

VOTE Commerce

## VOTE Commerce

### OVERVIEW

Appropriations for departmental output classes in Vote Commerce in 1999/2000 total \$44.282 million. They are to be applied as follows:

- \$8.287 million (19% of the departmental output class appropriation) on purchasing policy advice services from the Ministry of Commerce.
- \$0.397 million (1% of the departmental output class appropriation) on administering import legislation.
- \$1.621 million (4% of the departmental output class appropriation) on policy advice and administration of trade remedies.
- \$8.640 million (19% of the departmental output class appropriation) on the registration and granting of intellectual property rights by the Intellectual Property Office and granting of plant variety rights by the Plant Variety Rights Office.
- \$0.430 million (1% of the departmental output class appropriation) on the Industrial Supplies Office.
- \$14.541 million (33% of the departmental output class appropriation) on the registration and provision of statutory information.
- \$10.366 million (23% of the departmental output class appropriation) on the administration of insolvencies.

Appropriations sought for non-departmental outputs total \$11.009 million. These relate to the Commerce Commission and its work in the context of the Commerce and Fair Trading Acts, the Securities Commission, and the Accounting Standards Review Board. Details are given under Part C.

Appropriations sought for non-departmental other expenses total \$0.706 million. These relate to the Crown's membership in various organisations associated with activities within Vote Commerce.

The Ministry forecasts to collect \$0.369 million of third-party revenue under Vote Commerce in 1999/2000.

Details of how the appropriations are to be applied appear in Parts B1, C, D and E of this Vote. Details of Crown revenue appear in Part F.

## Terms and Definitions

ANZCERTA	<i>Australia New Zealand Closer Economic Relations Trade Agreement</i>
APEC	<i>Asia Pacific Economic Cooperation</i>
EIRA	<i>Electricity Industry Reform Act 1998</i>
ISO	<i>Industrial Supplies Office</i>
SMEs	<i>Small and medium-sized enterprises</i>
WTO	<i>World Trade Organisation</i>

## Footnotes

Note 1	<i>Not applicable as Crown revenue is not appropriated.</i>
Note 2	<i>Appropriations are stated GST inclusive (where applicable).</i>
Note 3	<i>The range is (1) not satisfactory, (2) fell short of expectations, (3) satisfactory, (4) met expectations, (5) fully met expectations.</i>

# VOTE Commerce

VOTE MINISTER: MINISTER FOR ENTERPRISE AND COMMERCE

ADMINISTERING DEPARTMENT: MINISTRY OF COMMERCE

*The Minister for Enterprise and Commerce is the Responsible Minister for the Ministry of Commerce*

## Part A - Statement of Objectives and Trends

### Part A1 - Objectives for Vote Commerce

#### **Related Government Outcomes**

The appropriations sought for Vote Commerce will contribute to:

- policy advice to the Minister for Enterprise and Commerce on issues concerning: business performance, innovation and growth; enterprise assistance, including tariffs; standards accreditation and certification; intellectual property rights; competition law and policy, corporate and commercial law; sector-specific regulation including industry-specific issues and occupational regulation; trade remedies; the implications for business of environmental policy; government purchasing policies; and primary policy advice responsible for 45 statutes
- administrative operations for legislation concerning: tariff and certain non-tariff measures; trade remedies; protection of the ozone layer; the importation of tyres; and border controls relating to hazardous substances and certain aspects of copyright law
- granting and registering property rights under legislation - patents, trade marks, designs, geographical indications and plant variety rights - by the Intellectual Property Office and Plant Variety Rights Office
- providing registration and information services in respect of all corporate entities, investment schemes and motor vehicle securities
- administering insolvency matters in relation to individuals and companies.

In addition, funding is included in this Vote to purchase outputs from the following Crown entities:

- The Commerce Commission, which enforces the Commerce Act 1986 and the Fair Trading Act 1986, which protect the competitive process in New Zealand markets, prohibit misleading or deceptive conduct in trade and require disclosure of information about aspects of consumer and product safety. The Commission also enforces the Electricity Industry Reform Act 1998 (EIRA).
- The Securities Commission, which monitors and advises on practices in New Zealand securities markets.
- The Accounting Standards Review Board, which approves New Zealand financial reporting standards.

## ***Links Between Output Classes and Government Outcomes***

The links between the Government's objectives and the classes of outputs being purchased under Vote Commerce are:

<b>Output Class</b>	<b>Related Outcomes</b>
Policy Advice: Business and Competition	<p>Contributes to the Government's objectives in the areas of:</p> <ul style="list-style-type: none"> <li>• strengthening our external links by liberalising trade and investment</li> <li>• improving the quality of our regulatory environment</li> <li>• encouraging the contestable supply of resources and services in areas of public responsibility</li> </ul> <p>by:</p> <ul style="list-style-type: none"> <li>• creating an environment for business which encourages investment in New Zealand; removing barriers to business growth and innovation by enabling business to gain best possible access to markets, skills, capital (including foreign investment) and technology; and improving knowledge across the business community about paths to success</li> <li>• providing a framework of business law and regulation which makes ownership of property clear and certain, reduces the costs of doing business and promotes the disclosure of information which assists business decision-making</li> <li>• lowering costs for business and encouraging efficiency, competition and innovation, through a programme that effectively maintains and reviews the body of business and commercial regulation</li> <li>• ensuring markets are disciplined by competition both domestically and internationally. An effective Commerce Act, which protects the competitive process, is one of the Government's key contributions domestically</li> </ul>

