

# VOTE

## *Communications*

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# Communications

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## Overview

Appropriations sought for Vote Communications in 2006/07 total \$20.112 million. This amount is to be applied as follows:

### Departmental Appropriations

Appropriations of \$13.497 million (67.1% of the Vote) are sought for purchasing services from the Ministry of Economic Development including:

- \$3.648 million (18.1% of the Vote) on policy advice on the communications sector, including management of the radio spectrum.
- \$9.849 million (49.0% of the Vote) on operational management of the radio spectrum.

### Non-Departmental Appropriations

Appropriations for non-departmental outputs total \$5.075 million (25.2% of the Vote) and relate to the enforcement of telecommunications sector regulation, and to fund a textphone pool to ensure textphones are affordable following the establishment of a Telecommunications Relay Service for deaf people, hearing impaired people and speech impaired people.

Appropriations for non-departmental other expenses total \$930,000 (4.6% of the Vote) for the Crown's membership of international telecommunications organisations.

\$610,000 (3.1% of the Vote) capital funding has been provided for the acquisition of textphone equipment for the deaf, hearing impaired and speech impaired people.

Finally, a multi-year appropriation totalling \$19.267 million applies over a four year term between 2005/06 to 2008/09 for digital strategy initiatives.

### Crown Revenue and Receipts

The Crown is forecast to collect \$3.801 million in 2006/07 from telecommunications businesses to fund telecommunications regulation activity.

Details of how the appropriations are to be applied appear in Parts B1, B2, and C of this Vote. Details of Crown revenue appear in Part F.

## Terms and Definitions Used

|     |   |
|-----|---|
| ICT | Information and Communications Technology |
| MYA | Multi-year Appropriation                  |
| TSO | Telecommunications Service Obligation     |

## Minister Portfolio Table

|    |                            |
|----|----------------------------|
| 14 | Minister of Communications |
|----|----------------------------|

# Communications

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VOTE MINISTER: Minister of Communications

ADMINISTERING DEPARTMENT: Ministry of Economic Development

The Minister for Economic Development is the Responsible Minister for the Ministry of Economic Development

## Part A - Statement of Objectives and Trends

### Part A1 - Objectives for Vote

#### *Related Government Outcomes*

A priority for the Government is working to progress New Zealand's economic transformation to a high income, knowledge based market economy, which is both innovative and creative, and provides a unique quality of life to all New Zealanders.

Within the economic transformation agenda there are the following sub-themes:

- Growing globally competitive firms.
- World class infrastructure.
- Innovative and productive workplaces, underpinned by high standards in education, skills and research.
- An internationally competitive city - Auckland.
- Environmental sustainability.

Both the Communications and Information Technology portfolios contribute to the objective of increasing New Zealand's rate of growth in per capita income. World class infrastructure, which includes reliable, accessible, up-to-date, cost-effective telecommunications services and information technology applications are essential underpinnings for economic growth. They are widely recognised as key enablers of sustainable economic development and a knowledge economy because of their contribution to higher levels of innovation and productivity. Broadband services being available to, and usable by, all New Zealanders are particularly important.

The government has a number of roles in relation to the information and communications technology sector. These include:

- promoting competition in communications markets (telecommunications, broadcasting and postal) for the best long-term interests of end users
- ensuring certain social objectives are met that are related to the availability and affordability of services
- ensuring the radio spectrum resource is allocated and used efficiently, and
- facilitating the provision of broadband and the uptake of information technology across the economy.

The services to be purchased under Vote Communications will allow the Ministry of Economic Development and other agencies to deliver outputs that contribute to this goal.

## *Strategic Issues*

Information and communications technology (ICT) is an essential component of New Zealand's infrastructure. It underpins economic activity and provides linkages both at the domestic and international level. The Government's main goals for ICT are:

- seamless and easy access to information to support commercial, research and other productive activity (content)
- enhancing the skills needed to utilise the resources available (confidence and capability), and
- availability of networks and terminal devices to support New Zealand's communication needs (connection).

Opportunities and risks arising from rapid technological changes in the ICT sector need to be assessed, with policies and programmes developed that offer best prospects for enhancing productivity and social and cultural outcomes.

Four major challenges face the portfolio:

**Promoting broadband.** The government's Economic Transformation agenda includes a particular focus on the Broadband infrastructure issues.

Broadband is an enabler of productivity, growth, and economic transformation, yet New Zealand is lagging behind other developed countries on some important broadband indicators. Broadband is expected to have a major impact at all levels of the economy from the residential sector, to small- to medium-size businesses, through to major users such as research organisations, multinationals and government. A range of government-led broadband initiatives are already in train. The success of these in encouraging the provision and take up of broadband services requires careful oversight.

