

VOTE *Commerce*

Commerce

VOTE MINISTER: Minister of Commerce and Minister for Information Technology
 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 Appropriations

	Appropriations to be Used				Total Appropriations \$000
	By the Department Administering the Vote		For Non-Departmental Transactions		
Types of Appropriation	Annual \$000	Other \$000	Annual \$000	Other \$000	
Operating Flows					
Classes of Outputs to be Supplied	47,652	-	16,868	-	64,520
Benefits and Other Unrequited Expenses	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	676	43	719
Capital Flows					
Capital Contributions	-	-	-	-	-
Purchase or Development of Capital Assets	-	-	-	-	-
Repayment of Debt	-	-	-	-	-
Total Appropriations for 2001/02	47,652	-	17,544	43	65,239
Total 2001/02 Main Estimates Appropriations	46,703	-	15,667	-	62,370

Part B1 - Details of Appropriations

	2001/02						Purpose of and Reasons for Change in 2001/02 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
D1 Policy Advice - Business and Competition	8,641	-	200	-	8,841	-	Policy advice on the business legal framework; competition law policy; intellectual property rights; the impact of environmental issues on economic development; information technology including e-commerce and international technical developments; tariff and border protection policies; local government infrastructure issues and operation monitoring of Crown entities. The increase reflects a fiscally neutral adjustment recognising costs relating to advice to the Minister of Commerce on approval of the stock exchange rules as required under the New Zealand Stock Exchange Restructuring Bill.
D2 Administration of Part II Tariff Concessions	397	-	-	-	397	-	Assessing applications by importers to be exempted from import duties under the tariff concessions policy.
D3 Policy Advice and Administration of Trade Remedies	1,621	-	-	-	1,621	-	Policy advice in relation to trade remedies. Investigating complaints concerning imports, and recommendations regarding trade remedies.
D4 Registration and Granting of Intellectual Property Rights	9,620	-	451	-	10,071	-	Administering legislation providing for the protection of intellectual property rights by the granting of patents and plant variety rights, the registration of trademarks, designs and geographical indicators. The increase reflects expenses associated with the increase in personnel, stationery and journal production costs to process in a timely manner the increase in patent applications and trademark activity (\$401,000), and the GST impact on the additional revenue associated with the increased expenses above (\$50,000).
D6 Administration of Insolvencies	10,310	-	-	-	10,310	-	Administration of insolvencies and proceeds of crime orders.

Part B1 - Details of Appropriations (continued)

	2001/02						Purpose of and Reasons for Change in 2001/02 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross) – cont'd							
D7 Registration and Provision of Statutory Information	16,114	-	298	-	16,412	-	Registering and provision of documents and information services in respect of all corporate entities, investment schemes and motor vehicle securities. The increase reflects the GST impact on forecast additional revenue other related to company registration activities, motor vehicle security interests registered via the internet due to the expected impact of the implementation of the Personal Properties Securities Register, and late filing fees collected (\$275,000); and the GST impact on additional revenue resulting from a review of fees for the Motor Vehicle Securities Register, the Companies Office, the Insurance and Superannuation Unit, and the Intellectual Property Office of New Zealand (\$23,000).
Total Appropriations for Departmental Output Classes (Mode B Gross)	46,703	-	949	-	47,652	-	
Non-Departmental Output Classes							
O1 Approval and Review of Financial Reporting Standards	134	-	85	-	219	-	Reviewing and approving financial reporting standards. The increase reflects additional costs relating to international harmonisation of financial reporting standards.
O2 Performance of Securities Market Functions	2,550	-	-	-	2,550	-	The performance of statutory functions by the Securities Commission in relation to the Securities Act 1978.
O3 Commerce Act 1986 and Fair Trading Act 1986 Enforcement and Adjudication	10,707	-	-	-	10,707	-	The promotion of competition and fair trading through the administration, enforcement and adjudication activities undertaken by the Commerce Commission.

O4 Formulation and Administration of the Takeovers Code	1,600	-	-	-	1,600	-	The performance of strategy functions by the Takeovers Panel and for a facility to enable the Takeovers Panel to undertake enforcement action at short notice as specified in the Takeovers Act 1993.
O5 Enforcement of Dairy Sector Regulation	-	-	1,792	-	1,792	-	The increase reflects costs relating to the Commerce Commission's responsibility for enforcing the dairy industry regulations under the Dairy Industry Restructuring Bill 2001.
Total Appropriations for Non-Departmental Output Classes	14,991	-	1,877	-	16,868	-	
Other Expenses to be Incurred by the Crown							
Contributions to International Organisations	670	-	-	-	670	-	Annual fee for New Zealand's membership of: 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 to the Basel Convention.
Risk Capital Fund – Directors' Fees	6	-	-	-	6	-	Payment of directors' fees for attendance at meetings.
Crawford V Securities Commission	-	-	-	43	-	43	The increase reflects the cost of legal expenses for the Securities Commission and Statutory Manager in respect of proceedings associated with the entity placed into statutory management. The costs are to be indemnified by the Crown in terms of sections 63(1) and 63(3) of the Corporations (Investigation and Management) Act 1989.
Total Appropriations for Other Expenses to be Incurred by the Crown	676	-	-	43	676	43	
Total Appropriations	62,370	-	2,826	43	65,196	43	

Part C2 - Non-Departmental Output Classes

Output Class 05 – Enforcement of Dairy Sector Regulation

The Minister of Commerce will purchase services for:

- conducting investigations under the Dairy Industry Restructuring Act into behaviour that appears to be in breach of the Act or of regulations made pursuant to the Act; and
- the consideration of applications for determinations from parties in dispute with Fonterra in relation to entry and exit provisions or to any associated regulations.

Performance Measures	2001/2002 Performance Standards
<u>Quantity</u>	
Enforcement Investigations completed	22
Applications for Determinations completed	13
Civil Proceedings filed or Appeals filed against Commission decisions	Nil
<u>Quality</u>	
Proportion of Investigations meeting relevant quality standards	100%
<u>Timeliness</u>	
Decisions made within statutory time limits	100%

Cost

2001/02	Total output class to be provided within (GST inclusive)	\$1,792,000
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Provider

Commerce Commission.