

Information Supporting the Supplementary Estimates

Vote Commerce

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Commerce (M13)

ADMINISTERING DEPARTMENT: Ministry of Business, Innovation and Employment

MINISTER RESPONSIBLE FOR MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT:
Minister for Economic Development

Part 1 - Summary of the Vote

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2012/13				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	126,273	1,702	(1,202)	500	126,773
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	13,475	-	-	-	13,475
Capital Expenditure	500	-	-	-	500
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	140,248	1,702	(1,202)	500	140,748
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	19,074	N/A	6,400	6,400	25,474
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	19,074	N/A	6,400	6,400	25,474

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Administration of Insolvencies (M13)

Scope of Appropriation

The administration of bankruptcies and liquidations under the Insolvency Act 2006 and the Companies Act 1993 and the management of proceeds of crime orders under the Proceeds of Crime Act 1991.

Expenses and Revenue

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	13,173	1,501	14,674
Revenue from Crown	11,948	1	11,949
Revenue from Other	1,941	1,500	3,441

Reasons for Change in Appropriation

This appropriation increased as a result of an increase in third party investigations of \$1.500 million and a retention of underspend of \$1,000 from 2011/12.

Administration of Part II Tariff Concessions (M13)

Scope of Appropriation

Assessing applications by importers to be exempted from import duties under the tariff concessions policy.

Reasons for Change in Appropriation

This appropriation decreased from \$352,000 to \$298,000 as a result of a fiscally neutral adjustment (FNA) of \$80,000 to Vote Customs to reflect the transfer of tariff implementation, tariff concession and rule of origin policy functions. This was partially offset by a \$26,000 retention of underspend from 2011/12.

Business Law and Competition operational policy, ministerial servicing and Crown entity monitoring (M13)

Scope of Appropriation

This appropriation is limited to the development of operational policies in relation to financial sector legal frameworks, competition law and corporate governance, intellectual property, technical barriers to trade, trade rules remedies and tariffs, rules of origin, and other border issues, services to support the Minister, monitoring the performance and compliance of Crown Entities, and providing support and monitoring of statutory bodies.

Expenses and Revenue

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	2,092	(500)	1,592
Revenue from Crown	2,067	(500)	1,567
Revenue from Other	25	-	25

Reasons for Change in Appropriation

This appropriation decreased as a result of an FNA of \$300,000 to departmental output expense Policy Advice - Business Law and Competition Policy to reflect the change in the Ministry's allocation methodology and a \$200,000 retention of underspend to 2013/14.

Policy Advice - Business Law and Competition Policy (M13)

Scope of Appropriation

This appropriation is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters.

Expenses and Revenue

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	7,726	689	8,415
Revenue from Crown	7,655	689	8,344
Revenue from Other	71	-	71

Reasons for Change in Appropriation

This appropriation increased as a result of:

- \$512,000 retention of underspend in 2011/12
- FNA of \$416,000 from Vote Foreign Affairs to assist with international travel costs relating to trade negotiations with World Trade Organisations (WTO) and Foreign Trade Agreements
- FNA of \$300,000 from the departmental output expense Business Law and Competition Operational Policy, Ministerial Servicing and Crown Entity Monitoring, to reflect the change in the Ministry's allocation methodology, and
- expense transfer of \$71,000 for an efficiency dividend from Vote Energy.

These were partially offset by \$400,000 retention of underspend to 2013/14 and an FNA of \$210,000 to Vote Customs to reflect the transfer of tariff implementation, tariff concession and rule of origin policy functions.

Policy Advice and Investigative Services - Regulatory Environment MCOA (M13)

Scope of Appropriation

Administration of Trade Remedies

This appropriation is limited to investigative services including ministerial servicing to establish whether New Zealand industries require remedies to prevent injury caused by dumped or subsidised imports or sudden import surges.

Policy and Purchase Advice - Business Law and Competition Policy

This appropriation is limited to policy advice and ministerial servicing in relation to international negotiating expertise on the financial sector legal frameworks; competition law policy and corporate governance policy; intellectual property rights; standards and conformance issues and technical barriers to trade; trade remedies, tariffs, rules of origin, and other border issues; quality of regulatory policy, including the regulatory impact analysis regime; and monitoring of Crown entities and statutory boards.

Explanation for Use of Multi-Class Output Expense Appropriation

Both output classes are directed at the intermediate outcome of New Zealand's international connections facilitating sustainable economic growth through increased international trade, foreign investment and knowledge transfer.

Reasons for Change in Appropriation

This appropriation decreased from \$1.084 million to \$1.042 million as a result of a \$90,000 retention of underspend to 2013/14. This was partially offset by a \$38,000 retention of underspend from 2011/12 and an expense transfer of \$10,000 from Vote Energy for an efficiency dividend.

Registration and Granting of Intellectual Property Rights (M13)

Scope of Appropriation

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.

Expenses and Revenue

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	14,104	108	14,212
Revenue from Crown	85	-	85
Revenue from Other	15,524	108	15,632

Reasons for Change in Appropriation

This appropriation increased as a result of an expense transfer of \$108,000 from 2011/12 to reflect delays in the work relating to the Patents Bill and subsequent delays in the implementation work.

Memorandum Account

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Registration and Granting of Intellectual Property Rights			
Opening Balance at 1 July	4,238		4,238
Revenue	15,243	108	15,351
Expenses	13,743	108	13,851
Transfers and Adjustments	-		
Closing Balance at 30 June	5,738	-	5,738

Part 2.2 - Non-Departmental Output Expenses

Enforcement of Dairy Sector Regulation and Auditing of Milk Price Setting (M13)

Scope of Appropriation

This appropriation is limited to funding for reviewing Fonterra's milk price setting arrangements, and dispute resolution relating to and enforcement of the Dairy Industry Restructuring Act 2011 and related regulations.

Reasons for Change in Appropriation

This appropriation increased from \$1.245 million to \$1.543 million as a result of an expense transfer of \$298,000 from 2011/12 to accommodate for the delays in the 'Dry Run' review of the 2011/12 Milk Price Manual.

Regulation of Electricity Lines Businesses (M13)

Scope of Appropriation

This appropriation is limited to the regulation of electricity lines businesses and Transpower under Part 4 of the Commerce Act 1986 and residual administration of the repealed Part 4A of the Commerce Act 1986.

Reasons for Change in Appropriation

This appropriation decreased from \$5.744 million to \$4.844 million as a result of a technical adjustment for \$1 million from 2012/13, and an expense transfer of \$400,000 to 2013/14 to reflect the delay in the new information disclosure requirements work. These were partially offset by an expense transfer of \$500,000 from 2011/12 to reflect the delay in the work on the grid upgrade proposals.