Accordingly, one of the key policy issues for the telecommunications sector over the next three years is the telecommunications sector's performance in facilitating the take up of advanced Broadband services.

The government will be addressing the relevant policy, legislative, and regulatory settings as a matter of urgency. The review of the Telecommunications Act, the regulatory stocktake and the Digital Strategy implementation are the main elements of this programme.

**Information communications technology as an enabler: implementing the Digital Strategy.** The Digital Strategy sets out the main actions the government is taking to promote information communications technology as a general enabler and discusses the role of other parties (firms, local government, communities, etc.) if we are to raise our collective performance.

The Strategy outlines significant initiatives, to be completed over the next three years, which will be taken to address the strategy's three dimensions (content, confidence and connection).

**Improving the performance of the telecommunications sector.** As noted above, the government will be addressing relevant policy, legislative, and regulatory settings as a matter of urgency. Longer term, a range of new issues is likely to arise with the transition to next generation networks. Ongoing monitoring and benchmarking of sector performance in comparison to international peers will continue to take place to inform policy decisions.

The challenge remains to maintain strong incentives for investment while also providing access to bottleneck services.

**Ensuring the radio spectrum supports existing and new services.** As well as providing greater investment certainty for the existing spectrum users, an ongoing challenge in spectrum management will be to ensure the regulatory regime keeps up with and spurs new technology and services.

During 2006/07 the Ministry will place emphasis on monitoring and enhancing the telecommunications regulatory regime, including: managing the implementation review of the Telecommunications Act 2001 and implementing any changes arising from the stocktake review on the telecommunications sector; continuing to implement the Government's Digital Strategy; evaluating the effectiveness of any work done on the regulated services arising from the mobile termination review, including considering other issues relevant to the effective operation of the cellular market; monitoring and maintaining the ICT regulatory regime to ensure that it keeps pace with technological changes; and will continue to report to the Government on the outcome of investigations into telecommunications regulatory issues undertaken by the Commerce Commission.

The Ministry will also finalise offers for the renewal of cellular spectrum rights, and provide advice on new allocations of spectrum, with an emphasis on self management techniques, and enabling new technologies and services for the benefit of consumers.

These initiatives will ensure that Information and Communication Technologies make a full contribution to economic development by providing business and consumers with the services they need at reasonable cost.

### *Appropriations Linkages to the Government's Outcomes*

#### **Departmental output expenses**

The Ministry of Economic Development contributes to the Government's economic transformation agenda.

Given the wide range of the Ministry of Economic Development's activities, one of the main challenges has been to identify areas of work that the Ministry can do within this Vote to make the biggest contribution to improving growth in New Zealand. The Ministry has identified working with five key priority areas aligned to key Government priorities that are considered to be the most important areas for the Ministry to focus on over the next three to five years. These are: leading a whole of government approach to economic development; improving the international linkages that allow firms to benefit from trade, knowledge transfer and investment; fostering entrepreneurship and innovation in New Zealand firms; strengthening the growth focus in the regulatory environment for business; and improving the quality and reliability of key infrastructure services.

In contributing to these areas under Vote Communications, the Ministry of Economic Development will provide strategic and technical policy advice on information technology, the Government's broadband strategy, telecommunications, postal services, and the management of radio spectrum. The Ministry will also provide administration services related to the management of the radio spectrum.

The Ministry also provides advice to the Government on regulatory and related measures needed to ensure that reliable, innovative and efficient communications services are available. A particular focus is to ensure that any regulation is well designed and can be complied with at reasonable cost.

The Ministry's strategic priorities describe the things it will put particular emphasis on in order to best promote growth. However the Ministry's work goes beyond the priorities to include a large number of activities that may make a less significant contribution to growth but are nevertheless important in maintaining an effective environment for business. The entirety of the Ministry's work, including work on the strategic priorities, is captured by the Ministry's Business Environment outcomes. The table below summarises the contribution that different outputs make to the Ministry's Business Environment outcomes.

