support for Telecommunications and Relay Equipment and Services", and decreased in 2010/11 reflecting reduced funding in "Enforcement of Telecommunications Sector Regulation". The increase between 2010/11 and 2011/12 is due to the addition of Deaf Relay video services. Funding for fibre drops to schools increases from 2012/13 and gradually decreases over the period then ceases in 2014/15.

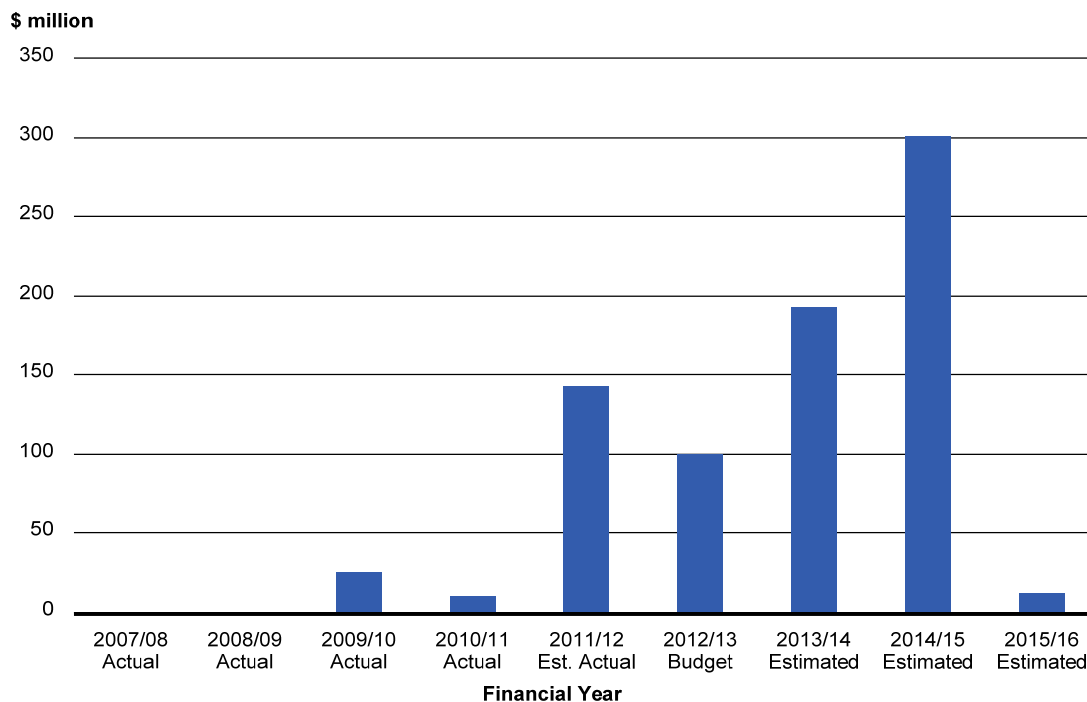
**Figure 4 - Non-departmental other expenses from 2007/08 to 2015/16**



Source: MED

Disbursements were made from 2006/07 under the Digital Strategy High Speed Connectivity for Growth multi-year appropriation, otherwise known as the Broadband Challenge Fund. This contestable fund peaked in 2007/08 and expired at the end of the 2008/09 financial year. In 2009/10, a new contestable fund was established for rural broadband supply (the RBI). The 2011/12 increase is mainly due to the timing of RBI and Deaf Relay expenditure. The funding for RBI increases to \$94 million in 2012/13, and remains at \$42 million in 2013/14 and 2014/15. This then drops to \$17 million in 2015/16.

**Figure 5 - Capital expenditure from 2007/08 to 2015/16**



Source: MED

The movement from 2010/11 to 2011/12 reflects the increase in funding made available for work related to the UFB Initiative. The changes between 2011/12 to 2014/15 reflect the funding of UFB deployment.