Output Class	Related Outcomes
	<ul style="list-style-type: none"> <li>• ensuring that domestic and international regulatory frameworks for business are increasingly robust and do not obstruct but facilitate business</li> <li>• providing a framework and governance structure for the water and waste water sector, and providing policy advice on infrastructure issues and the impact of environmental and conservation issues.</li> </ul>
Administration of Import Legislation	<p>Contributes to the Government's objectives in the area of:</p> <ul style="list-style-type: none"> <li>• strengthening our external links by liberalising trade and investment</li> </ul> <p>by administering policies exempting imports from import duties.</p>
Registration and Granting of Intellectual Property Rights	<p>Contributes indirectly to the Government's objectives in the area of:</p> <ul style="list-style-type: none"> <li>• improving the quality of our regulatory environment</li> </ul> <p>by granting patents and plant variety rights, and registering trademarks, designs and geographical indications.</p>
Policy Advice and Administration of Trade Remedies	<p>Contributes to the Government's objectives in the areas of:</p> <ul style="list-style-type: none"> <li>• strengthening our external links by liberalising trade and investment</li> <li>• improving the quality of our regulatory environment</li> </ul> <p>by ensuring that New Zealand's import trade is conducted on a fair and competitive basis, in a manner consistent with our World Trade Organisation (WTO) trade remedies obligations.</p>

Output Class	Related Outcomes
Industrial Supplies Office	<p>Contributes indirectly to the Government's objectives in the area of:</p> <ul style="list-style-type: none"> <li>strengthening our external links by liberalising trade and investment</li> </ul> <p>by assisting New Zealand suppliers to obtain information on, and have equal access to, government purchasing opportunities, and to obtain information on Australian government business opportunities.</p>
Administration of Insolvencies	<p>Contributes to the Government's objectives in the area of:</p> <ul style="list-style-type: none"> <li>improving the quality of our regulatory environment</li> </ul> <p>by providing services associated with managing insolvencies and proceeds of crime orders.</p>
Registration and Provision of Statutory Information	<p>Contributes to the Government's objectives in the area of:</p> <ul style="list-style-type: none"> <li>improving the quality of our regulatory environment</li> </ul> <p>by providing business registration and information services in respect of all corporate entities, investment schemes and motor vehicle securities which achieve or set international standards for best practice.</p>

## Part A2 - Trends in Vote Commerce

The allocation flows for Vote Commerce are detailed in the trends table.

### ***Classes of Outputs to be Supplied***

Classes of outputs expenditure increased significantly between 1994/95 and 1995/96 following the transfer of primary responsibility for policy advice on corporate and commercial law from the Department of Justice, and the transfer from Vote Justice of the Commercial Affairs and Motor Vehicle Securities functions for nine months. From 1996/97 a full-year impact is reflected in the results.

At the same time several Crown entities (the Accounting Standards Review Board, the Securities Commission and the Takeovers Panel) were transferred to Vote Commerce along with responsibility for full funding of the subscriptions to the International Copyright and Patent Union.

### ***Other Expenses***

The major increase in 1997/98 reflects one-off compensation payments following the tariff removal for motor vehicles. 1998/99 expenses include a one-off increase in departmental costs following the recognition and measurement of liabilities arising from employment entitlements in unvested leave liabilities.

### ***Crown Revenue and Receipts***

Variations reflect the nature of receipts classified under these line items. Penalties imposed under the Commerce Act and receipts collected under the Proceeds of Crime Act 1991 vary between years. Commerce Act 1986 penalties imposed in 1996/97 and 1998/99 are the major contributors to the fluctuation in these years.

### ***Capital Contributions***

Between 1994/95 and 1996/97 the Government contributed to the Greenstone Fund, set up to provide a new source of risk capital for business finance.

An additional one-off capital contribution of \$6.323 million was also appropriated in 1995/96 to the Ministry of Commerce for the transfer of the operations of the Commercial Affairs Division from the Department of Justice.

No capital contributions have been made to Vote Commerce since 1996/97.

## Trends in Vote Commerce - Summary of Appropriations and Crown Revenue

Types of Appropriation	1994/95	1995/96	1996/97	1997/98	1998/99		1999/00 Appropriations to be Used				
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Operating Flows</b>											
Classes of Outputs to be Supplied	25,285	50,519	55,916	54,939	56,890	56,531	44,282	-	11,009	-	55,291
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Other Expenses	733	507	567	10,693	1,536	1,206	-	-	706	-	706
<b>Capital Flows</b>											
Capital Contributions	2,095	7,243	924	-	-	-	-	-	-	-	-
Purchase or Development of Capital Assets	-	-	-	-	-	-	N/A	N/A	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-
<b>Total Appropriations</b>	28,113	58,269	57,407	65,632	58,426	57,737	44,282	-	11,715	-	55,997
<b>Total Crown Revenue and Receipts</b> (see note 1)	90	156	2,470	563	5,782	6,597	N/A	N/A	N/A	N/A	369