| Output   | Contribution of Appropriations to Outcomes   |
|--|--|
| <b>Harnessing ICTs</b><br>Information and communications services and technologies make a significant contribution to productivity improvement and quality of life in New Zealand. | Policy advice in respect to information and communications technology, including the government's broadband and ICT Sector development strategies, telecommunications, and postal markets, and the management of the radio spectrum.   |
| <b>Protecting Dynamic Competition</b><br>Competition regulation promotes dynamic markets and innovation.   | Policy advice in respect of telecommunications, and postal markets, and the management of the radio spectrum, including advice on New Zealand's performance compared with other countries in terms of prices and the uptake of new services.<br><br>Resolution of disputes by the Commerce Commission in respect of regulated services and advice on possible future regulated services. |
| <b>Managing Our Natural Resources</b><br>Government enables business to generate economic benefits sustainably from New Zealand's natural resources.                               | Policy advice in respect of the management of the radio spectrum in New Zealand, including the creation and allocation of rights in relation to spectrum, and the representation of New Zealand's radio spectrum interests in inter-governmental forums.<br><br>Administration of New Zealand's radio spectrum regime.   |

### Non-departmental output expenses

Appropriations are sought in this Vote include purchasing outputs from the Commerce Commission for advice on regulating telecommunication services and the operation of Telecommunications Service Obligations such as the Kiwi Share. These outputs contribute to the government's goals by encouraging the telecommunications market to be dynamic, competitive, and encourage investment.

Appropriations are also sought to cover the cost of purchasing services for the maintenance and administration of a pool of telephone equipment. The pool facilitates the availability of affordable telephones for meeting the telephone communications needs of the deaf, hearing impaired people and speech impaired people to enable them to contribute to the economy and generally be included in all aspects of society.

### Part A2 - Trends in Vote

#### *Classes of Outputs to be Supplied*

##### Output trends from 2001/02 to 2005/06

There have been a number of significant changes in Vote Communications in recent years.

From 2001/02 the full year impact of the establishment of the Telecommunications Commissioner occurred. The Commissioner is responsible for resolving disputes over regulated services and reports to the Minister on a range of issues relating to telecommunications.

This increase is offset by a transfer of responsibility for policy advice on broadcasting standards in 2001/02 to Vote Arts, Culture and Heritage when funding for policy advice on Māori broadcasting, including the operation of Te Māngai Paho, was transferred from Vote Communications to Vote Māori Affairs. In 2000/01 non-departmental output expenses in respect of broadcasting standards and Māori broadcasting were transferred from Vote Communications to Votes Arts, Culture and Heritage and Māori Affairs respectively.

Other changes to departmental appropriations have also had an impact on the appropriation trends for Vote Communications over recent years. These mainly reflect the following:

- a review on the management of the Ministry's radio spectrum functions to improve operational effectiveness resulting in a one off increase in appropriation in 2002/03 to meet restructuring costs and a longer term reduction in funding from 2003/04, and
- additional funding from 2003/04 which is subject to approval of the Minister of Communications, to carry out radio spectrum sales (\$320,000).

Furthermore, from 2003/04 additional funding was provided for a textphone pool to ensure textphones are affordable following the establishment of a Telecommunications Relay Service for deaf people, hearing impaired people and speech impaired people (\$23,000 in 2003/04 and \$789,000 in 2004/05). Associated with this initiative capital funding has also been provided to purchase textphones after the establishment of a textphone pool for deaf, hearing impaired and speech impaired people (\$1.140 million in 2004/05).

Expenditure for classes of outputs increased in 2004/05 due to the transfer of Information Technology policy from Vote Commerce to Vote Communications (\$853,000 per annum). This was a technical change to better align appropriations with portfolio accountability. This increase was offset by a reallocation of funding from Vote Communications to Vote Consumer Affairs to meet funding pressures associated with that Vote (\$178,000 per annum). An increase in appropriations in 2005/06 reflected expenditure in appropriation activity relating to the administration and implementation of the Digital Strategy. In addition a new multi-year appropriation totalling \$19.267 million apply over a four year term between 2005/06 to 2008/09 was established for digital strategy initiatives. Additionally one off funding was reprioritised within Ministry baselines mainly to meet additional costs as a result of increasing urgency to address broadband uptake and other issues relating to the telecommunications sector.

### *Appropriation changes from 2006/07*

The decrease in appropriations in 2006/07 mainly reflects expenditure in appropriation activity relating to the stocktake review on the telecommunications sector in 2005/06, and timing of the implementation of the provision of textphone access. This is offset in part by additional funding in 2006/07 relating to the progression of the regulation of the telecommunications industry at the necessary speed in a changing environment.

For further details of new initiatives agreed, refer to the “New Policy Initiatives by Appropriation” table below.

### **Crown revenue and receipts**

Fluctuations in Crown revenue during the period have been caused mainly by radio spectrum auctions. Changes in demand for replacement licences have also been a factor.

