

VOTE *Commerce*

Minister Portfolio Table

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Minister of Commerce

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

	2006/07	2006/07 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	
Appropriations						
Output Expenses	70,870	53,052	-	22,923	-	75,975
Benefits and Other Unrequited Expenses	-	N/A	N/A	-	-	-
Borrowing Expenses	-	N/A	N/A	-	-	-
Other Expenses	9,839	-	-	12,465	-	12,465
Capital Expenditure	-	N/A	N/A	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	N/A	N/A	-
Total Appropriations	80,709	53,052	-	35,388	-	88,440
Crown Revenue and Receipts						
Tax Revenue	-	N/A	N/A	N/A	N/A	-
Non-Tax Revenue	4,515	N/A	N/A	N/A	N/A	4,515
Capital Receipts	-	N/A	N/A	N/A	N/A	-
Total Crown Revenue and Receipts	4,515	N/A	N/A	N/A	N/A	4,515

Part B1 - Details of Appropriations

Appropriations	2006/07						Scope of and Reasons for Change in 2006/07 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General)							
Administration of Insolvencies (M13)	10,146	-	509	-	10,655	-	- Administration of insolvencies and proceeds of crime orders. Reason for Change: To meet the increase in demand of services and prepare for Insolvency law reform changes.
Administration of Part II Tariff Concessions (M13)	352	-	-	-	352	-	- Assessing applications by importers to be exempted from import duties under the tariff concessions policy.
Policy Advice and Investigative Services - Regulatory Environment MCOA							Basis: Both output classes are directed at the intermediate outcome of NZ's international connections facilitating sustainable economic growth through increased international trade, foreign investment and knowledge transfer.
Administration of Trade Remedies	1,100	-	70	-	1,170	-	- 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: To mitigate fiscal pressures as a result of the Trade Remedy allegations element of the work programme.
Policy and Purchase Advice - Business Law and Competition Policy	9,323	-	2,912	-	12,235	-	- 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.
Policy Advice and Investigative Services - Regulatory Environment (M13)	10,423	-	2,982	-	13,405	-	
Registration and Granting of Intellectual Property Rights (M13)	10,427	-	600	-	11,027	-	- 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: Increased marginal cost increases associated with processing higher volumes of Trademark and Patent applications and renewals.

	2006/07						Scope of and Reasons for Change in 2006/07 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Appropriations							
Registration and Provision of Statutory Information (M13)	16,599	-	1,014	-	17,613	-	- 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: Refer to Part C1.
Total Departmental Output Expenses (General)	47,947	-	5,105	-	53,052	-	
Non-Departmental Output Expenses							
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)	13,343	-	-	-	13,343	-	- The promotion of competition and fair trading through the administration, enforcement and adjudication activities undertaken by the Commerce Commission.
Performance of Securities Market Functions (M13)	6,501	-	-	-	6,501	-	- 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.
Total Non-Departmental Output Expenses	22,923	-	-	-	22,923	-	
Other Expenses to be Incurred by the Crown							
Commerce Commission Litigation Fund (M13)	6,400	-	2,074	-	8,474	-	- 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: Legal costs associated with unanticipated major litigation actions.
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.

Appropriations	2006/07						Scope of and Reasons for Change in 2006/07 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Other Expenses to be Incurred by the Crown - cont'd							
Securities Commission Litigation Fund (M13)	2,470	-	552	-	3,022	-	- 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: A transfer from 2005/06 to meet the cost of increases in major litigation activity.
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.
Total Other Expenses to be Incurred by the Crown	9,839	-	2,626	-	12,465	-	
Total Appropriations	80,709	-	7,731	-	88,440	-	

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

Policy and Purchase Advice - Business Law and Competition Policy

The reason for change relates to:

- A transfer from 2005/06 to meet costs associated with core evaluation and research work for the KiwiSaver default provider selection process (\$300,000).
- Continuation of the procurement coordination and development activities of the Government Development Procurement Group (\$500,000).
- Legal costs associated with the Treaty of Waitangi Claim - WAI 262 (\$350,000).
- Growth and Innovation Framework funding inter-departmental transfer from the Ministry of Foreign Affairs and Trade (\$627,000).
- Improvement of the quality of government regulatory interventions (\$275,000).
- An expansion of the work programme including review of Part 4 and 5 of the Commerce Act, advice on effective investment and pricing of ports infrastructure, trade negotiations efforts, IP policy and to meet fiscal pressures (\$810,000).
- The transfer of the Government Electronic Tenders Service from New Zealand Trade and Enterprise to the Ministry of Economic Development part way through 2006/07 (\$50,000).

Registration and Provision of Statutory Information

The reason for change relates:

- A baseline rollover for the retirement villages dispute panel functions and registration fees (\$48,000).
- To enable the Government Actuary to charge fees for the exercise of its functions under the KiwiSaver Act (\$53,000).
- Marginal cost increases associated with processing higher volumes of company incorporation, and higher activity related to the Personal Property Securities Register (\$800,000).
- Government Actuary cost recovery for processing applications for tax exemption (\$113,000).

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Capital Receipts

	2006/07			Description of 2006/07 Crown Revenue
	Main Estimates \$000	Supplementary Estimates \$000	Total Budgeted \$000	
Non-Tax Revenue				
Accounting Standards Review Board	830	-	830	Recovery of costs from fees payable under section 5 of the Financial Reporting Order 1994.
Proceeds of Crime	3,685	-	3,685	Revenue collected under the Proceeds of Crime Act 1991.
Total Non-Tax Revenue	4,515	-	4,515	
Total Crown Revenue and Receipts	4,515	-	4,515	