

# *Vote Commerce and Consumer Affairs*

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APPROPRIATION MINISTER(S): Minister of Commerce (M13), Minister of Consumer Affairs (M17)

APPROPRIATION ADMINISTRATOR: Ministry of Business, Innovation and Employment

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

## *Summary of the Vote*

### Overview

The Minister of Commerce is responsible for appropriations in the Vote for the 2014/15 financial year covering the following:

- a total of just under \$56 million for matters relating to the protection of intellectual property rights, administration of bankruptcies and liquidations, and the registration and provision of statutory information from business registers
- a total of just over \$36 million for non-departmental output and Multi-Year Appropriation expenditure
- a total of just under \$3 million for non-departmental other expenditure, and
- a total of just over \$48 million for multi-category expenses including policy advice and Ministerial Services.

The Minister of Commerce is also responsible for Crown revenue and receipts of just under \$32 million.

The Minister of Consumer Affairs is responsible for appropriations in the Vote for the 2014/15 financial year covering the following:

- a total of just over \$6 million for matters relating to the development and delivery of consumer information, and compliance and enforcement of trading standards
- a total of just under \$2 million for non-departmental output expenditure.

The Minister of Consumer Affairs is also responsible for Crown revenue and receipts of just under \$2 million.

Details of these appropriations are set out in Parts 2-4.

# Estimates of Appropriations

## Details of Appropriations and Capital Injections

### Annual and Permanent Appropriations

|  | 2013/14           |                              | 2014/15         |
|--|-------------------|------------------------------|-----------------|
|  | Budgeted<br>\$000 | Estimated<br>Actual<br>\$000 | Budget<br>\$000 |
| Titles and Scopes of Appropriations by Appropriation Type  |                   |                              |                 |
| <b>Departmental Output Expenses</b>  |                   |                              |                 |
| <b>Consumer Information (M17)</b>  | -                 | -                            | 2,277           |
| This appropriation is limited to the development and delivery of information and programmes that increase the ability of consumers to transact with confidence.  |                   |                              |                 |
| <b>Official Assignee Functions (M13)</b>   | 14,673            | 14,673                       | 14,428          |
| This appropriation is limited to the carrying out of statutory functions of the Official Assignee under the Insolvency Act 2006, the Companies Act 1993, the Proceeds of Crime Act 1991 and the Criminal Proceeds (Recovery) Act 2009.   |                   |                              |                 |
| <b>Registration and Granting of Intellectual Property Rights (M13)</b>   | 14,404            | 14,404                       | 15,537          |
| 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.  |                   |                              |                 |
| <b>Registration and Provision of Statutory Information (M13)</b>   | 24,772            | 24,772                       | 25,562          |
| This appropriation is limited to the administration of legislation providing for the registration and provision of documents and information services in respect of corporate entities and business registers.   |                   |                              |                 |
| <b>Trading Standards (M17)</b>   | -                 | -                            | 3,937           |
| This appropriation is limited to compliance and enforcement activities to ensure a supportive measurement and product safety infrastructure for business and consumers.  |                   |                              |                 |
| <b>Business Law and Competition Operational Policy, Ministerial Servicing and Crown Entity Monitoring (M13)</b>  | 1,242             | 1,242                        | -               |
| 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, 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. |                   |                              |                 |
| <b>Development of Consumer Information and Associated Issues (M17)</b>   | 2,455             | 2,455                        | -               |
| This appropriation is limited to the development and delivery of information and programmes affecting the ability of consumers to transact with confidence, and services to support the Minister.  |                   |                              |                 |
| <b>Policy Advice - Business Law and Competition Policy (M13)</b>   | 11,440            | 11,440                       | -               |
| 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.  |                   |                              |                 |
| <b>Policy Advice - Consumer Issues (M17)</b>   | 1,160             | 1,160                        | -               |
| 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.  |                   |                              |                 |
| <b>Policy Advice and Investigative Services - Regulatory Environment MCOA (M13)</b>  | 974               | 974                          | -               |
| <i>Administration of Trade Remedies</i>  | 974               | 974                          | -               |
| 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.   |                   |                              |                 |