## New Policy Initiatives by Appropriations

| Initiative   | Appropriation as shown in Part B  | \$000 increase/(decrease) |            |            |            |            |
|--|---|---------------------------|------------|------------|------------|------------|
|  |   | 2005/06                   | 2006/07    | 2007/08    | 2008/09    | 2009/10    |
| High Speed Connectivity for Growth - Digital Strategy      | Departmental Output Expense - Policy Advice - Communications                          | 100                       | 200        | -          | -          | -          |
| Progress the regulation of the Telecommunications industry | Non-Departmental Output Expense - Enforcement of Telecommunications Sector Regulation | -                         | 500        | 500        | 300        | 300        |
| <b>Total Initiatives</b>                                   |   | <b>100</b>                | <b>700</b> | <b>500</b> | <b>300</b> | <b>300</b> |

## Part B - Statement of Appropriations

### Summary of Financial Activity

|   | 2001/02         | 2002/03         | 2003/04         | 2004/05         | 2005/06         |                              | 2006/07 Appropriations to be Used           |                |                                      |                | 2007/08        | 2008/09            | 2009/10            |                    |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|---|----------------|--------------------------------------|----------------|----------------|--------------------|--------------------|--------------------|
|   | Actual<br>\$000 | Actual<br>\$000 | Actual<br>\$000 | Actual<br>\$000 | Budget<br>\$000 | Estimated<br>Actual<br>\$000 | By the Department<br>Administering the Vote |                | For Non-Departmental<br>Transactions |                | Total<br>\$000 | Estimated<br>\$000 | Estimated<br>\$000 | Estimated<br>\$000 |
|   |                 |                 |                 |                 |                 |                              | Annual<br>\$000                             | Other<br>\$000 | Annual<br>\$000                      | Other<br>\$000 |                |                    |                    |                    |
| <b>Appropriations</b>   |                 |                 |                 |                 |                 |                              |   |                |                                      |                |                |                    |                    |                    |
| Output Expenses   | 15,999          | 16,074          | 13,849          | 15,071          | 18,949          | 18,949                       | 13,497                                      | -              | 5,075                                | -              | 18,572         | 18,643             | 17,831             | 17,831             |
| Benefits and Other<br>Unrequited Expenses                                   | -               | -               | -               | -               | -               | -                            | N/A   | N/A            | -                                    | -              | -              | -                  | -                  | -                  |
| Borrowing Expenses  | -               | -               | -               | -               | -               | -                            | N/A   | N/A            | -                                    | -              | -              | -                  | -                  | -                  |
| Other Expenses  | 900             | 907             | 837             | 1,050           | 930             | 930                          | -   | -              | 930                                  | -              | 930            | 930                | 930                | 930                |
| Capital Expenditure   | -               | -               | -               | 788             | 954             | 954                          | N/A   | N/A            | 610                                  | -              | 610            | 610                | 610                | 610                |
| Intelligence and Security<br>Department Expenses and<br>Capital Expenditure | -               | -               | -               | -               | -               | -                            | -   | -              | N/A                                  | N/A            | -              | -                  | -                  | -                  |
| <b>Total Appropriations</b>   | <b>16,899</b>   | <b>16,981</b>   | <b>14,686</b>   | <b>16,909</b>   | <b>20,833</b>   | <b>20,833</b>                | <b>13,497</b>                               | <b>-</b>       | <b>6,615</b>                         | <b>-</b>       | <b>20,112</b>  | <b>20,183</b>      | <b>19,371</b>      | <b>19,371</b>      |
| <b>Crown Revenue and<br/>Receipts</b>                                       |                 |                 |                 |                 |                 |                              |   |                |                                      |                |                |                    |                    |                    |
| Tax Revenue   | -               | -               | -               | -               | -               | -                            | N/A   | N/A            | N/A                                  | N/A            | -              | -                  | -                  | -                  |
| Non-Tax Revenue   | 2,848           | 2,986           | 3,021           | 2,989           | 3,501           | 3,501                        | N/A   | N/A            | N/A                                  | N/A            | 3,801          | 3,801              | 3,801              | 3,801              |
| Capital Receipts  | -               | 9,119           | 17,790          | 90              | -               | -                            | N/A   | N/A            | N/A                                  | N/A            | -              | -                  | -                  | -                  |
| <b>Total Crown Revenue<br/>and Receipts</b>                                 | <b>2,848</b>    | <b>12,105</b>   | <b>20,811</b>   | <b>3,079</b>    | <b>3,501</b>    | <b>3,501</b>                 | <b>N/A</b>                                  | <b>N/A</b>     | <b>N/A</b>                           | <b>N/A</b>     | <b>3,801</b>   | <b>3,801</b>       | <b>3,801</b>       | <b>3,801</b>       |

