



## COVERSHEET

<b>Minister</b>	Hon Kris Faafoi	<b>Portfolio</b>	Broadcasting, Communications and Digital Media
<b>Title of Cabinet paper</b>	<b>Increased funding for the Telecommunications Relay Service</b>	<b>Date to be published</b>	10 August 2020

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
24 June 2020	<i>Increased funding for the Telecommunications Relay Service</i>	<i>Office of the Minister of Broadcasting, Communications and Digital Media</i>
24 June 2020	<i>DEV-20-MIN-0107</i>	<i>Cabinet Economic Development Committee</i>

### Information redacted

**YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for reasons of negotiations.



# Cabinet Economic Development Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Telecommunications Relay Service: Increased Funding

**Portfolio**                      **Broadcasting, Communications and Digital Media**

On 24 June 2020, the Cabinet Economic Development Committee:

- 1        **noted** that the Telecommunications Relay Service provides deaf, deafblind, hearing-impaired and speech impaired New Zealanders with the ability to communicate;
- 2        **noted** that the Ministry of Business, Innovation and Employment has now completed a competitive procurement process, and has contracted Concentrix Services (New Zealand) Limited to supply an enhanced relay service from 1 February 2021;
- 3        **noted** that the current relay service providers, Sprint International New Zealand and Communication Services for the Deaf, will continue to provide the relay service throughout the transition period to ensure service continuity;
- 4        **Negotiations**
- 5        **noted** that relevant Ministers have previously agreed to provide additional funding of \$0.7 million through a Fiscally Neutral Adjustment, and that this has been transferred to the relay service appropriation for the 2019/20 financial year;
- 6        **noted** that:
  - 6.1        there is a funding shortfall of \$2.056 million for the 2020/21 financial year due to the higher cost of transitioning to a new service while retaining an existing service to ensure service continuity;
  - 6.2        this is an increase on the previously advised shortfall of \$1.8 million due to delays in essential work where costs will now be incurred in 2020/21;

7 **noted** that the Ministry of Business, Innovation and Employment has identified areas of underspend in 2019/20 where funding could be reprioritised to meet the additional cost of services in 2020/21, if underspends are authorised to be reprioritised for the Telecommunications Relay Service (see paragraph 13 below);

8 **noted** that the Ministry of Business, Innovation and Employment seeks an in-principal expense transfer for the delayed expense in essential work (see paragraph 6 above);

9 Negotiations

10 **approved** in-principle expense transfers of up to the following maximum amounts of operating expenditure from 2019/20 to 2020/21:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Vote Business, Science and Innovation Minister of Broadcasting, Communications and Digital Media</b>  Non-Departmental Output Expense: Communications; Emergency Communications Services  Multi-Category Expenses and Capital Expenditure: Communications: Services for Deaf, Hearing Impaired and Speech Impaired People MCA:	(0.510)	0.510	-	-	-

<i>Non-Departmental Other Expense:</i> Telecommunications Development Levy Funded Procurement - Deaf Relay Service TSO category	(0.465)	0.465	-	-	-
Communications: Services for Deaf, Hearing Impaired and Speech Impaired People MCA:  <i>Non-Departmental Output Expense:</i> Administrative Support for Telecommunications Relay Equipment and Services	(0.050)	0.050	-	-	-
<b>Vote Business, Science and Innovation Minister for Economic Development</b> Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs MCA <i>Departmental Output Expense:</i> Policy Advice - Economic Development (funded by revenue Crown)	(0.250)	0.250	-	-	-
<b>Vote Labour Market Minister for Workplace Relations and Safety</b> Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs MCA <i>Departmental Output Expense:</i> Policy Advice – Immigration (funded by revenue Crown)	(0.600)	0.600	-	-	-
<b>Vote Building and Construction Minister for Building and Construction</b> Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs MCA  <i>Departmental Output Expense:</i> Related Services to Ministers – Building and Construction (funded by revenue Crown)	(0.150)	0.150	-	-	-
<b>Total Operating</b>	<b>(2.025)</b>	<b>2.025</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 11 **authorised** the Minister of Finance and the relevant appropriation Minister, jointly, to agree the final amount to be transferred, following the completion of the 2019/20 audited financial statements, with no impact on the operating balance and/or net core Crown debt across the forecast period;
- 12 **noted** that the requested in-principal expense transfer of \$0.510 million from the Communications: Emergency Telecommunications Services appropriation is in addition to an in-principal expense transfer request through the *June 2020 Year End Underspend Proposals Submission: Vote Business, Science and Innovation – Broadcasting, Communications and Digital Media, and Commerce and Consumer Affairs Portfolios* briefing;

13 **authorised** the Minister of Finance and the relevant appropriation Ministers to make the following fiscally neutral adjustments of up to the following amounts, subject to the confirmed final in-principle expense transfer amounts, through the October Baseline Update, with no impact on the operating balance or debt:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<p><b>Vote Business, Science and Innovation Minister of Broadcasting, Communications and Digital Media</b></p> <p>Non-Departmental Output Expense: Communications: Emergency Telecommunications Services</p> <p>Multi-Category Expenses and Capital Expenditure: Communications: Services for Deaf, Hearing Impaired and Speech Impaired People MCA:</p> <p><i>Non-Departmental Other Expense:</i> Telecommunications Development Levy Funded Procurement - Deaf Relay Service TSO category</p>	-	(0.510)	-	-	-
<p><b>Vote Business, Science and Innovation Minister for Economic Development</b></p> <p>Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs MCA</p> <p><i>Departmental Output Expense:</i> Policy Advice - Economic Development (funded by revenue Crown)</p>	-	(0.250)	-	-	-
<p><b>Vote Labour Market Minister for Workplace Relations and Safety</b></p> <p>Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs MCA</p> <p><i>Departmental Output Expense:</i> Policy Advice – Immigration (funded by revenue Crown)</p>	-	(0.600)	-	-	-
<p><b>Vote Building and Construction Minister for Building and Construction</b></p> <p>Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs MCA</p> <p><i>Departmental Output Expense:</i> Related Services to Ministers – Building and Construction (funded by revenue Crown)</p>	-	(0.150)	-	-	-
<b>Total Operating</b>	-	-	-	-	-

- 14 **agreed** that the changes to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

Janine Harvey  
Committee Secretary

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**Present:**

Hon Kelvin Davis  
Hon Grant Robertson (Chair)  
Hon Phil Twyford  
Hon David Parker  
Hon Nanaia Mahuta  
Hon Iain Lees-Galloway  
Hon Jenny Salesa  
Hon Damien O'Connor  
Hon Kris Faafoi  
Hon Shane Jones  
Hon Willie Jackson  
Hon James Shaw  
Hon Eugenie Sage

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV

**Hard-copy distribution:**

Minister of Broadcasting, Communications and Digital Media