## Part 1.4 - Reconciliation of Changes in Appropriation Structure

2011/12 Appropriations in the 2011/12 Structure	2011/12 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2011/12 Appropriations in the 2012/13 Structure	2011/12 (Restated) \$000	2012/13 \$000
<b>Departmental Output Expense</b>						
Policy Advice - Communications	5,039	Transferred to Communications and ICT Operational Policy, Ministerial Servicing and Crown Entity Monitoring	(629)			
		Transferred to Policy Advice - Communications	(4,410)			
		Transferred from Policy Advice - Communications	629	Communications and ICT Operational Policy, Ministerial Servicing and Crown Entity Monitoring	629	629
		Transferred from Policy Advice - Communications	4,410	Policy Advice - Communications	4,410	3,763

The Review of Expenditure on Policy Advice recommended the reorganisation of Policy Advice appropriations. As a result new appropriations have been created for the 2012/13 year and out years.

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-6.

## 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
The quality, availability, price and security of New Zealand's telecommunications services increasingly support its position as a competitive business and 'lifestyle' location.	Policy Advice - Communications Communications and ICT Operational Policy, Ministerial Servicing and Crown Entity Monitoring Management and Enforcement of the Radiocommunications Act 1989
Increased business investment in innovation.	Policy Advice - Communications Communications and ICT Operational Policy, Ministerial Servicing and Crown Entity Monitoring
Improved public services for business.	Management and Enforcement of the Radiocommunications Act 1989

For further information on the intended impacts, outcomes and objectives of the departmental output expense appropriations, please see the Statement of Intent for the Ministry of Economic Development.

#### 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*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	599
Revenue from Crown	-	-	599
Revenue from Other	-	-	-

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

The Review of Expenditure on Policy Advice recommended the reorganisation of Policy Advice appropriations. As a result a new appropriation has been created for the 2012/13 year and out years; this has been funded by way of a fiscally neutral transfer of \$629,000 from the Policy Advice Communications appropriation, offset by \$30,000 for the efficiency dividend savings.

### *Output Performance Measures and Standards*

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Timeliness of submission to the Minister of draft Ministerial correspondence, draft responses to parliamentary questions and draft Ministerial Official Information Act (OIA) responses	95% of draft correspondence and draft Parliamentary questions submitted to the Minister by the due date	Achieved	95% of draft correspondence and draft Parliamentary questions submitted to the Minister by the due date

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Efficiency Dividend	2012/13	-	(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*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	9,894	7,945	9,797
Revenue from Crown	320	320	320
Revenue from Other	7,138	8,842	7,041

### *Reasons for Change in Appropriation*

The \$97,000 decrease in this appropriation between 2011/12 and 2012/13 is due to a reduction of \$115,000 in 2012/13 to reflect the Efficiency Dividend, offset by an increase of \$18,000 in the KiwiSaver and State Services Retirement Savings Schemes.

*Output Performance Measures and Standards*

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quality of instrument registration in the Register of Radio Frequencies.	95% of all correctly submitted instruments registered in accordance with ISO 9001 standards as confirmed by compliance audits	Achieved	95% of all correctly submitted instruments registered in accordance with ISO 9001 standards as confirmed by compliance audits
Timeliness of instrument registration in the Register of Radio Frequencies.	95% of all correctly submitted instruments registered within 5 working days	Achieved	95% of all correctly submitted instruments registered within 5 working days
Quality of granting of radio licences.	100% of all correctly submitted radio licence applications granted in accordance with ISO 9001 standards	Achieved	100% of all correctly submitted radio licence applications granted in accordance with ISO 9001 standards
Timeliness of radio licence recording.	100% of all correctly submitted radio licence applications recorded in the Register of Radio Frequencies within 5 working days	Achieved	100% of all correctly submitted radio licence applications recorded in the Register of Radio Frequencies within 5 working days
Documented interference complaints are actioned in accordance with agreed standards set by the Minister and in accordance with ISO 9001 and responded to within:			
• broadcasting	95% within two working days of being lodged	Achieved	95% within two working days of being lodged
• commercial radio services	95% within one working day of being lodged	Achieved	95% within one working day of being lodged
• public safety services.	95% within two hours of being lodged	Achieved	95% within two hours of being lodged
Compliance audits are actioned in accordance with ISO 9001 standards.	In accordance with ISO 9001 standards	Achieved	Audit results show compliance with ISO 9001 standards