## Part B1 - Details of Appropriations

| Appropriations  | 2005/06      |             |                  |             | 2006/07      |             | Scope of 2006/07 Appropriations  |
|---|--------------|-------------|------------------|-------------|--------------|-------------|--|
|   | Budget       |             | Estimated Actual |             | Vote         |             |  |
|   | Annual \$000 | Other \$000 | Annual \$000     | Other \$000 | Annual \$000 | Other \$000 |  |
| <b>Departmental Output Expenses (General)</b>                         |              |             |                  |             |              |             |  |
| Management and Enforcement of the Radiocommunications Act 1989 (M14)  | 9,971        | -           | 9,971            | -           | 9,849        | -           | - Management of the radio spectrum, including technical arrangements for the allocation of spectrum, management of spectrum sales and representation of New Zealand's international radio spectrum interests.        |
| Policy Advice - Communications (M14)                                  | 4,144        | -           | 4,144            | -           | 3,648        | -           | - Policy advice on information technology, the Government's Digital Strategy, telecommunications (including broadband), postal services, and the allocation and management of the radio spectrum.                    |
| <b>Total Departmental Output Expenses (General)</b>                   | 14,115       | -           | 14,115           | -           | 13,497       | -           |  |
| <b>Non-Departmental Output Expenses</b>                               |              |             |                  |             |              |             |  |
| Enforcement of Telecommunications Sector Regulation (M14)             | 3,500        | -           | 3,500            | -           | 4,000        | -           | - Purchase of services for dispute resolution over regulated telecommunication services and advice on possible future regulated services and Kiwi Share related issues.  |
| Provision of Textphone Access (M14)                                   | 1,334        | -           | 1,334            | -           | 1,075        | -           | - To provide funding for a textphone pool to ensure textphones are affordable following the establishment of a Telecommunications Relay Service for deaf people, hearing impaired people and speech impaired people. |
| <b>Total Non-Departmental Output Expenses</b>                         | 4,834        | -           | 4,834            | -           | 5,075        | -           |  |
| <b>Other Expenses to be Incurred by the Crown</b>                     |              |             |                  |             |              |             |  |
| Contributions to International Telecommunications Organisations (M14) | 930          | -           | 930              | -           | 930          | -           | - The Crown's annual membership of the Asia Pacific Telecommunity and subscription to the International Telecommunications Union.  |
| <b>Total Other Expenses to be Incurred by the Crown</b>               | 930          | -           | 930              | -           | 930          | -           |  |
| <b>Capital Expenditure</b>  |              |             |                  |             |              |             |  |
| Acquisition of Textphone Equipment (M14)                              | 954          | -           | 954              | -           | 610          | -           | - To purchase textphones after the establishment of a textphone pool for deaf, hearing impaired and speech impaired people.  |
| <b>Total Capital Expenditure</b>                                      | 954          | -           | 954              | -           | 610          | -           |  |
| <b>Total Appropriations</b>   | 20,833       | -           | 20,833           | -           | 20,112       | -           |  |

## Part B2 - Details of Multi-Year Appropriations

| Appropriations   | Current<br>Appropriation<br>\$000 | Scope of Appropriations   |
|--|-----------------------------------|---|
| Other Expenses to be Incurred by the Crown                         |                                   |   |
| <b>Digital Strategy - High Speed Connectivity for Growth (M14)</b> |                                   | A contestable fund for partnerships that have projects that extend high-speed broadband to regional centres and businesses and make broadband available to smaller communities.                           |
| Original Appropriation   | 20,267                            | This is a Multi-year Appropriation of \$19.267 million over the four years from 2005/06 to 2008/09.   |
| Commences  | 1 July 2005                       |   |
| Expires  | 30 June 2009                      | Reason for Change: The adjustment relates to a transfer to Vote Education to fund Project Probe, and a transfer to Policy Advice - Communications to support administration of this Digital Strategy MYA. |
| Adjustments 2005/06  | (1,000)                           |   |
| Appropriation  | 19,267                            |   |
| Estimated Actual to 2005/06 Year End                               | 3,953                             |   |
| Estimated Actual to 2006/07 Year End                               | 7,106                             |   |

## Part C - Explanation of Appropriations for Output Expenses

### Part C1 - Departmental Output Expenses

#### *Policy Advice - Communications*

This appropriation provides strategic and technical policy advice on information technology, the Government's Digital Strategy, telecommunications (including broadband), postal services, and allocation and management of the radio spectrum.