|  | 2013/14           |                              | 2014/15         |
|--|-------------------|------------------------------|-----------------|
|  | Budgeted<br>\$000 | Estimated<br>Actual<br>\$000 | Budget<br>\$000 |
| Titles and Scopes of Appropriations by Appropriation Type  |                   |                              |                 |
| <b>Departmental Output Expenses - cont'd</b>   |                   |                              |                 |
| <b>Policy Advice, Information and Compliance - Consumer Issues MCOA (M17)</b>  | 2,893             | 2,893                        | -               |
| <i>Measurement and Product Safety Compliance and Enforcement</i>   | 2,893             | 2,893                        | -               |
| This appropriation is limited to compliance and enforcement activities to ensure a supportive measurement and product safety infrastructure for business and consumers.  |                   |                              |                 |
| <b>Total Departmental Output Expenses</b>  | 74,013            | 74,013                       | 61,741          |
| <b>Non-Departmental Output Expenses</b>  |                   |                              |                 |
| <b>Accounting and Assurance Standards Setting (M13)</b>  | 4,410             | 4,410                        | 4,410           |
| This appropriation is limited to the funding of financial reporting and auditing and assurance standards setting for the purposes of promoting the quality of financial reporting.   |                   |                              |                 |
| <b>Administration of the Takeovers Code (M13)</b>  | 1,494             | 1,494                        | 1,494           |
| The performance of statutory functions by the Takeovers Panel as specified in the Takeovers Act 1993.  |                   |                              |                 |
| <b>Enforcement of Dairy Sector Regulation and Auditing of Milk Price Setting (M13)</b>   | 1,245             | 1,245                        | 1,156           |
| 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 2001 and related regulations.  |                   |                              |                 |
| <b>Enforcement of General Market Regulation (M13)</b>  | 16,435            | 16,435                       | 13,935          |
| This appropriation is limited to the promotion of fair trading and competitive markets through the administration, enforcement and adjudication activities of the Commerce Commission, and the internal costs of major litigation undertaken by the Commerce Commission in relation to all of its statutory functions. |                   |                              |                 |
| <b>Financial Service Providers Reserve Dispute Resolution Scheme (M17)</b>   | -                 | -                            | 1,680           |
| This appropriation is limited to the performance of the functions relating to the Financial Service Providers Reserve Dispute Resolution Scheme.   |                   |                              |                 |
| <b>Retirement Commissioner (M13)</b>   | 5,782             | 5,782                        | 5,782           |
| This appropriation is limited to services from the Retirement Commissioner to develop and promote methods of improving the effectiveness of retirement income policies, through the publishing of information and the delivery of a comprehensive public financial education programme.                                |                   |                              |                 |
| <b>Financial Service Providers Reserve Dispute Resolution Scheme (M17)</b>   | 1,680             | 1,680                        | -               |
| This appropriation is limited to the performance of the functions relating to the Financial Service Providers Reserve Dispute Resolution Scheme.   |                   |                              |                 |
| <b>Performance of Investigation and Enforcement Functions (M13)</b>  | 7,973             | 7,973                        | -               |
| This appropriation is limited to the performance of statutory functions relating to the investigation and enforcement of financial markets legislation, including the assessment of complaints, tips, and referrals.   |                   |                              |                 |
| <b>Performance of Licensing and Compliance Monitoring Functions (M13)</b>  | 12,556            | 12,556                       | -               |
| This appropriation is limited to the performance of statutory functions relating to licensing of market participants and risk-based monitoring of compliance, including with disclosure requirements under financial markets legislation.  |                   |                              |                 |
| <b>Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions (M13)</b>  | 7,241             | 7,241                        | -               |
| This appropriation is limited to the performance of statutory functions relating to market intelligence, guidance, exemptions, investor education, and regulatory and government co-operation and advice.  |                   |                              |                 |
| <b>Regulation of Airport Services (M13)</b>  | 600               | 600                          | -               |
| This appropriation is limited to the regulation of specified airport services provided by Auckland, Wellington and Christchurch International Airports, under Part 4 of the Commerce Act 1986.   |                   |                              |                 |