## Part B - Statement of Appropriations (see note 2)

### Part B1 - Details of 1999/2000 Appropriations

Appropriations	1998/99				1999/00		Description of 1999/00 Appropriations
	Vote		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Classes (Mode B Gross)</b>							
D1 Policy Advice: Business and Competition	9,013	-	9,014	-	<b>8,287</b>	-	Providing policy advice on the business performance and environment including: the legal framework for business; competition law policy; intellectual property rights; industry-specific issues; the impact of environmental issues; tariff and border protection policies; and the review of the water and waste water industry.
D2 Administration of Import Legislation	397	-	385	-	<b>397</b>	-	Assessing applications by importers to be exempted from import duties under the tariff concessions policy.
D3 Policy Advice and Administration of Trade Remedies	1,508	-	1,508	-	<b>1,621</b>	-	Providing policy advice in relation to trade remedies. Investigating complaints concerning imports, and recommendations regarding trade remedies.
D4 Registration and Granting of Intellectual Property Rights	9,811	-	9,811	-	<b>8,640</b>	-	Administering legislation providing for the protection of intellectual property rights by the granting of patents and plant variety rights, and the registration of trade marks, designs and geographical indicators.
D5 Industrial Supplies Office	430	-	430	-	<b>430</b>	-	Facilitating purchases by New Zealand government agencies of domestic products and enhancing opportunities for New Zealand suppliers to compete for Australian government business.
D6 Administration of Insolvencies	10,898	-	10,898	-	<b>10,366</b>	-	Managing insolvencies and proceeds of crime orders.
D7 Registration and Provision of Statutory Information	15,288	-	15,288	-	<b>14,541</b>	-	Registering and providing information services in respect of all corporate entities, investment schemes and motor vehicle securities.

<b>Total Appropriations for Departmental Output Classes (Mode B Gross)</b>	47,345	-	47,334	-	44,282	-	<b>Refer to Part C1 for a full description.</b>
<b>Non-Departmental Output Classes</b>							
O1 Approval and Review of Financial Reporting Standards	134	-	134	-	<b>134</b>	-	Reviewing and approving financial reporting standards.
O2 Performance of Securities Market Functions	2,151	-	2,151	-	<b>2,550</b>	-	The performance of statutory functions by the Securities Commission in relation to the Securities Act 1978.
O3 Commerce Act and Fair Trading Act Enforcement and Adjudication	7,260	-	6,912	-	<b>8,325</b>	-	The promotion of competition and fair trading through the administration, enforcement and adjudication activities undertaken by the Commerce Commission.
<b>Total Appropriations for Non-Departmental Output Classes</b>	9,545	-	9,197	-	11,009	-	<b>Refer to Part C2 for a full description.</b>
<b>Other Expenses to be Incurred by the Department</b>							
Provision for Retirement and Long Service Leave	830	-	830	-	-	-	No appropriation is sought in 1999/00.
<b>Total Appropriations for Other Expenses to be Incurred by the Department</b>	830	-	830	-	-	-	

## Part B1 - Details of 1999/2000 Appropriations (Continued)

	1998/99				1999/00		Description of 1999/00 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Other Expenses to be Incurred by the Crown</b>							
Contributions to International Organisations	700	-	370	-	<b>700</b>	-	Annual fee for New Zealand's membership of: the International Copyright and Patent Union; the International Patent Documentation Centre; the International Standards Association; the 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	-	<b>6</b>	-	Payment of directors' fees for attendance at meetings.
<b>Total Appropriations for Other Expenses to be Incurred by the Crown</b>	706	-	376	-	706	-	
<b>Total Appropriations</b>	58,426	-	57,737	-	55,997	-	

## Part C - Explanation of Appropriations for Output Classes

### Part C1 - Departmental Output Classes

#### ***Output Class D1 - Policy Advice: Business and Competition***

##### *Description*

The Minister for Enterprise and Commerce will purchase strategic and technical policy advice on issues in relation to the environment for business, and business performance, including:

- the regulatory environment for business (domestic and international)
- the regulatory framework and governance structure of the water and waste water sector
- corporate and commercial law, including the Commerce Act 1986, the Companies Act 1993, the Securities Act 1978 and intellectual property laws
- business growth, including sectoral performance
- the capability of firms to respond to the risks and opportunities associated with open and competitive markets
- the impact of education and research and development policy on business
- the impact of environmental and conservation policies on business
- the impact of local government and infrastructure on business
- industry assistance, tariff and border policies
- government purchasing policies and the role of the Industrial Supplies Office (ISO)
- the standards, accreditation and certification infrastructure
- other issues affecting the environment for business
- operation of Crown entities:
  - the Accounting Standards Review Board
  - the Testing Laboratory Registration Council
  - the Commerce Commission
  - the Standards Council
  - the Securities Commission.

Outputs within this class include:

- industry issues and business costs
- water and waste water review
- environmental policy, including New Zealand's obligations under the Basel Convention
- corporate and commercial law
- intellectual property policy
- competition policy
- international economic and regulatory framework
- standards and conformance infrastructure
- tariff concessions policy
- tariff policy
- firm and sectoral performance.