*Memorandum Account*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Management and Enforcement of Radiocommunications Act 1989</b>			
Opening Balance at 1 July	3,898	3,898	5,095
Revenue	7,120	8,832	7,041
Expenses	9,556	7,635	9,477
Closing Balance at 30 June	1,462	5,095	2,659

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Efficiency Dividend	2012/13	-	(115)	(115)	(115)	(115)

**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*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,039	5,039	3,763
Revenue from Crown	4,862	4,862	3,763
Revenue from Other	177	177	-

*Reasons for Change in Appropriation*

The \$1.276 million decrease in this appropriation between 2011/12 and 2012/13 is a result of the following:

- an expense transfer of \$500,000 from 2010/11 to 2011/12 to accommodate timing of work related to the rural broadband implementation which has not been carried forward
- a \$629,000 decrease due to the Review of Expenditure on Policy Advice recommended the reorganisation of Policy Advice appropriations. As a result a new appropriation has been created for the 2012/13 year and out years; this has been funded by way of a fiscally neutral transfer from Policy Advice - Communications to Communications and ICT operational policy, ministerial servicing and Crown entity monitoring appropriation
- a decrease of \$189,000 due to the efficiency dividend savings, and
- an increase of \$42,000 to reflect movements in the KiwiSaver and State Services Retirement Savings Schemes.

### Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quality of policy advice as assessed by the Minister twice during the year against the agreed standards for Policy Advice and Ministerial Servicing.	No less than a 4 (met and sometimes exceeded my expectations)	Achieved	No less than a 4 (met and sometimes exceeded my expectations)
Quality of Regulatory Impact Statements which are subject to assessment by the Treasury or by the Ministry of Economic Development's Regulatory Impact Analysis Review Panel against criteria of completeness, convincing, consulted and clear and concise.	80% fully met the criteria and the remaining 20% at least partially met them	Achieved	80% fully met the criteria and the remaining 20% at least partially met them
Quality of policy briefings meets the agreed criteria as assessed by the Minister.	New Measure	New Measure	80% of policy briefings achieved the rating from the Minister of 3 or more
Quality of policy briefings as assessed by the New Zealand Institute of Economic Research (NZIER) - or an equivalent organisation.	A median score of at least 7.5 (halfway between 'adequate' and 'good - goes beyond the task at hand somewhat')	Achieved	A median score of at least 7.5 (halfway between 'adequate' and 'good - goes beyond the task at hand somewhat')

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
<b>Current Government</b>						
Efficiency Dividend	2012/13	-	(189)	(189)	(189)	(189)
Broadband and Cybersecurity Fiscal Pressures	2011/12	848	848	848	848	848
Savings	2008/09	(400)	(400)	(400)	(400)	(400)
<b>Previous Government</b>						
Digital Governance Shortfall	2008/09	400	400	400	400	400

## Part 2.2 - Non-Departmental Output Expenses

### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
The deaf and hearing impaired and speech impaired New Zealanders can communicate with anyone using the standard telephone network.	Administrative Support for Telecommunications Relay Equipment and Services
<p><b>Regulation outcomes the Commerce Commission influences:</b></p> <ul style="list-style-type: none"> <li>• Regulation is better targeted and more effective - by delivering targeted and effective regulation of goods and services in markets where there is little or no competition, consumers receive the goods and services that would have been available if the market was competitive.</li> </ul> <p><b>Regulation impacts the Commerce Commission seeks to have over time:</b></p> <ul style="list-style-type: none"> <li>• Regulatory decisions to promote statutory objectives.</li> <li>• Businesses and consumers have an increased understanding of business and market performance.</li> <li>• Businesses are encouraged to act consistently with regulatory obligations.</li> <li>• Conduct by businesses that does not comply with regulatory obligations is detected and dealt with appropriately.</li> <li>• Businesses and consumers are aware of and understand regulatory regimes and the benefits of targeted regulation.</li> </ul>	Enforcement of Telecommunications Sector Regulations (see Note 1)

**Note 1** - For further information on the intended impacts, outcomes and objectives of the non-departmental output expense appropriation 'Enforcement of Telecommunications Sector regulations' please see the Statement of Intent for the Commerce Commission.