| Titles and Scopes of Appropriations by Appropriation Type  | 2013/14           |                              | 2014/15         |
|--|-------------------|------------------------------|-----------------|
|  | Budgeted<br>\$000 | Estimated<br>Actual<br>\$000 | Budget<br>\$000 |
| <b>Regulation of Electricity Lines Businesses (M13)</b><br>This appropriation is limited to the regulation of electricity lines businesses and Transpower under Part 4 of the Commerce Act 1986.   | 6,392             | 6,392                        | -               |
| <b>Regulation of Natural Gas Services (M13)</b><br>This appropriation is limited to the regulation of natural gas services under Part 4 of the Commerce Act 1986.  | 1,586             | 1,586                        | -               |
| <b>Total Non-Departmental Output Expenses</b>  | <b>67,394</b>     | <b>67,394</b>                | <b>28,457</b>   |
| <b>Non-Departmental Other Expenses</b>   |                   |                              |                 |
| <b>Contributions to International Organisations (M13)</b><br>Annual fee for New Zealand's membership of the International Copyright and Patent Union; International Patent Documentation Centre; International Organization for Standardization; International Electrotechnical Commission; International Union for the Protection of New Plant Varieties. | 485               | 485                          | 485             |
| <b>Financial Markets Authority Litigation Fund (M13)</b><br>This appropriation is limited to meeting the cost of major litigation activity arising from the enforcement of financial markets and securities markets law.   | 2,000             | 2,000                        | 2,000           |
| <b>Takeovers Panel Litigation Fund (M13)</b><br>This appropriation is limited to meeting 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.   | 200               | 200                          | 200             |
| <b>Commerce Commission Litigation Fund (M13)</b><br>This appropriation is limited to meeting the external direct costs of major litigation activity undertaken by the Commerce Commission arising from its general market or sector specific activities.   | 8,000             | 8,000                        | -               |
| <b>Total Non-Departmental Other Expenses</b>   | <b>10,685</b>     | <b>10,685</b>                | <b>2,685</b>    |
| <b>Multi-Category Expenses and Capital Expenditure</b>   |                   |                              |                 |
| <b>Commerce Commission Litigation Funds MCA (M13)</b><br>The single overarching purpose of this appropriation is to meet the costs of litigation activity undertaken by the Commerce Commission arising from its general market or sector specific activities.   | -                 | -                            | 10,500          |
| <i>Non-Departmental Other Expenses</i>   |                   |                              |                 |
| <i>Commerce Commission Externally-Sourced Litigation</i><br>This category is limited to meeting the external direct costs of major litigation activity undertaken by the Commerce Commission arising from its general market or sector specific activities.  | -                 | -                            | 7,000           |
| <i>Commerce Commission Internally-Sourced Litigation Fund</i><br>This category is limited to meeting the internal costs of major litigation activity undertaken by the Commerce Commission arising from its general market or sector specific activities.  | -                 | -                            | 3,500           |
| <b>Policy Advice and Related Outputs MCA (M13)</b><br>The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.  | -                 | -                            | 11,329          |
| <i>Departmental Output Expenses</i>  |                   |                              |                 |
| <i>Investigative Services - Trade Remedies</i><br>This category is limited to investigative services to support advice to the Minister of Commerce to establish whether New Zealand industries require remedies to prevent injury caused by dumped or subsidised imports or sudden import surges.  | -                 | -                            | 562             |
| <i>Ministerial Services - Consumer Affairs</i><br>This category is limited to the provision of services to Ministers to enable them to discharge their portfolio responsibilities (other than policy decision-making) relating to Consumer Affairs.  | -                 | -                            | 200             |

| Titles and Scopes of Appropriations by Appropriation Type   | 2013/14           |                              | 2014/15         |
|---|-------------------|------------------------------|-----------------|
|   | Budgeted<br>\$000 | Estimated<br>Actual<br>\$000 | Budget<br>\$000 |
| <b>Multi-Category Expenses and Capital Expenditure - cont'd</b>   |                   |                              |                 |
| <i>Ministerial Services and Crown Entity Monitoring - Commerce</i><br>This category is limited to the provision of services to Ministers to enable them to discharge their portfolio responsibilities (other than policy decision-making) including monitoring of Crown Entities and Statutory Bodies relating to Commerce. | -                 | -                            | 1,071           |
| <i>Policy Advice - Commerce</i><br>This category 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 relating to Commerce.  | -                 | -                            | 8,491           |
| <i>Policy Advice - Consumer Affairs</i><br>This category 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 relating to Consumer Affairs.                                | -                 | -                            | 1,005           |
| <b>Services and Advice to Support Well-functioning Financial Markets MCA (M13)</b><br>The single overarching purpose of this appropriation is to support well-functioning financial markets through the activities of the Financial Markets Authority.  | -                 | -                            | <b>26,184</b>   |
| <i>Non-Departmental Output Expenses</i>   |                   |                              |                 |
| <i>Performance of Investigation and Enforcement Functions</i><br>This category is limited to the performance of statutory functions relating to the investigation and enforcement of financial markets legislation, including the assessment of complaints, tips, and referrals.  | -                 | -                            | 7,973           |
| <i>Performance of Licensing and Compliance Monitoring Functions</i><br>This category is limited to the performance of statutory functions relating to licensing of market participants and risk-based monitoring of compliance, including with disclosure requirements under financial markets legislation.                 | -                 | -                            | 12,556          |
| <i>Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions</i><br>This category is limited to the performance of statutory functions relating to market intelligence, guidance, exemptions, investor education, and regulatory and government co-operation and advice.         | -                 | -                            | 5,655           |
| <b>Total Multi-Category Expenses and Capital Expenditure</b>  | -                 | -                            | 48,013          |
| <b>Total Annual and Permanent Appropriations</b>  | 152,092           | 152,092                      | 140,896         |