*Quantity, quality, timeliness and cost*

Performance Measures	1999/2000 Performance Standards
<p><a href="#">Quantity</a></p> <p><i>Work programme</i></p> <p>Policy advice will be delivered in accordance with the prioritised requirements of a work programme negotiated annually with the Minister.</p>	<p>Delivery of policy advice projects in accordance with the terms of the work programme agreed with the Minister.</p>
<p>Key deliverables in the work programme for 1999/2000 will include:</p> <ul style="list-style-type: none"> <li>• Prepare a report on the implementation of the Government's strategy to promote foreign direct investment in New Zealand.</li> <li>• Contribute to the achievement of New Zealand's strategic objectives in APEC (led by the Ministry of Foreign Affairs and Trade) by: <ul style="list-style-type: none"> <li>- creating a strong New Zealand business dimension to New Zealand's APEC year</li> </ul> </li> </ul>	<p>Report completed by 30 September 1999.</p> <p>September 1999.</p>

Performance Measures	1999/2000 Performance Standards
<ul style="list-style-type: none"> <li>- Achieving further progress in APEC towards strengthening markets, in particular trade facilitation and regulatory reform through the development of competition and regulation principles.</li> <li>- Promoting international frameworks of rules for businesses (WTO, APEC and climate change) that are enabling not prescriptive, and which are open to new trade and investment opportunities.</li> </ul>	
<ul style="list-style-type: none"> <li>• Implement decisions on the review of the Ministry's administration of the Basel Convention to ensure an efficient and effective response to New Zealand's obligations under the Convention.</li> </ul>	By 30 June 2000.
<ul style="list-style-type: none"> <li>• Support the implementation of government decisions on the reform of producer boards, by providing expert input to interdepartmental processes in the areas of corporate governance and regulation, competition law and policy, and intellectual property.</li> </ul>	Providing high quality advice to the Producer Boards Project Team and the Government on an ongoing basis.
<ul style="list-style-type: none"> <li>• Drawing on input from the series of business fora, prepare a White Paper on business policy and how to expand the knowledge-based economy, based on the 5-point plan announced by the Minister for Enterprise and Commerce in February 1999.</li> </ul>	By 31 July 1999.
<ul style="list-style-type: none"> <li>• Coordinate the development of electronic commerce policy across government agencies to ensure that legal and regulatory framework issues relating to electronic commerce facilitate its growth and do not create new barriers to business.</li> </ul>	By 30 June 2000.
<ul style="list-style-type: none"> <li>• Complete a review of the efficiency of capital markets for small and medium-sized enterprises (SMEs) with a view to identifying possible policy responses.</li> </ul>	By 31 July 1999
<ul style="list-style-type: none"> <li>• Support passage of a Business Law Amendment Bill that will improve the effectiveness of a range of corporate laws and reduce costs to business.</li> </ul>	By 30 September 1999

Performance Measures	1999/2000 Performance Standards
<ul style="list-style-type: none"> <li>Carry out a two-stage review of key technical aspects of insolvency law.</li> </ul>	Develop proposals for reform: <ul style="list-style-type: none"> <li>Stage 1 - by December 1999.</li> <li>Stage 2 - by 30 June 2000.</li> </ul>
<p><i>Coverage</i></p> <p>Provision of a comprehensive service which has the capacity:</p> <ul style="list-style-type: none"> <li>to react promptly</li> <li>to offer timely and relevant briefings on significant issues</li> <li>to give ministerial services and support as required.</li> </ul>	<p>The Minister's feedback is within the range (4) "met expectations" to (5) "fully met expectations" in the quarterly review of the Ministry's performance (see note 3).</p>
<p><u>Quality</u></p> <p>The Ministry's policy framework provides that advice has the following quality characteristics:</p> <ul style="list-style-type: none"> <li>Purpose - the aim of the advice is clearly stated and it answers the questions set.</li> <li>Logic - the assumptions behind the advice are explicit and the argument is logical and supported by the facts.</li> <li>Accuracy - the facts in the papers are accurate and all material facts are included.</li> <li>Options - an adequate range of options is presented and the benefits, costs and consequences of each option to the Government and the community are assessed.</li> <li>Consultation - the Ministry has consulted with other government agencies and other affected parties and possible objections to proposals are identified.</li> <li>Practicality - the problems of implementation, technical feasibility, timing and consistency with other policies have been considered.</li> </ul>	<p>The Minister's feedback is within the range (4) "met expectations" to (5) "fully met expectations" in the quarterly review of the Ministry's performance (see note 3).</p>

Performance Measures	1999/2000 Performance Standards
<ul style="list-style-type: none"> <li>• Presentation - the format meets Cabinet Office requirements; and the material is effectively, concisely and clearly presented, has short sentences in plain English and is free of spelling or grammatical errors.</li> </ul>	
Ministerial servicing in the form of letters and parliamentary questions is undertaken as required by the Minister.	An acceptance rate of 90% is achieved in respect of first drafts.
<p><u>Timeliness</u></p> <p>Reports and verbal advice to the Minister are delivered within the timeframes required by, and agreed with, the Minister.</p>	100%
Draft ministerial correspondence is submitted to the Minister within 10 working days of receipt in the Ministry.	100%
Where only an interim reply is possible, a final reply shall be provided within the following timeframes.	<ul style="list-style-type: none"> <li>• 90% within 20 working days of the original receipt in the Ministry.</li> <li>• 100% within 30 days of the original receipt in the Ministry.</li> </ul>
Advice to the Minister on statutory appointments to Crown entity boards as positions for renewal or appointment fall due.	100% within agreed timelines.
<p>Monitor and report to the Minister on the financial and non-financial performance of Crown entities as reflected through:</p> <ul style="list-style-type: none"> <li>• the Statement of Intent</li> <li>• the Memorandum of Understanding</li> <li>• the Purchase Agreement</li> <li>• management reports to the Minister</li> <li>• the Annual Report.</li> </ul>	<p>Within agreed timelines:</p> <ul style="list-style-type: none"> <li>• Annually</li> <li>• Annually</li> <li>• Annually</li> <li>• Quarterly</li> <li>• Annually.</li> </ul>