## 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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,269	955	1,269

### Reasons for Change in Appropriation

No change for this appropriation.

### Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Quality</b>			
Vendors comply with contractual arrangements for the supply of equipment and services associated with the deaf relay service.	In accordance with procurement policy	Met	Meet contractual obligations as specified in contract

## Enforcement of Telecommunications Sector Regulation (M88)

### Scope of Appropriation

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

### Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,790	7,790	6,000



### *Reasons for Change in Appropriation*

This appropriation decreased by \$1.790 million between 2011/12 and 2012/13 due to improved efficiency and a reduction in regulatory activities.

### *Output Performance Measures and Standards*

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Regulation</b>			
Number of determinations ( includes determinations, clarifications, reviews and amendments)	New Measure	New Measure	2-6
Average time to complete Telecommunications determinations	New Measure	New Measure	10 months
Percentage of stakeholders who find the Commission determinations and supporting reasons clear	New Measure	New Measure	75%
<b>Public Reports and Advice to Officials</b>			
Number of reports completed (monitoring reports, summary and analysis reports, information disclosure reports, ministerial reports)	New Measure	New Measure	3-8
Number of substantial pieces of advice provided to officials to inform policy design	New Measure	New Measure	2-6
Percentage of stakeholders who rate our reports good or above	New Measure	New Measure	75%
Percentage of reports completed by the set date	New Measure	New Measure	100%
<b>Compliance and Enforcement</b>			
Number of compliance assessments completed	New Measure	New Measure	0-4
Number of enforcement cases taken	New Measure	New Measure	0-1
Percentage of compliance assessments completed by the set date	New Measure	New Measure	100%
<b>Quality measure for all outputs</b>			
Number of successful legal challenges of the Commission's processes	New Measure	New Measure	0

### **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*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	11,838	4,664	7,970

### Reasons for Change in Appropriation

The \$3.868 million decrease in this appropriation between 2011/12 and 2012/13 is in accordance with the funding schedule agreed in the 2011 Budget.

### Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
UFB and RBI providers comply with the contractual deliverables for supply of fibre connections from the school boundary to the school building.	N/A	N/A	Meet contractual obligations as specified in contract

### Summary of Service Providers for Non-Departmental Outputs

Provider	2011/12 Budgeted \$000	2011/12 Estimated Actual \$000	2012/13 Budget \$000	Reporting Mechanism	Expiry of Funding Commitment
<b>Crown entities</b>					
<i>Auckland University of Technology</i> Administrative Support for Telecommunications Relay Equipment and Services	75	75	75	Not required	ongoing
<i>Commerce Commission</i> Enforcement of Telecommunications Sector Regulations	7,790	7,790	6,000	Provider's annual report	ongoing
<b>Non-government organisations</b>					
<i>Consultel Associates Ltd</i> Administrative Support for Telecommunications Relay Equipment and Services	78	78	78	Monthly Status Update	ongoing
<i>CSD</i> Administrative Support for Telecommunications Relay Equipment and Services	38	38	216	Monthly Status Update	ongoing
<i>Sprint International Ltd</i> Administrative Support for Telecommunications Relay Equipment and Services	1,053	779	900	Monthly Status Update	ongoing
<i>Counties Power Ltd</i> Administrative Support for Telecommunications Relay Equipment and Services	25	25	0	Monthly Status Update	2012
<b>Total</b>	<b>9,059</b>	<b>8,785</b>	<b>7,269</b>		

The above table summarises funding to be allocated through Vote Communications to non-departmental providers, along with an indication of the mechanism to be used for reporting actual performance and (where determined) the length of the funding commitment.

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

### Part 5.2 - Non-Departmental Other Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
The quality, availability, price and online security of New Zealand's communications services increasingly support its position as a competitive business and 'lifestyle' location <b>Impact:</b> Improved broadband services to rural areas.	Broadband Investment (Rural Supply)
The quality, availability, price and online security of New Zealand's communications services increasingly support its position as a competitive business and 'lifestyle' location <b>Impact:</b> New Zealand's interests are represented in international ICT fora and trade negotiations.	Contributions to International Telecommunications Organisations

#### 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*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	970	945	970

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

No change for this appropriation.