Outputs in this appropriation include policy advice on:

- information technology, including implementation of the Digital Strategy
- services and activities regulated under the Telecommunications Act 2001 and development of regulations where required
- the policy and legislative regime for the management and allocation of radio spectrum, and
- representing New Zealand's interests at international forums relating to information technology, telecommunications and postal services.

#### *Management and Enforcement of the Radiocommunications Act 1989*

This appropriation provides services relating to radio frequency spectrum management services in relation to the management of the Radiocommunications Act 1989, including:

- establishing technical arrangements for the allocation of radio spectrum, including international coordination and representation
- creating and issuing licences
- providing licence registration services and access to the information held on the register of radio frequencies
- assisting with the resolution of radio spectrum interference complaints
- ensuring compliance with, and enforcement of, the statutory responsibilities of all radio spectrum users, and
- managing radio spectrum sales.

### Part C2 - Non-Departmental Output Expenses

#### *Enforcement of Telecommunications Sector Regulation*

The Minister of Communications will purchase services for:

- the allocation of specified telecommunications service obligation (TSO) costs between providers, and the approval of codes drafted by the telecommunications industry, and

- the conduct of inquiries and provision of reports to the Minister on:
  - any non-compliance of telecommunications service providers with the obligations set out in the TSO instruments, and
  - whether alterations should be made to the designated and specified services in Schedule 1 of the Telecommunications Act 2001. Provision of reports may be in response to a request by the Minister or initiated by the Commerce Commission.

The Minister of Communications will also purchase services for the conduct of litigation activity arising from the above and for the provision of information to businesses and consumers promoting greater understanding of the parties’ statutory rights and obligations under the Telecommunications Act 2001.

**Quantity, quality, timeliness and cost**

Where appropriate, comparative standards for the previous year are shown in parentheses.

| Performance Measures   | 2005/06 Performance Standards |
|--|-------------------------------|
| <b>Quantity</b>  |                               |
| Telecommunication Service Obligation Cost Allocation Determinations decided                                    | 2 (2-3)                       |
| Industry Code Approval Applications decided  | 1-2 (1-2)                     |
| Telecommunication Service Obligation Compliance Reports completed  | 2 (2)                         |
| Designated or Specified Services Reports completed   | 1-3 (13-15)                   |
| Appeals filed against/ reviews of Commission Determinations  | 3 (0-2)                       |
| <b>Quality</b>   |                               |
| Successful challenges to the Commission's processes during the course of adjudications/reports to the Minister | Nil (Nil)                     |
| <b>Timeliness</b>  |                               |
| Average elapsed time for completion within stated standards  | 100% (100%)                   |

**Cost**

|                             | 2005/06<br>\$000 | 2006/07<br>\$000 |
|-----------------------------|------------------|------------------|
| Total output class expenses | 3,500            | 4,000            |

**Provider**

Commerce Commission.

### *Provision of Textphone Access*

This appropriation covers the cost of purchasing services for administration of contracts to ensure textphones and relay services are available to deaf people, hearing impaired people and speech impaired people.

#### **Quantity, quality, timeliness and cost**

Performance will be measured against standards set out in the agreements with the Textphone Provider.

#### **Cost**

|                             | 2005/06<br>\$000 | 2006/07<br>\$000 |
|-----------------------------|------------------|------------------|
| Total output class expenses | 1,334            | 1,075            |

#### **Provider**

Sprint International New Zealand.

## Part F - Crown Revenue and Receipts

### Part F1 - Current and Capital Revenue and Capital Receipts

|   | 2005/06           |                              | 2006/07         | Description of 2006/07 Crown Revenue   |
|---|-------------------|------------------------------|-----------------|--|
|   | Budgeted<br>\$000 | Estimated<br>Actual<br>\$000 | Budget<br>\$000 |  |
| <b>Non-Tax Revenue</b>                  |                   |                              |                 |  |
| Telecommunications Levy                 | 3,501             | 3,501                        | 3,801           | Revenue obtained from telecommunications businesses, to fund telecommunications regulation activity. |
| <b>Total Non-Tax Revenue</b>            | 3,501             | 3,501                        | 3,801           |  |
| <b>Total Crown Revenue and Receipts</b> | 3,501             | 3,501                        | 3,801           |  |