



Cabinet

CAB Min (08) 14/1(7)

Minute of Decision

Copy Number:

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2008 Budget Package: Vote Commerce

On 14 April 2008, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2008 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
4758	Insolvency and Trustee Service - Insolvency Act 2006	-	2.930	2.742	2.610	2.520
4759	Establishment of Financial Regulation Infrastructure	-	1.100	1.850	1.700	1.400
4760	Enterprise Project	-	-	-	-	-
4761	Develop Methodologies for Information Disclosure for International Airports	-	-	-	-	-
4762	Review of Crown Entity Baseline Funding	0.100	0.200	0.250	0.200	-
4781	Implement Initiatives from the Standards and Conformance Infrastructure Review	-	0.086	0.370	0.100	0.100
4783	Improving Government Procurement Performance	-	0.500	-	-	-
4785	Intellectual Property Electronic Registry System	-	-	-	-	-
4796	Improve the Operational Capability of the Takeovers Panel	0.100	0.150	0.150	0.150	0.150
4827	Advance the 'Investment' Strategic Priority Initiative	-	0.500	-	-	-
4842	Accounting Standards Review Board	0.375	0.295	0.295	0.295	0.295
4847	Inter-Agency Resource Needs for Trade Agreements	-	1.000	-	-	-
5233	Commerce Capability Pressures	-	-	-	-	-
Total Operating		0.575	6.761	5.657	5.005	4.465

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Total Capital		-	-	-	-	-

2. **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
3. **approved** the changes to appropriations and/or projected balances of net assets of the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
4. **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
5. **agreed** that the proposed changes to appropriations and/or projected balances of net assets for 2007/08 above be included in the 2007/08 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
6. **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2007/08 Supplementary Estimates, the 2008/09 Estimates and the fiscal forecasts;
7. **noted** that all communications relating to the 2008 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.

Secretary of the Cabinet

Reference: 2008 Budget package tabled
by Minister of Finance**Distribution:**

Prime Minister
 Chief Executive, DPMC
 Director PAG, DPMC
 Minister of Finance
 Secretary to the Treasury
 Hon Jim Anderton
 Associate Minister of Finance (Hon Trevor Mallard)
 Minister of Commerce
 Chief Executive, MED (Commerce)
 Controller and Auditor-General

Vote: Commerce

Title: Insolvency and Trustee Service - Insolvency Act 2006

Description: New responsibilities arising from recent law reform.

Theme: Economic Transformation

Theme Objective: Non-specific theme objective

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Projected increase from new work	Number	0	2750	2750	2750	2750
Timeliness						
SIO Applications processed within 10 working days	Percentage	0	80	85	90	95
Debtor/NAP Applications processed within 48 hours	Percentage	0	80	90	95	95

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	-	2.930	2.742	2.610	2.520
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.930	2.742	2.610	2.520

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General):					
Administration of Insolvencies (funded by Revenue Crown)	-	2.930	2.742	2.610	2.520
Total Operating	-	2.930	2.742	2.610	2.520
Total Capital	-	-	-	-	-

Vote: Commerce

Title: Establishment of Financial Regulation Infrastructure

Description: Enhanced regulatory infrastructure for the financial sector.

Theme: Economic Transformation

Theme Objective: Globally competitive firms: other action

Performance Information

Performance Text

All financial service providers and advisers are registered. Systems are established which provide for the effective supervision of registered financial advisors and providers and dispute resolution services for investors in a cost-effective manner that meets legislative requirements.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	-	1.100	1.850	1.700	1.400
Debt Impact	-	-	-	-	-
No Impact	-	0.456	1.020	1.499	2.091
Total	-	1.556	2.870	3.199	3.491

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General): Policy Advice and Investigative Services - Regulatory Environment					
Policy and Purchase Advice - Business Law and Competition Policy (funded by Revenue Crown)	-	0.300	0.450	0.300	-
Registration and Provision of Statutory Information (funded by Revenue Other)	-	0.456	1.020	1.499	2.091
Non-Departmental Output Expenses: Performance of Securities Market Functions	-	0.800	1.400	1.400	1.400
Total Operating	-	1.556	2.870	3.199	3.491
Total Capital	-	-	-	-	-

Vote: Commerce

Title: Enterprise Project

Description: Enterprise would be a wholly electronic core registry system replacing the Companies register and the remaining seventeen manual registries for other corporate entities.

