



# Cabinet

CAB Min (07) 12/1(8)

## Minute of Decision

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Minister of Commerce

### Copies to:

Prime Minister  
Deputy Prime Minister  
Minister of Finance  
Hon Jim Anderton  
Associate Minister of Finance  
(Hon Trevor Mallard)  
Controller and Auditor-General

## 2007 Budget Package: Vote Commerce

On 19 April 2007, Cabinet:

### Administering Department: Vote Ministry of Economic Development

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2007 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)				
		2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
3877	MED Baseline Pressures - policy advice Commerce work programme	1.155	1.080	1.020	0.880	0.470
3879	MED Baseline Pressures - Government Procurement Development Group	0.050	0.701	0.701	0.701	0.701
3900	Insolvency Legislation Funding	0.509	2.183	-	-	-
3902	Commerce Commission Litigation Fund	-	-	-	-	-
<b>Total Operating</b>		<b>1.714</b>	<b>3.964</b>	<b>1.721</b>	<b>1.581</b>	<b>1.171</b>

**Capital Initiatives (Impact on Debt)**

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
<b>Total Capital</b>		-	-	-	-	-

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 (where applicable) 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 2006/07 above be included in the 2006/07 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 2006/07 Supplementary Estimates, the 2007/08 Estimates and the fiscal forecasts;
7. **noted** that all communications relating to the 2007 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: CAB (07) 135, CAB (07) 135A

Initiative No: 3877

**Vote:** Commerce**Title:** MED Baseline Pressures - policy advice Commerce work programme**Description:** To provide effective policy to support delivery of advice on issues associated with improvements in the design and delivery of the regulatory environment for business; supporting trade negotiations and trade remedy allegations; and work on sector specific competition issues.**Theme:** Economic Transformation**Theme Objective:** Firms' international links**Performance Information****Performance Text**

The Ministry must deliver on the outputs in its Statement of Intent and maintain capability to assure delivery of key outputs. These relate to improvements in the design and delivery of the regulatory environment for business; negotiation of agreements to reduce barriers to trade and investment, work on sector specific competition issues such as completion of the review of Part 4 and 5 of the Commerce Act, and competition issues related to ports and airports.

**Appropriation Changes**

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	1.155	1.080	1.020	0.880	0.470
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>1.155</b>	<b>1.080</b>	<b>1.020</b>	<b>0.880</b>	<b>0.470</b>

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Departmental Output Expenses (General): Policy Advice and Investigative Services - Regulatory Environment					
Administration of Trade Remedies (funded by Revenue Crown)	0.070	-	-	-	-
Policy and Purchase Advice - Business Law and Competition Policy (funded by Revenue Crown)	1.085	1.080	1.020	0.880	0.470
<b>Total Operating</b>	<b>1.155</b>	<b>1.080</b>	<b>1.020</b>	<b>0.880</b>	<b>0.470</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Initiative No: 3877**

### **Additional Recommendations**

**agreed** to delegate joint authority to the Minister of Finance and the Minister of Commerce to transfer any lapsed unspent appropriation relating to the activities referred to above with the final amount to be transferred confirmed as part of the 2007 October baseline update, following the presentation of the 2006/07 audited financial statements of the departmental activities administered by the Ministry of Economic Development;

**noted** this initiative is funded from offsetting savings as part of a cross Vote baseline pressures package agreed by MED Ministers to address fiscal risks within the Ministry of Economic Development, and the overall baseline pressures package has no net impact on the operating balance.

Initiative No: 3879

**Vote:** Commerce**Title:** MED Baseline Pressures - Government Procurement Development Group**Description:** Support for the ongoing workplan for the Government Procurement Development Group.**Theme:** Economic Transformation**Theme Objective:** Non-specific**Performance Information****Performance Text**

The Ministry will deliver on the outputs in its Statement of Intent and the activities of the newly formed Government Procurement Development Group within the Ministry, as endorsed by Cabinet in 2006.

**Appropriation Changes**

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	0.050	0.701	0.701	0.701	0.701
Debt Impact	-	-	-	-	-
No Impact	-	0.090	0.090	0.090	0.090
<b>Total</b>	<b>0.050</b>	<b>0.791</b>	<b>0.791</b>	<b>0.791</b>	<b>0.791</b>

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& 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)	0.050	0.701	0.701	0.701	0.701
Policy and Purchase Advice - Business Law and Competition Policy (funded by Revenue Other)	-	0.090	0.090	0.090	0.090
<b>Total Operating</b>	<b>0.050</b>	<b>0.791</b>	<b>0.791</b>	<b>0.791</b>	<b>0.791</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Additional Recommendations

**noted** the transfer of the Government Electronic Tenders Service from New Zealand Trade and Enterprise to the Ministry of Economic Development forms part of the overall redesign activities underway to promote a more effective cross-government procurement strategy;

**noted** this initiative is funded from offsetting savings as part of a cross Vote baseline pressures package agreed by MED Ministers to address fiscal risks within the Ministry of Economic Development, and the overall baseline pressures package has no net impact on the operating balance;

*[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

Initiative No: 3900

**Vote:** Commerce**Title:** Insolvency Legislation Funding**Description:** To address the impact on the Insolvency and Trustee Service of the Insolvency law reform [on the Insolvency and Trustee Service] which confers a number of new functions on the Official Assignee.**Theme:** Economic Transformation**Theme Objective:** Non-specific**Performance Information****Performance Table**

	Unit of Measurement	Performance Specification				
		2006/07	2007/08	2008/09	2009/10	2010/11
<b>Quantity</b>						
-	New Debtors	-	1000	1000	1000	1000
-	New No Asset Procedures	-	2850	2850	2850	2850
-	New Bankruptcies	494	494	494	494	494
-	New Instalment Orders	-	1250	1250	1250	1250

**Appropriation Changes**

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	0.509	2.183	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>0.509</b>	<b>2.183</b>	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Departmental Output Expenses (General): Administration of Insolvencies (funded by Revenue Crown)	0.509	2.183	-	-	-
<b>Total Operating</b>	<b>0.509</b>	<b>2.183</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-

## Additional Recommendations

**agreed** to amend the profile of the Ministry of Economic Development's 2006/07 Net Asset Schedule and extend the scope of capital injection for capital expenditure projects so that any unspent portion of this funding associated with the Climate Change Unit Register development can be used to meet part of any Insolvency registry development required with these legislative changes;

**noted** that the remainder of the Insolvency registry development project will be met from existing cash reserves;

**directed** Ministry of Economic Development officials to investigate options to part or fully fund the additional responsibilities for the Insolvency and Trustee Service outputs through recovery methods beyond 2007/08, and report back to Cabinet on these options by 31 December 2007.



**Initiative No: 3902****Vote:** Commerce**Title:** Commerce Commission Litigation Fund**Description:** Increasing costs of major litigation, and a higher number of cases involving substantial breaches of competition and fair trading laws.**Theme:** Economic Transformation**Theme Objective:** Non-specific**Performance Information****Performance Text**

To effectively address cases of substantial competition and consumer detriment through the taking of prompt legal action in a number of major cases.

**Appropriation Changes**

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	5.040	-	-	-
<b>Total</b>	-	<b>5.040</b>	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Other Expenses to be Incurred by the Crown:					
Commerce Commission Litigation Fund	-	5.040	-	-	-
<b>Total Operating</b>	-	<b>5.040</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-