## Cost

This output class will be provided within the appropriated sum of \$8.287 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1999/00	8,287	7,366	7,365	7,297	68
1998/99	9,013	8,012	8,012	7,984	28

## Output Class D2 - Administration of Import Legislation

### Description

The Minister for Enterprise and Commerce will purchase the assessment of applications by importers to be exempted from import duties under the tariff concessions policy.

The output within this class is:

- administration of import legislation.

### Quantity, quality, timeliness and cost

Where appropriate, comparative figures for the previous year are shown in parentheses.

Performance Measures	1999/2000 Performance Standards
<p><a href="#">Quantity</a></p> <p>Number of applications lodged.</p>	<p>It is estimated that 900 (1,000) applications will be lodged.</p>
<p><a href="#">Quality</a></p> <p>Processes are to comply with the standards contained in current ministerial delegations and the policies contained in the <i>Tariff Concessions Guidance Manual</i>.</p>	<p>No more than 5% of review decisions will be reversed.</p>
<p><a href="#">Timeliness</a></p> <p>Initial decisions to advertise or decline an application will be made within 5 working days of receipt.</p>	<p>85%</p>
<p>Final decisions on applications will be made within 10 working days of the end of the advertising period.</p>	<p>85%</p>

Cost

This output class will be provided within the appropriated sum of \$0.397 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1999/00	397	352	361	-	361
1998/99	397	352	361	-	361

**Output Class D3 - Policy Advice and Administration of Trade Remedies***Description*

The Minister for Enterprise and Commerce will purchase policy advice in relation to trade remedies, including policy advice relating to international issues and agreements.

The Minister will also purchase the carrying out of investigations of applications relating to imports and the making of recommendations on the application of trade remedies, such as the imposition of import duties. This service is conducted under the Temporary Safeguard Authorities Act 1987 and the Dumping and Countervailing Duties Act 1988 in relation to dumped and subsidised goods.

*Quantity, quality, timeliness and cost*

Where appropriate, comparative figures for the previous year are shown in parentheses.

Performance Measures	1999/2000 Performance Standards
<u>Quantity</u> Number of product-by-country investigations, reviews and re-assessments.	It is estimated that there will be 24 (24) product-by-country investigations, reviews and re-assessments.
<u>Quality</u> Refer to quality standards for policy advice and ministerial servicing in Vote Commerce output class D1 Policy Advice: Business and Competition.	

Performance Measures	1999/2000 Performance Standards
Investigations and reporting are to: <ul style="list-style-type: none"> <li>be recognised by parties involved as consistent with the requirements of either the Temporary Safeguard Authorities Act 1987 or the Dumping and Countervailing Duties Act 1988</li> <li>provide no grounds for review under judicial review proceedings.</li> </ul>	No successful court challenges.  No successful court challenges.
<u>Timeliness</u>  Final determinations to be made no later than 180 days from initiation of an investigation.	100%
Interested parties to be advised of essential facts and conclusions on which a final determination will be based no later than 150 days from initiation.	100%

### Cost

This output class will be provided within the appropriated sum of \$1.621 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1999/00	1,621	1,440	1,440	1,440	-
1998/99	1,508	1,340	1,340	1,340	-

### ***Output Class D4 - Registration and Granting of Intellectual Property Rights***

#### *Description*

The Minister for Enterprise and Commerce will purchase services relating to the administration of legislation providing for the protection of intellectual property rights by: granting patents under the Patent Act 1953; registering trade marks, designs and geographical indications under the Trade Marks Act 1953, the Designs Act 1953 and the Geographical Indications Act 1994; and granting plant variety rights under the Plant Variety Rights Act 1987.

Outputs within this class are:

- granting of patents and registering of trade marks, designs and geographical indicators by the Intellectual Property Office of New Zealand
- granting of plant variety rights by the Plant Variety Rights Office.

*Quantity, quality, timeliness and cost*

Where appropriate, comparative figures for the previous year are shown in parentheses.