Theme: Economic Transformation

Theme Objective: Innovative and productive workplaces: other action

Performance Information

Performance Text

A wholly electronic core registry system will be implemented on a phased basis over the period June - December 2009. It will provide risk mitigation, increased functionality and lower compliance costs for external stakeholders and greater inter-operability with other jurisdictions and Government departments.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	0.525	0.825	1.885	2.228	2.228
Total	0.525	0.825	1.885	2.228	2.228

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Registration and Provision of Statutory Information (funded by Revenue Other)	0.525	0.825	1.885	2.228	2.228
Total Operating	0.525	0.825	1.885	2.228	2.228
Total Capital	-	-	-	-	-

Additional Recommendation

noted that the increase has no impact on the government's operating balance because the funding will be fully third party cost recovered.

Vote: Commerce

Title: Develop Methodologies for Information Disclosure for International Airports

Description: Development of input methodologies for new information disclosure regime for all regulated businesses to be administered under the Commerce Act and monitoring and reporting of the disclosed information by the Commerce Commission.

Theme: Economic Transformation

Theme Objective: World class infrastructure: other action

Performance Information

Performance Text

The Commerce Commission will develop generic input methodologies that provide certainty, transparency and predictability to regulated businesses by 30 June 2010. The proportionate costs for regulated airports will be met by levy.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	0.310	0.155	-	-
Total	-	0.310	0.155	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Non-Departmental Output Expenses: Enforcement of General Market Regulation	-	0.310	0.155	-	-
Total Operating	-	0.310	0.155	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

noted that the increase in the Non-departmental Output Expense: Enforcement of General Market Regulation has no impact on the government's operating balance because the funding will be recovered through levies on regulated airports.

Vote:	Commerce			
Title:	Review of Crown Entity Baseline Funding			
Description:	Reviews of the baseline funding of the Commerce and Securities Commissions and the business model of the Standards Council.			
Theme:	Economic Transformation	Theme Objective:	Global competitive firms: other action	

Performance Information

Performance Text

Reviews are to be conducted of the Commerce and Securities Commissions and the Standards Council that provide useful information and analytical frameworks for Ministerial decisions on the ownership and purchase interest in these Crown entities.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	0.100	0.200	0.250	0.200	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.100	0.200	0.250	0.200	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General): Policy Advice and Investigative Services - Regulatory Environment					
Policy and Purchase Advice - Business Law and Competition Policy (funded by Revenue Crown)	0.100	0.200	0.250	0.200	-
Total Operating	0.100	0.200	0.250	0.200	-
Total Capital	-	-	-	-	-

Additional Recommendation

authorised the Minister of Finance and the Minister for Commerce to jointly transfer any lapsed unspent appropriation relating to review of Crown entity baseline funding from the 2007/08 to 2008/09 financial year only, with the final amount to be transferred confirmed as part of the 2008 October baseline update, following the presentation of the 2007/08 audited financial statements of the departmental activities administered by the Ministry of Economic Development.

Vote: Commerce

Title: Implement Initiatives from the Standards and Conformance Infrastructure Review

Description: Implementation of a package of interlinked initiatives to strengthen the Standards and Conformance infrastructure and support high quality regulation, growth and innovation.

Theme: Economic Transformation

Theme Objective: Globally competitive firms: other action

Performance Information

Performance Text

Sector advisory boards are developed to provide strategic advice on standardisation needs in key sectors; the Regulatory Forum enhances the ability of regulatory agencies and Standards and Conformance infrastructure bodies to work together to ensure regulators make better use of the Standards and Conformance infrastructure to achieve quality regulatory outcomes; and an information clearing house is established that facilitates better access to technical and regulatory information at product level and is well-integrated with the information delivery systems of regulators and Standards and Conformance bodies.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	-	0.086	0.370	0.100	0.100
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.086	0.370	0.100	0.100

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General): Policy Advice and Investigative Services - Regulatory Environment					
Policy and Purchase Advice - Business Law and Competition Policy (funded by Revenue Crown)	-	0.086	0.370	0.100	0.100
Total Operating	-	0.086	0.370	0.100	0.100
Total Capital	-	-	-	-	-

Vote: Commerce

Title: Improving Government Procurement Performance

Description: Improving public sector procurement, including capability and capacity building initiatives and centrally coordinating key government contracts.

