

# VOTE *Commerce*

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## Terms and Definitions Used

CEP	Closer Economic Partnership
FTA	Free Trade Agreement
WTO	World Trade Organisation

## Minister Portfolio Table

13	Minister of Commerce
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# Commerce

VOTE MINISTER: Minister of Commerce

ADMINISTERING DEPARTMENT: Ministry of Economic Development

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

## Part B - Statement of Appropriations

### Summary of Financial Activity

	2005/06	2005/06 Appropriations to be Used				Total \$000
	Main Estimates \$000	By the Department Administering the Vote		For Non-Departmental Transactions		
		Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Appropriations</b>						
Output Expenses	67,036	49,170	-	21,564	240	70,974
Benefits and Other Unrequited Expenses	-	N/A	N/A	-	-	-
Borrowing Expenses	-	N/A	N/A	-	-	-
Other Expenses	5,554	-	-	6,592	-	6,592
Capital Expenditure	-	N/A	N/A	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	N/A	N/A	-
<b>Total Appropriations</b>	<b>72,590</b>	<b>49,170</b>	<b>-</b>	<b>28,156</b>	<b>240</b>	<b>77,566</b>
<b>Crown Revenue and Receipts</b>						
Tax Revenue	-	N/A	N/A	N/A	N/A	-
Non-Tax Revenue	1,080	N/A	N/A	N/A	N/A	1,946
Capital Receipts	-	N/A	N/A	N/A	N/A	-
<b>Total Crown Revenue and Receipts</b>	<b>1,080</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>1,946</b>

## Part B1 - Details of Appropriations

Appropriations	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Expenses (General)</b>							
Administration of Insolvencies (M13)	9,141	-	500	-	9,641	-	- Administration of insolvencies and proceeds of crime orders.  Reason for Change: An increase in the number and complexity of forfeiture orders and in the value of assets being managed by the Official Assignee.
Administration of Part II Tariff Concessions (M13)	352	-	-	-	352	-	- Assessing applications by importers to be exempted from import duties under the tariff concessions policy.
Administration of Trade Remedies (M13)	1,099	-	(70)	-	1,029	-	- Investigative services to establish whether New Zealand industries require remedies to prevent injury caused by dumped or subsidised imports or sudden import surges.  Reason for Change: A transfer to Policy Advice - Business and Competition to meet fiscal pressures.
Policy Advice - Business and Competition (M13)	9,101	-	1,418	-	10,519	-	- Policy advice on the business legal framework; competition law policy; intellectual property rights; the impact of environmental issues on economic development; standards and conformance issues and technical barriers to trade, tariff and border protection policies; trade remedies; and operation monitoring of Crown entities and Statutory Boards.  Reason for Change: Refer to Part C1.
Registration and Granting of Intellectual Property Rights (M13)	9,323	-	1,100	-	10,423	-	- Administering legislation providing for the protection of intellectual property rights by the granting of patents and plant variety rights, the registration of trademarks and designs.  Reason for Change: Marginal cost increases associated with processing higher volumes of trademark applications and renewals.
Registration and Provision of Statutory Information (M13)	16,356	-	850	-	17,206	-	- Registering and provision of documents and information services in respect of all corporate entities, securities over insurance and superannuation schemes and securities over personal property (excluding land).  Reason for Change: Marginal cost increases associated with processing higher volumes of company incorporation, and higher activity related to the Personal Properties Security Register.
<b>Total Departmental Output Expenses (General)</b>	45,372	-	3,798	-	49,170	-	

Appropriations	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Non-Departmental Output Expenses</b>							
Administration of the Takeovers Code (M13)	1,344	-	-	-	1,344	-	The performance of statutory functions by the Takeovers Panel as specified in the Takeovers Act 1993.
Approval and Review of Financial Reporting Standards (M13)	830	-	-	-	830	-	Reviewing and approving financial reporting standards, and work relating to the international harmonisation of financial reporting standards.
Enforcement of Dairy Sector Regulation (M13)	905	-	-	-	905	-	Commerce Commission funding for dispute resolution relating to and enforcement of the Dairy Industry Restructuring Act 2001 and related regulations.
Enforcement of General Market Regulation (M13)	12,602	-	(100)	-	12,502	-	The promotion of competition and fair trading through the administration, enforcement and adjudication activities undertaken by the Commerce Commission.  Reason for Change: A transfer to Vote Energy - Regulatory Control Inquiry - Gas Pipeline Services to fund indirect costs associated with the judicial review proceedings launched by Powerco Ltd and Vector Ltd.
Performance of Securities Market Functions (M13)	5,983	-	-	-	5,983	-	The performance of statutory functions by the Securities Commission in relation to the Securities Act 1978 and the proposed Security Markets and Institutions Act 1988.
Statutory Management - CH Finance Limited and Others - Payment of Statutory Managers (M13)	-	-	-	240	-	240	This is a Permanent Legislative Authority to provide statutory management within the scope of section 63(3) of the Corporations (Investigation and Management) Act 1989.  Reason for Change: Refer to Part C2.
<b>Total Non-Departmental Output Expenses</b>	<b>21,664</b>	<b>-</b>	<b>(100)</b>	<b>240</b>	<b>21,564</b>	<b>240</b>	