<b>Performance Measures</b>	<b>1999/2000 Performance Standards</b>
<p><u>Quantity</u></p> <p>Expected new applications are:</p> <ul style="list-style-type: none"> <li>• patents</li> <li>• trade marks</li> <li>• designs</li> <li>• plant variety rights.</li> </ul>	<p>4,500 (4,700)</p> <p>15,000 (17,200)</p> <p>800 (650)</p> <p>155 (155)</p>
<p><u>Quality</u></p> <p>Performance will be measured by the timeliness with which a new application is processed.</p>	<p>See Timeliness below.</p>
<p><u>Timeliness</u></p> <p><i>Intellectual Property Office of New Zealand</i></p> <p>For new applications eligible for examination, a report, or advice that acceptance and registration can occur, will be issued within 5 clear business days of receipt of a trade mark or design application or complete patent specification.</p>	<p>95% (95%)</p>
<p><i>Plant Variety Rights Office</i></p> <p>Applicants notified of decision to grant plant variety rights within 4 months of completion of testing.</p>	<p>98% (98%)</p>

## Cost

This output class will be provided within the appropriated sum of \$8.640 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1999/00	8,640	7,580	8,477	85	8,392
1998/99	9,811	8,313	11,981	85	11,896

## Output Class D5 - Industrial Supplies Office

### Description

The Minister for Enterprise and Commerce will, through the ISO, facilitate purchases by New Zealand government agencies of domestic (New Zealand and Australian) products. The ISO will also utilise links with Australian ISOs to enhance opportunities for potential New Zealand suppliers to compete for Australian State and federal government business, establish an information base and exchange information on trans-Tasman opportunities.

The output within this class is the promotion of the government purchasing policy aimed at encouraging purchases by government agencies of domestic (New Zealand and Australian) products.

### Quantity, quality, timeliness and cost

Performance Measures	1999/2000 Performance Standards
<p><u>Quantity</u></p> <p>Number of inquiries received from potential purchasers of goods and services.</p>	<p>It is estimated that 300 (300) inquiries will be received.</p>
<p><u>Quality</u></p> <p>The Minister is satisfied with the services provided, which include:</p> <ul style="list-style-type: none"> <li>maintaining an up-to-date database of New Zealand suppliers of goods and services</li> <li>identifying major Australian projects for New Zealand manufacturers to supply goods and services, through association with the ISONET, Australian ISO Network and other professional bodies</li> </ul>	<p>The Minister's feedback for services provided is within the range (3) "satisfactory" and (5) "fully met expectations" as evidenced by an annual survey (see note 3).</p>

Performance Measures	1999/2000 Performance Standards
<ul style="list-style-type: none"> <li>• facilitating a matching of suppliers and purchasers</li> <li>• disseminating information and giving seminars/presentations on purchasing policies and the activities of the ISO</li> <li>• disseminating government procurement opportunities to local industry through the Government Electronic Tenders Services via the Internet</li> <li>• identifying and exchanging opportunities on Australian and New Zealand government procurement under the Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA).</li> </ul>	
<p><u>Timeliness</u></p> <p>Initial responses to inquiries from potential purchasers will be provided within 15 working days.</p>	85%

### Cost

This output class will be provided within the appropriated sum of \$0.430 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1999/00	430	382	382	382	0
1998/99	430	382	382	382	0

### ***Output Class D6 - Administration of Insolvencies***

#### *Description*

The Minister for Enterprise and Commerce will purchase administrative services associated with the management of orders made by the courts initiating personal bankruptcies and company liquidations. The purchase of administrative services relating to orders under the Proceeds of Crime Act 1991 is also included in this output class.

Outputs within this class are:

- bankruptcies and liquidations administered
- proceeds of crime orders administered.

*Quantity, quality, timeliness and cost*

Where appropriate, comparative figures for the previous year are shown in parentheses.

<b>Performance Measures</b>	<b>1999/2000 Performance Standards</b>
<u>Quantity</u>	Expected volumes are:
Bankruptcies	3,900 (3,000)
Liquidations	600 (1,000)
Proceeds of crime orders	25 (25).
<u>Quality</u>	
Performance in this output class will be measured by the timely completion of the administration of insolvencies as measured by the percentage of insolvency files open against total files received during a specified period.	See Timeliness below.
<u>Timeliness</u>	
<i>Bankruptcies</i>	
The percentage of bankruptcy files that remain open that are:	
<ul style="list-style-type: none"> <li>• 6 months to 1 year old</li> <li>• 1 to 2 years old</li> <li>• 2 to 3 years old.</li> </ul>	20% or less remain open. 10% or less remain open. 5% or less remain open.
<i>Liquidations</i>	
The percentage of liquidation files that remain open that are:	
<ul style="list-style-type: none"> <li>• 6 months to 1 year old</li> <li>• 1 to 2 years old</li> <li>• 2 to 3 years old.</li> </ul>	40% or less remain open. 15% or less remain open. 5% or less remain open.

## Cost

This output class will be provided within the appropriated sum of \$10.366 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1999/00	10,366	9,134	9,850	8,301	1,549
1998/99	10,898	9,607	10,323	8,774	1,549

## Output Class D7 - Registration and Provision of Statutory Information

### Description

The Minister for Enterprise and Commerce will purchase services relating to the registration and provision of a range of documents and information required to be filed on a public record by corporate entities, insurance and superannuation funds, issuers of securities and holders of securities over motor vehicles.

Outputs within this class are:

- Companies Office services
- Motor Vehicles Securities Register services
- Insurance and Superannuation Unit services.

### Quantity, quality, timeliness and cost

Where appropriate, comparative figures for the previous year are shown in parentheses.

Performance Measures	1999/2000 Performance Standards
<u>Quantity</u>	
<i>Companies Office</i>	
Material documents:	Estimated volumes are:
• Company incorporations	22,400 (24,000)
• Name approvals	38,400 (43,000)
• Prospectuses	1,200
• Annual returns.	174,000 (150,000).