Theme: Economic Transformation

Theme Objective: Environmental sustainability:
other action

Performance Information

Performance Text

Baseline public sector capability and capacity data collected. Agency capability review model fully developed and trialled in 5 agencies. Implementation plans for a structured government procurement training and accreditation programme developed. A small number of key government contracts successfully established.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	-	0.500	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.500	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General): Policy Advice and Investigative Services - Regulatory Environment					
Policy and Purchase Advice - Business Law and Competition Policy (funded by Revenue Crown)	-	0.500	-	-	-
Total Operating	-	0.500	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

noted this initiative is funded from offsetting savings within Vote Health, and has no net impact on the operating balance over the forecast period;

noted that Cabinet has agreed that funding of \$2.100 million in 2008/09 and \$1.500 million in 2009/10 and outyears should be transferred to Vote Commerce to meet resource needs for continuation of the expanded Government Procurement Development Group programme to achieve a step change in government procurement [CAB Min (08) 10/3B];

noted that this funding is to be provided by fiscally neutral transfers from other Votes, in proportion to anticipated savings, and that Cabinet has authorised the Minister of Finance, the Minister of Commerce, and the relevant Vote Minister to make fiscally neutral adjustments to this effect.

Vote: Commerce

Title: Intellectual Property Electronic Registry System

Description: Replacement of the existing Intellectual Property Registry System with a new system that provides increased functionality both for the Intellectual Property (IP) right holder and the government agency responsible for the granting of IP rights.

Theme: Economic Transformation

Theme Objective: Globally competitive firms: other action

Performance Information

Performance Text

A new Intellectual Property Registry System will be implemented by 2010 which will provide increased functionality and ease of use, and lower costs for users and the administering government agency.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	1.185	1.185	1.185
Total	-	-	1.185	1.185	1.185

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Registration and Granting of Intellectual Property Rights (funded by Revenue Other)	-	-	1.185	1.185	1.185
Total Operating	-	-	1.185	1.185	1.185
Total Capital	-	-	-	-	-

Additional Recommendation

noted that the increase has no impact on the government's operating balance because the funding will be fully third party cost recovered.

Vote: Commerce

Title: Improve the Operational Capability of the Takeovers Panel

Description: Restoring the Panel's equity to an appropriate level and allowing the Panel to effectively enforce new powers.

Theme: Economic Transformation

Theme Objective: Globally competitive firms: other action

Performance Information

Performance Text

The legislative functions of the Takeovers Panel arising from the 'Truth in Takeovers' regime are met in a timely, efficient, and effective manner. This will be monitored through the output agreement with the Minister of Commerce.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	0.100	0.150	0.150	0.150	0.150
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.100	0.150	0.150	0.150	0.150

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Non-Departmental Output Expenses: Administration of the Takeovers Code	0.100	0.150	0.150	0.150	0.150
Total Operating	0.100	0.150	0.150	0.150	0.150
Total Capital	-	-	-	-	-

Additional Recommendation

authorised the Minister of Finance and the Minister for Commerce to jointly transfer any lapsed unspent appropriation relating to improving the operational capability of the Takeovers Panel from the 2007/08 to 2008/09 financial year only, with the final amount to be transferred confirmed as part of the 2008 October baseline update, following the presentation of the 2007/08 audited financial statements of the departmental activities administered by the Ministry of Economic Development.

Vote: Commerce

Title: Advance the 'Investment' Strategic Priority Initiative

Description: To advance a cooperative arrangement with the business sector to develop a strategic plan for New Zealand's financial sector and identify specific initiatives to enhance New Zealand's investment environment.

