

VOTE *Commerce*

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 Appropriations

Types of Appropriation	Appropriations to be Used				Total Appropriations \$000
	By the Department Administering the Vote		For Non-Departmental Transactions		
	Annual \$000	Other \$000	Annual \$000	Other \$000	
Operating Flows					
Classes of Outputs to be Supplied	48,670	-	15,687	-	64,357
Benefits and Other Unrequited Expenses	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	3,768	42	3,810
Capital Flows					
Capital Contributions	-	-	1,260	-	1,260
Purchase or Development of Capital Assets	-	-	-	-	-
Repayment of Debt	-	-	-	-	-
Total Appropriations for 2002/03	48,670	-	20,715	42	69,427
Total 2002/03 Main Estimates Appropriations	45,831	-	19,612	-	65,443

Part B1 - Details of Appropriations

Appropriations	2002/03						Purpose of and Reasons for Change in 2002/03 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	8,344	-	1,221	-	9,565	-	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 monitoring of Crown entities. The increase reflects transfers of funding from Vote Internal Affairs to meet costs relating to the transfer of responsibility for building industry policy to the Ministry of Economic Development (\$913,000); from Contributions to International Organisations to fund the increased workload in reviewing regulatory impact statements and business compliance cost statements (\$115,000); and from D3 Policy Advice and Administration of Trade Remedies to meet residual cost pressures in this output class (\$28,000). New funding of \$165,000 reflects policy formulation, consultation and the initial phases of the establishment of the Charities Commission.
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	-	(80)	-	1,541	-	Policy advice in relation to trade remedies, investigating complaints concerning imports, and recommendations regarding trade remedies. The decrease reflects a transfer to D1 Policy Advice - Business and Competition (-\$28,000) and a transfer to Vote Consumer Affairs (-\$52,000) to mitigate cost pressures in 2002/03.

Part B1 - Details of Appropriations (continued)

Appropriations	2002/03						Purpose of and Reasons for Change in 2002/03 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							
D4 Registration and Granting of Intellectual Property Rights	10,071	-	450	-	10,521	-	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. The increase reflects marginal cost increases associated with processing an increase in volumes of trademark applications (\$400,000) and the associated GST impact (\$50,000).
D5 Administration of Insolvencies	10,260	-	-	-	10,260	-	Administration of insolvencies and proceeds of crime orders.
D6 Registration and Provision of Statutory Information	15,138	-	1,248	-	16,386	-	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). The increase reflects marginal cost increases associated with late filing fees, company registrations and increased usage of the Personal Property Securities Register (\$600,000); the GST impact associated with the increased revenue from late filing fees, company registrations and increased use of the Register (\$413,000); and operating costs relating to the upgrade of the Companies Office Electronic Register (REGIS) (\$235,000).
Total Appropriations for Departmental Output Classes (Mode B Gross)	45,831	-	2,839	-	48,670	-	

Non-Departmental Output Classes							
O1 Approval and Review of Financial Reporting Standards	472	-	-	-	472	-	Reviewing and approving financial reporting standards, and work relating to the international harmonisation of financial reporting standards.
O2 Performance of Securities Market Functions	3,887	-	-	-	3,887	-	The performance of statutory functions by the Securities Commission in relation to the Securities Act 1978.
O3 Enforcement of General Market Regulation	8,880	-	-	-	8,880	-	The promotion of competition and fair trading through the administration, enforcement and adjudication activities undertaken by the Commerce Commission.
O4 Administration of the Takeovers Code	1,600	-	(582)	-	1,018	-	The performance of strategy functions by the Takeovers Panel as specified in the Takeovers Act 1993. The decrease reflects a transfer of funding to the Takeovers Panel Litigation Fund (-\$675,000) to enhance the transparency with regard to the appropriations for the Fund. This is partially offset by an increase in fees for the Chair and members of the Takeovers Panel (\$93,000).
O5 Enforcement of Dairy Sector Regulation	1,430	-	-	-	1,430	-	To fund the Commerce Commission for dispute resolution and enforcement of the Dairy Industry Restructuring Act 2001 and related regulations.
Total Appropriations for Non-Departmental Output Classes	16,269	-	(582)	-	15,687	-	
Other Expenses to be Incurred by the Crown							
Contributions to International Organisations	670	-	(115)	-	555	-	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 to the Basel Convention. The decrease reflects a transfer of funding to D1 Policy Advice - Business and Competition to meet the additional workload in reviewing regulatory impact statements and business compliance cost statements.

Part B1 - Details of Appropriations (continued)

	2002/03						Purpose of and Reasons for Change in 2002/03 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							
Commerce Commission Litigation Fund	1,688	-	-	-	1,688	-	To meet the cost of major litigation activity undertaken by the Commerce Commission arising from its general market and sector specific enforcement activities, that is outside the normal routine or scope of its general litigation activity. Criteria for use of the fund are set out in the annual Memorandum of Understanding.
Securities Commission Litigation Fund	844	-	-	-	844	-	To meet the cost of major litigation activity undertaken by the Securities Commission arising from it carrying out functions under the proposed Securities and Market Institutions Act. Criteria for the use of the fund will be set out in the annual Memorandum of Understanding.
Takeovers Panel Litigation Fund	-	-	675	-	675	-	A transfer from O4 Administration of the Takeovers Code, to meet the cost of major litigation activity undertaken by the Takeovers Panel arising from it carrying out its functions under the Takeovers Act 1993. Criteria for the use of the fund will be set out in the annual Memorandum of Understanding.
Risk Capital Fund - Directors' Fees	6	-	-	-	6	-	Payment of directors' fees for attendance at meetings.

Crawford V Securities Commission	-	-	-	42	-	42	The increase is to meet the cost of the judicial review proceedings against the Securities Commission in relation to the case of Crawford v Securities Commission.
Total Appropriations for Other Expenses to be Incurred by the Crown	3,208	-	560	42	3,768	42	
Capital Contributions to Other Persons or Organisations							
Investment in Securities Commission	135	-	-	-	135	-	Additional equity to enable the Securities Commission to carry out functions under the proposed Securities Market and Institutions Act.
Investment in Commerce Commission	-	-	1,125	-	1,125	-	Additional equity to enable the Commerce Commission to meet additional responsibilities under the telecommunications, electricity and dairy regulatory regimes.
Total Appropriations for Capital Contributions to Other Persons or Organisations	135	-	1,125	-	1,260	-	
Total Appropriations	65,443	-	3,942	42	69,385	42	

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	2002/03			Explanation of 2002/03 Crown Revenue
	Main Estimates \$000	Supplementary Estimates \$000	Total Budgeted \$000	
Current Revenue				
Non-Tax Revenue				
Accounting Standards Review Board	119	-	119	Recovery of costs from fees payable under Section 5 of the Financial Reporting Order 1994.
Proceeds of Crime	250	4,700	4,950	Revenue collected under the Proceeds of Crime Act 1991. The increase reflects an increase in forecast proceeds of crime revenue.
Total Non-Tax Revenue	369	4,700	5,069	
Total Current Revenue	369	4,700	5,069	
Total Crown Revenue and Receipts	369	4,700	5,069	