<b>Performance Measures</b>	<b>1999/2000 Performance Standards</b>
Other activities:	
• Manual file searches	40,000 (75,000)
• Electronic company searches	156,800
• Dissolution of companies.	15,000.
<i>Motor Vehicle Securities Register</i>	
Security interest registrations	165,000 (190,000)
Electronic inquiries as to the state of register.	153,000 (20,000)
<i>Insurance and Superannuation Unit</i>	
Trustee Annual Reports filed.	1,100 (1,100)
<u>Quality</u>	
Documents or interests will be registered within the following deadlines and comply with statutory requirements.	See Timeliness below.
<u>Timeliness</u>	
<i>Companies Office</i>	
Percentage of material documents processed within 1 clear working day of receipt.	99% (99%)
The Companies Office database will be available for immediate searching on a continuous 24-hour basis except for scheduled maintenance and updates or any circumstances beyond the control of the Companies Office.	95% (95%)

### Cost

This output class will be provided within the appropriated sum of \$14.541 million (inclusive of GST).

<b>Year</b>	<b>Cost GST incl \$000</b>	<b>Cost GST excl \$000</b>	<b>Total Revenue GST excl \$000</b>	<b>Revenue Crown GST excl \$000</b>	<b>Revenue Other GST excl \$000</b>
1999/00	14,541	12,797	13,950	380	13,570
1998/99	15,288	13,032	18,046	410	17,636

## Part C2 - Non-Departmental Output Classes

### ***Output Class O1 - Approval and Review of Financial Reporting Standards***

#### *Description*

The Minister for Enterprise and Commerce will purchase services from the Accounting Standards Review Board to consider, and to approve as the Board considers appropriate, financial reporting standards and amendments to financial reporting standards that are submitted to it.

#### *Quantity, quality, timeliness and cost*

<b>Performance Measures</b>	<b>1999/2000 Performance Standards</b>
<u>Quantity</u>	
Number of applications for standards.	2 - 3
Number of applications for exposure drafts.	6 - 8
<u>Quality</u>	
Applications considered in accordance with procedural requirements (including the rules of natural justice and fairness and with all other requirements of law) so that no decisions of the Board are challenged on the basis of failure of the Board to comply with procedural requirements.	100%
<u>Timeliness</u>	
All applications received will be considered at a meeting of the Board within 2 months.	100%
All applications will be either approved or declined within 4 months of receipt.	100%

#### Cost

1999/00	Total output class to be provided within (GST inclusive)	\$134,000
1998/99	Total output class to be provided within (GST inclusive)	\$134,000

#### *Provider*

Accounting Standards Review Board.

## Output Class O2 - Performance of Securities Market Functions

### Description

The Minister for Enterprise and Commerce will purchase the performance of the following functions by the Securities Commission:

- Considering and deciding on the exercise of the Commission's statutory powers.
- Reviewing practices relating to securities, reviewing the law relating to bodies corporate, securities, and unincorporated issuers of securities, and making recommendations to the responsible Minister for changes to the law.
- Promoting public understanding of the law and practices relating to securities.
- Considering and deciding upon applications for exemption from the Securities Act 1978 and regulations made under that Act.

### Quantity, quality, timeliness and cost

Performance Measures	1999/2000 Performance Standards
<p><i>Statutory powers</i></p> <p>The Commission estimates that it will exercise its statutory powers in respect of 65 matters, other than exemption applications, in 1999/2000. It will generally act on the application of other persons. It will act on its own initiative where there is evidence of possible market malpractice.</p>	<p>The Commission will exercise its powers in accordance with market and legal requirements including, where appropriate, the rules of natural justice and fairness.</p> <p>The Commission will consider matters in a timely manner, taking account of the needs of any market participant, and at the lowest cost commensurate with the need to comply with the Commission's obligations.</p>
<p><i>Reviewing practices</i></p> <p>The Commission expects to issue 20 statements or comments or reports on business law and practice.</p>	<p>The work will be based on accurate research into, and analysis of, the relevant facts as well as the existing law and practice.</p> <p>Any recommendations will set out and apply the relevant values and principles, including, where appropriate, the costs and benefits of the Commission's proposals according to the best available information and method of analysis.</p>
	<p>An objective will be to simplify the expression and content of the law, so far as possible.</p>

Performance Measures	1999/2000 Performance Standards
	<p>The process of reform will be based on wide and open consultation with all affected interests, including the general public, to the full extent appropriate and practicable in the particular case.</p> <p>Recommendations will be given independently.</p>
<p><i>Promotion</i></p> <p>Producing speeches, papers, reports and other communications as appropriate. Supporting other bodies promoting public understanding of the law and practices relating to securities.</p>	<p>Work will be based on an as accurate as possible interpretation of securities law.</p> <p>An objective will be to simplify the expression and content of the law as far as possible.</p>
<p><i>Application exemptions</i></p> <p>The Commission estimates that it will consider 90 (60) applications for exemptions.</p>	<p>The Commission will:</p> <ul style="list-style-type: none"> <li>• consider applications with a view to facilitating innovation in securities markets while promoting market confidence</li> <li>• exercise its powers in accordance with market and legal requirements, including, where appropriate, the rules of natural justice and fairness</li> <li>• consider matters in a timely manner, taking account of the needs of any market participant, and at the lowest cost commensurate with the need to comply with the Commission's obligations</li> <li>• measure performance standards through internal review.</li> </ul>

### Cost

1999/00	Total output class to be provided within (GST inclusive)	\$2,550,000
1998/99	Total output class to be provided within (GST inclusive)	\$2,151,000

### *Provider*

Securities Commission.