Theme: Economic Transformation

Theme Objective: Globally competitive firms: other action

Performance Information

Performance Text

A Private-Public Engagement Group is established which is positioned to effectively inform policy to develop New Zealand's capital markets financial system.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	-	0.500	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.500	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General): Policy Advice and Investigative Services - Regulatory Environment					
Policy and Purchase Advice - Business Law and Competition Policy (funded by Revenue Crown)	-	0.500	-	-	-
Total Operating	-	0.500	-	-	-
Total Capital	-	-	-	-	-

Vote: Commerce

Title: Accounting Standards Review Board

Description: Ensuring high quality financial reporting standards.

Theme: Economic Transformation

Theme Objective: Globally competitive firms: other action

Performance Information

Performance Text

The New Zealand Institute of Chartered Accountants is resourced to support the ASRB at a level that meets Government commitments; New Zealand's interests are represented on the appropriate international accounting standards bodies. Required international accounting standards are adapted to New Zealand conditions in a timely manner; and exemptions are granted to entities through a timely process that meets legislative requirements. This will be monitored through the output agreement with the Minister of Commerce.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	0.375	0.295	0.295	0.295	0.295
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.375	0.295	0.295	0.295	0.295

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Approval and Review of Financial Reporting Standards	0.375	0.295	0.295	0.295	0.295
Total Operating	0.375	0.295	0.295	0.295	0.295
Total Capital	-	-	-	-	-

Additional Recommendation

authorised the Minister of Finance and the Minister for Commerce to jointly transfer any lapsed unspent appropriation relating to the Accounting Standards Review Board from the 2007/08 to 2008/09 financial year only, with the final amount to be transferred confirmed as part of the 2008 October baseline update, following the presentation of the 2007/08 audited financial statements of the departmental activities administered by the Ministry of Economic Development.

Vote: Commerce

Title: Inter-Agency Resource Needs for Trade Agreements

Description: A package of additional resources designed to maximise benefits from free trade agreements (FTAs), which have been concluded or are near conclusion, by ensuring that MED is able to meet implementation commitments and exploit opportunities arising from the agreements.

Theme: Economic Transformation

**Theme
Objective:**

Globally competitive firms:
business internationalisation

Performance Information

Performance Text

For China FTA and Asean-Australia-New Zealand FTA (AANZFTA): co-operation programmes for mutual recognition agreements to facilitate trade and manage risks. For China FTA: delivering initiatives on Good Regulatory Practice, training in technical English and improved transparency; attending meetings on goods, services, investments and the Joint Trade and Economic Commission. For AANZFTA: developing a Hazard Alert System. For all FTAs: acting as a contact point for Technical Barriers to Trade (TBT) issues and secretariat for TBT Committees; attending TBT Committees and FTA Commissions.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	1.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.000	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General): Policy Advice and Investigative Services - Regulatory Environment					
Policy and Purchase Advice - Business Law and Competition Policy (funded by Revenue Crown)	-	1.000	-	-	-
Total Operating	-	1.000	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 5233

Vote: Commerce

Title: Commerce Capability Pressures

Description: Transfer of funding from Vote Economic, Industry and Regional Development to mitigate Vote Commerce Capability Pressures.

Theme: Economic Transformation

Theme

Non-specific theme objective

Objective:

Performance Information

Performance Text

The current programme of legislation is taken through to completion while maintaining a capacity to provide policy advice & legislation where required.

Appropriation Changes

	\$m - increase/(decrease)					
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 & Outyears
Operating Balance Impact	-	-	-	-	-	-
Debt Impact	-	-	-	-	-	-
No Impact	-	0.500	0.500	0.500	0.218	-
Total	-	0.500	0.500	0.500	0.218	-

	\$m - increase/(decrease)					
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 & Outyears
Departmental Output Expenses (General): Policy Advice and Investigative Services - Regulatory Environment						
Policy and Purchase Advice - Business Law and Competition Policy (funded by Revenue Crown)	-	0.500	0.500	0.500	0.218	-
Total Operating	-	0.500	0.500	0.500	0.218	-
Total Capital	-	-	-	-	-	-

Initiative No: 5233

Additional Recommendation

noted this initiative is funded from offsetting savings within Vote Economic, Industry and Regional Development and has no net impact on the operating balance over the forecast period.