Appropriations	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Other Expenses to be Incurred by the Crown</b>							
Commerce Commission Litigation Fund (M13)	3,367	-	887	-	4,254	-	- To meet the cost of major litigation activity undertaken by the Commerce Commission arising from its general market or sector specific enforcement activities outside the normal routine or scope of its general litigation activity. Criteria for the use of the fund are set out in the annual Output Agreement.  Reason for Change: A transfer from 2004/05 to meet the cost of increases in major litigation activity undertaken by the Commerce Commission.
Contributions to International Organisations (M13)	520	-	-	-	520	-	- Annual fee for New Zealand's membership of the International Copyright and Patent Union; International Patent Documentation Centre; International Standards Association; International Union for the Protection of New Plant Varieties; and a share of New Zealand's annual subscription and obligations arising from the Basel Convention.
Risk Capital Fund - Directors' Fees (M13)	5	-	-	-	5	-	- Payment of directors' fees for attendance at meetings.
Securities Commission Litigation Fund (M13)	1,218	-	151	-	1,369	-	- To meet the cost of major litigation activity undertaken by the Securities Commission arising from it carrying out functions under the Securities and Markets Act. Criteria for the use of the fund will be set out in the annual Output Agreement.  Reason for Change: To meet the cost of increases in major litigation activity undertaken by the Securities Commission.
Takeovers Panel Litigation Fund (M13)	444	-	-	-	444	-	- To meet the cost of major litigation activity undertaken by the Takeovers Panel arising from it carrying out functions under the Takeovers Act 1993 and the Takeovers Code. Criteria for the use of the fund will be set out in the annual Output Agreement.
<b>Total Other Expenses to be Incurred by the Crown</b>	5,554	-	1,038	-	6,592	-	
<b>Total Appropriations</b>	72,590	-	4,736	240	77,326	240	

## Part C - Explanation of Appropriations for Output Expenses

### Part C1 - Departmental Output Expenses

#### *Policy Advice - Business and Competition*

The increased funding relates to travel costs in support of WTO negotiations and bilateral CEP/FTA's (\$519,000), costs for running the tender process and contributing to the policy and legislative process around Kiwisaver (\$679,000), and a transfer from Administration of Trade Remedies (\$70,000) and Vote Economic, Industry and Regional Development (\$150,000) to meet fiscal pressures associated mainly with the review of the Financial Products and Providers and activities related to the China Impact work programme.

### Part C2 - Non-Departmental Output Expenses

#### *Statutory Management - CH Finance Limited and Others - Payment of Statutory Managers*

CH Finance Limited facilitated a failed property scheme and along with seven associated companies were placed in statutory management on 20 June 2003, on the advice of the Securities Commission. The increase relates to costs associated with activity on management of this case by the Statutory Managers. Costs relating to this appropriation are met by Permanent Legislative Authority.

## Part F - Crown Revenue and Receipts

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

	2005/06			Description of 2005/06 Crown Revenue
	Main Estimates \$000	Supplementary Estimates \$000	Total Budgeted \$000	
<b>Non-Tax Revenue</b>				
Accounting Standards Review Board	830	-	830	Recovery of costs from fees payable under section 5 of the Financial Reporting Order 1994.
Proceeds of Crime	250	866	1,116	Revenue collected under the Proceeds of Crime Act 1991.  Reason for Change: An increase in the number and complexity of forfeiture orders and in the value of assets being managed by the Official Assignee.
<b>Total Non-Tax Revenue</b>	<b>1,080</b>	<b>866</b>	<b>1,946</b>	
<b>Total Crown Revenue and Receipts</b>	<b>1,080</b>	<b>866</b>	<b>1,946</b>	