## **Output Class O3 - Commerce Act and Fair Trading Act Enforcement and Adjudication**

### *Description*

The Minister for Enterprise and Commerce will purchase the promotion of competition and fair trading through the administration, enforcement and adjudication activities undertaken by the Commerce Commission under the Commerce Act 1986, the Fair Trading Act 1986 and the EIRA.

This includes:

- enforcing the Commerce Act's prohibitions relating to restrictive trade practices and business acquisitions
- enforcing the provisions of the Fair Trading Act which prohibit certain misleading or deceptive conduct and practices in trade and require compliance with Consumer Information and Product Safety Standards
- enforcing the separation of electricity lines and energy businesses as required by the EIRA
- promoting public awareness of the Acts the Commission enforces
- undertaking adjudication activities in relation to clearance or authorisation of business acquisitions, the authorisation of trade practices under the Commerce Act, and the granting of exemptions or application of extensions under the EIRA
- reporting on the application of price controls and implementing such controls as required.

### *Quantity, quality, timeliness and cost*

Where appropriate, comparative figures for the previous year are shown in parentheses.

<b>Performance Measures</b>	<b>1999/2000 Performance Standards</b>
<a href="#"><u>Quantity</u></a>	
<i>Commerce Act enforcement</i>	
Complaints and inquiries received.	4,000 (4,000)
Investigations commenced.	60 (160)
Warnings and settlements implemented.	18 (18)
Proceedings commenced.	4 (4)

<b>Performance Measures</b>	<b>1999/2000 Performance Standards</b>
<i>Fair Trading Act enforcement</i>	
Complaints and inquiries received.	14,000 (15,000)
Investigations commenced.	400 (400)
Warnings and settlements implemented.	270 (270)
Proceedings commenced.	26 (26)
<i>Adjudication</i>	
Clearance applications examined.	28 (28)
Business acquisition authorisation applications examined.	2 (2)
Restrictive trade practice authorisation applications examined.	2 (2)
EIRA exemption applications examined.	7 (no performance measure for 1998/99).
<i>Price monitoring and control</i>	
Price control inquiries conducted.	1
<u>Quality</u>	
Proportion of Commission investigations meeting relevant quality standard.	100%
<u>Timeliness</u>	
Average complaint assessment time.	7 days (5 days).
Time between Commission approval and initiation of proceedings.	Complex matters 42 days (30 days). Routine matters 28 days (20 days).
Time between initiation of proceeding and hearing:	
<ul style="list-style-type: none"> <li>• Commerce Act matters</li> </ul>	Complex: 50% within 18 months. 100% within 24 months.  Routine: 50% within 12 months. 100% within 18 months.
<ul style="list-style-type: none"> <li>• Fair Trading Act matters</li> </ul>	Complex: 50% within 12 months. 100% within 18 months.  Routine: 50% within 9 months. 100% within 12 months.

Cost

1999/00	Total output class to be provided within (GST inclusive)	\$8,325,000
1998/99	Total output class to be provided within (GST inclusive)	\$7,260,000

*Provider*

Commerce Commission.

## **Part D - Explanation of Appropriations for Other Operating Flows**

### Part D1 - Benefits and Other Unrequited Expenses

There is no appropriation for Part D1.

### Part D2 - Borrowing Expenses

There is no appropriation for Part D2.

### Part D3 - Other Expenses

Information on these appropriations is provided in Part B1.

## Part E - Explanation of Appropriations for Capital Flows

### Part E1 - Capital Contributions

There is no appropriation for Part E1.

## Net Worth of Entities Owned

### Statement of Estimated and Forecast Net Worth

	Balance Date	Estimated Net Worth 1999 \$ million	Forecast Net Worth 2000 \$ million
Ministry of Commerce	30 June	3.705	3.705
Crown Entities:			
Standards Council	30 June	1.0	1.0
Testing Laboratory Registration Council (TELARC)	30 June	3.9	3.9
Commerce Commission	30 June	4.1	4.1
Securities Commission	30 June	0.5	0.5
Accounting Standards Review Board	30 June	0	0
Takeovers Panel	30 June	0	0

### Part E2 - Purchase or Development of Capital Assets by the Crown

There is no appropriation for Part E2.

### Part E3 - Repayment of Debt

There is no appropriation for Part E3.

## Part F - Crown Revenue and Receipts

### Part F1 - Current and Capital Revenue and Receipts

	1998/99		1999/00	Description of 1999/00 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
<b>Current Revenue</b>				
Non-Tax Revenue				
Accounting Standards Review Board	119	119	119	Recovery of costs from fees payable under section 5 of the Financial Reporting Order 1994.
Commerce Act Penalty	5,413	5,915	-	Penalties imposed by the Commerce Commission.
Proceeds of Crime	250	563	250	Revenue collected under Proceeds of Crime Act 1991.
Total Non-Tax Revenue	5,782	6,597	369	
<b>Total Current Revenue</b>	5,782	6,597	369	
<b>Total Crown Revenue and Receipts</b>	5,782	6,597	369	