

VOTE *Commerce*

Terms and Definitions Used

ASRB	Accounting Standards Review Board
CEP	Closer Economic Partnership
FTA	Free Trade Agreement
NZAM	New Zealand Alternative Market
WTO	World Trade Organisation

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	52,175	-	18,654	457	71,286
Benefits and Other Unrequited Expenses	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	5,425	-	5,425
Capital Flows					
Capital Contributions	-	-	5,615	-	5,615
Purchase or Development of Capital Assets	-	-	-	-	-
Repayment of Debt	-	-	-	-	-
Total Appropriations for 2003/04	52,175	-	29,694	457	82,326
Total 2003/04 Main Estimates Appropriations	48,602	-	23,259	-	71,861

Part B1 - Details of Appropriations

	2003/04						Purpose of and Reasons for Change in 2003/04 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)							
Policy Advice - Business and Competition	11,643	-	134	-	11,777	-	Policy advice on the business legal framework; competition law policy; intellectual property rights; the impact of environmental issues on economic development; information technology; standards and conformance issues; technical barriers to trade; tariff and border protection; trade remedies; and monitoring of Crown Entities and Statutory Boards. The increase reflects funding for travel costs in support of WTO negotiations and bilateral CEP/ FTA's (\$332,000) partially offset by a funding transfer from 2003/04 to 2004/05 for research into possible negotiation of a FTA with the USA (-\$150,000); a transfer to Vote Consumer Affairs to meet cost pressures (-\$28,000); and Engineers Registration Board Services no longer provided (-\$20,000).
Administration of Part II Tariff Concessions	397	-	-	-	397	-	Assessing applications by importers to be exempted from import duties under the tariff concessions policy.
Administration of Trade Remedies	1,220	-	(113)	-	1,107	-	Investigative services to establish whether New Zealand industries require remedies to prevent injury caused by dumped or subsidised imports or sudden import surges. The decrease reflects a transfer of funding to Vote Consumer Affairs to meet cost pressures.
Registration and Granting of Intellectual Property Rights	10,071	-	458	-	10,529	-	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 and the associated GST impact.

Administration of Insolvencies	10,260	-	-	-	10,260	-	Administration of insolvencies and proceeds of crime orders.
Registration and Provision of Statutory Information	15,011	-	3,094	-	18,105	-	Registering and provision of documents and information services in respect of corporate entities, securities over insurance and superannuation schemes and securities over personal property (excluding land). The increase reflects proposed fee changes (\$1.966 million); and the establishment of the motor vehicle traders register (\$1.272 million); partially offset by delays in introduction of the Retirement Villages Act (-\$144,000).
Total Appropriations for Departmental Output Classes (Mode B Gross)	48,602	-	3,573	-	52,175	-	
Non-Departmental Output Classes							
Approval and Review of Financial Reporting Standards	472	-	298	-	770	-	Reviewing and approving financial reporting standards and work relating to the international harmonisation of financial reporting standards. The increase reflects costs associated with funding the ASRB in progressing the adoption of International Financial Accounting Standards.
Performance of Securities Market Functions	5,053	-	289	-	5,342	-	The performance of statutory functions by the Securities Commission in relation to the Securities Act 1978 and the proposed Security Markets and Institutions Act. The increase reflects costs associated with relocating to larger premises (\$210,000); and costs associated with funding Commission's advice on NZAX market, compliance, enforcement and futures trading (\$79,000).
Enforcement of General Market Regulation	8,893	-	1,223	-	10,116	-	The promotion of competition and fair trading through the administration, enforcement and adjudication activities undertaken by the Commerce Commission. The increase reflects new funding to enable the Commerce Commission to meet agreed levels of enforcement activity.
Administration of the Takeovers Code	1,018	-	-	-	1,018	-	The performance of strategic functions by the Takeovers Panel as specified in the Takeovers Act 1993.
Enforcement of Dairy Sector Regulation	1,408	-	-	-	1,408	-	To fund the Commerce Commission for dispute resolution and enforcement of the Dairy Industry Restructuring Act 2001 and related regulations.

Part B1 - Details of Appropriations (continued)

	2003/04						Purpose of and Reasons for Change in 2003/04 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Appropriations							
Non-Departmental Output Classes - cont'd							
Statutory Management - CH Finance Limited and Others - Payment of Statutory Mgrs	-	-	-	457	-	457	The increase reflects funding for the payment of the Statutory Managers of CH Finance Limited and Others.
Regulation of Charities	675	-	(675)	-	-	-	To fund the establishment of the Charities Commission and the introduction of a new registration, reporting and monitoring regime for charities. The decrease reflects the decision to recover set up and operating costs through fees.
Total Appropriations for Non-Departmental Output Classes	17,519	-	1,135	457	18,654	457	
Other Expenses to be Incurred by the Crown							
Building Industry Litigation Costs	-	-	1,442	-	1,442	-	The increase reflects costs associated with potential weathertightness litigation.
Charities Commission Litigation Fund	600	-	(350)	-	250	-	To meet the cost of major litigation activity undertaken by the Charities Commission arising from it carrying out its functions under the proposed Charities Act. The decrease reflects a delay in the introduction of the proposed Charities Act and proposed funding mechanisms.
Contributions to International Organisations	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 to the Basel Convention.

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 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 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	-	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 Memorandum of Understanding.
Risk Capital Fund - Directors' Fees	6	-	-	-	6	-	Payment of directors' fees for attendance at meetings.
Total Appropriations for Other Expenses to be Incurred by the Crown	4,333	-	1,092	-	5,425	-	
Capital Contributions to Other Persons or Organisations							
Investment in the Charities Commission	1,367	-	(1,367)	-	-	-	Equity funding for the establishment of the Charities Commission. The decrease reflects the delay in the Charities Commission establishment date and register development.
Investment in Building Industry Authority	-	-	4,000	-	4,000	-	The increase reflects funding to ensure that the Building Industry Authority's working capital position is sustainable in the medium term until access to previous levy reserves is possible.
Investment in Securities Commission	40	-	1,575	-	1,615	-	Additional equity to enable the Securities Commission to meet its capital requirements to enable it to effectively regulate futures markets. The increase reflects funding to the Securities Commission for relocating to larger premises.
Total Appropriations for Capital Contributions to Other Persons or Organisations	1,407	-	4,208	-	5,615	-	
Total Appropriations	71,861	-	10,008	457	81,869	457	

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	2003/04			Explanation of 2003/04 Crown Revenue
	Main Estimates	Supplementary Estimates	Total Budgeted	
	\$000	\$000	\$000	
Current Revenue				
Non-Tax Revenue				
Accounting Standards Review Board	119	565	684	Recovery of costs from fees payable under section 5 of the Financial Reporting Order 1994. The increase reflects a forecast change of higher than expected recoveries.
Proceeds of Crime	250	1,128	1,378	Revenue collected under the Proceeds of Crime Act 1991. The increase reflects a forecast change of higher than expected proceeds.
Total Non-Tax Revenue	369	1,693	2,062	
Total Current Revenue	369	1,693	2,062	
Capital Receipts				
Return of Capital Invested	-	440	440	The increase reflects the expected dividend proceeds from the Greenstone Fund.
Total Capital Receipts	-	440	440	
Total Crown Revenue and Receipts	369	2,133	2,502	