##### *Expected Results*

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Membership of the Asia Pacific Telecommunity and subscription to the International Telecommunications Union to ensure that New Zealand's interests are met within wider international telecommunications environment and maintain a flexible and liberalised framework consistent with New Zealand's telecommunications policy and regulatory regime.	Membership/subscriptions maintained and key meetings attended to ensure that New Zealand's interest are represented	Achieved	Membership/subscriptions maintained and key meetings attended to ensure that New Zealand's interest are represented

## 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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,300	2,300	2,400

### Reasons for Change in Appropriation

This appropriation increased by \$100,000 between 2011/12 and 2012/13 as per the original cabinet policy decision.

### Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Vendors comply with contractual arrangements for the supply of services associated with the deaf relay service.	New Measure	New Measure	Meet contractual obligations as specified in contract.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Telecommunications Industry Levies	2011/12	2,300	2,400	2,500	2,500	2,600

## 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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	57,000	-	94,000

### *Reasons for Change in Appropriation*

This appropriation increased by \$37 million between 2011/12 and 2012/13 due to the original cabinet policy decision.

### *Expected Results*

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Vendors comply with contractual arrangements for the supply of telecommunications services associated with RBI.	New Measure	New Measure	Meet contractual obligations as specified in contract.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Telecommunications Industry Levies	2011/12	57,000	94,000	42,000	42,000	17,000

### **Reporting Mechanisms**

Appropriation	Reporting Mechanism
Contributions to International Telecommunications Organisations	Not required.
Telecommunications Development Levy Funded Procurement - Deaf Relay Service TSO	Status update from contracted suppliers.
Telecommunications Development Levy Funded Procurement - Non-Urban Infrastructure	Section 32A Report

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.

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

### Part 6.2 - Non-Departmental Capital Expenditure

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
The quality, availability, price and online security of New Zealand's communications services increasingly support its position as a competitive business and 'lifestyle' location. <b>Objective:</b> Ultra-fast broadband available to 75% of the population by 2019, and to priority users (businesses, schools, health services) by the end of 2015.	Accelerating Broadband Broadband Investment (Crown Company Capital Costs) Broadband Investment (Schools)
The deaf, hearing impaired and speech impaired New Zealanders can communicate with anyone using the standard telephone network.	Acquisition of Textphone Equipment

#### 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*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	200	100	200

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

No change for this appropriation.

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

### *Scope of Appropriation and Capital Expenditure*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b><i>Broadband Investment (Crown Fibre Holdings Capital Costs) (M88)</i></b>	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 2010/11	-
	Adjustments for 2011/12	-
Commences: 22 August 2011	Adjusted Appropriation	408,000
Expires: 30 June 2016	Actual to 2010/11 Year End	-
	Estimated Actual for 2011/12	-
	Estimated Actual for 2012/13	100,000
	Estimated Appropriation Remaining	308,000

### *Reasons for Change in Appropriation*

This new appropriation was established in 2011/12 by way of a fiscally neutral adjustment with funding transferred from the Non-Departmental capital annual appropriation "Broadband Investment (Crown Company Capital Costs)" to provide for Crown Fibre Holding funding for the ultra-fast broadband investment.

### *Expected Results*

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The Government's fibre roll out targets that an ultra-fast broadband network is available to 75% of the population by 2019, and to priority users (businesses, schools and health services) by the end of 2015.	New Measure	New Measure	Roll out targets are met.
Vendors comply with contractual delivery for the roll out of fibre associated with the delivery of UFB.	New Measure	New Measure	Meet contractual obligations as specified in contract.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Multi-Year Appropriation for Ultra-Fast Broadband	2011/12	100,000	100,000	100,000	100,000	8,000

## Reporting Mechanisms

Appropriation	Reporting Mechanism
Acquisition of textphone equipment	Not required
Broadband Investment (Crown Company Capital Costs)	Annual Report of Crown Fibre Holdings Limited
Broadband Investment (Crown Fibre Holdings Capital Costs)	Annual Report of Crown Fibre Holdings Limited

The above table indicates the mechanisms to be used for reporting actual results for each non-departmental capital expenditure appropriation.