## Multi-Year Appropriations

| Type, Title, Scope and Period of Appropriations  | Appropriations, Adjustments and Use | \$000  |
|--|-------------------------------------|--------|
| <b>Departmental Output Expenses</b>  |                                     |        |
| <b>Upgrading and Promoting the Consumer Powerswitch Website (M17)</b><br>This appropriation is limited to upgrading the capability of Consumer New Zealand's Powerswitch website and promoting and facilitating the use of the website to consumers.<br><br>Commences: 01 November 2010<br><br>Expires: 30 June 2015 | Original Appropriation              | 4,500  |
|  | Adjustments to 2012/13              | -      |
|  | Adjustments for 2013/14             | -      |
|  | Adjusted Appropriation              | 4,500  |
|  | Actual to 2012/13 Year End          | 3,427  |
|  | Estimated Actual for 2013/14        | 1,073  |
|  | Estimated Actual for 2014/15        | -      |
|  | Estimated Appropriation Remaining   | -      |
| <b>Non-Departmental Output Expenses</b>  |                                     |        |
| <b>Economic Regulation of Electricity Line Services 2014-2019 (M13)</b><br>This appropriation is limited to the regulation of electricity lines services under Part 4 of the Commerce Act 1986 for the period 2014-2019.<br><br>Commences: 01 July 2014<br><br>Expires: 30 June 2019                                 | Original Appropriation              | 28,311 |
|  | Adjustments to 2012/13              | -      |
|  | Adjustments for 2013/14             | -      |
|  | Adjusted Appropriation              | 28,311 |
|  | Actual to 2012/13 Year End          | -      |
|  | Estimated Actual for 2013/14        | -      |
|  | Estimated Actual for 2014/15        | 7,244  |
|  | Estimated Appropriation Remaining   | 21,067 |
| <b>Economic Regulation of Gas Pipeline Services 2014-2019 (M13)</b><br>This appropriation is limited to the regulation of gas pipeline services under Part 4 of the Commerce Act 1986 for the period 2014-2019.<br><br>Commences: 01 July 2014<br><br>Expires: 30 June 2019  | Original Appropriation              | 9,684  |
|  | Adjustments to 2012/13              | -      |
|  | Adjustments for 2013/14             | -      |
|  | Adjusted Appropriation              | 9,684  |
|  | Actual to 2012/13 Year End          | -      |
|  | Estimated Actual for 2013/14        | -      |
|  | Estimated Actual for 2014/15        | 1,580  |
|  | Estimated Appropriation Remaining   | 8,104  |
| <b>Economic Regulation of Specified Airport Services 2014-2019 (M13)</b><br>This appropriation is limited to the regulation of specified airport services under Part 4 of the Commerce Act 1986 for the period 2014-2019.<br><br>Commences: 01 July 2014<br><br>Expires: 30 June 2019                                | Original Appropriation              | 2,763  |
|  | Adjustments to 2012/13              | -      |
|  | Adjustments for 2013/14             | -      |
|  | Adjusted Appropriation              | 2,763  |
|  | Actual to 2012/13 Year End          | -      |
|  | Estimated Actual for 2013/14        | -      |
|  | Estimated Actual for 2014/15        | 597    |
|  | Estimated Appropriation Remaining   | 2,166  |

# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

| Policy Initiative   | Appropriation   | 2013/14<br>Budgeted<br>\$000 | 2014/15<br>Budget<br>\$000 | 2015/16<br>Estimated<br>\$000 | 2016/17<br>Estimated<br>\$000 | 2017/18<br>Estimated<br>\$000 |
|---|---|------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Increased Operational Capability For Trading Standards              | Trading Standards   | -                            | 1,800                      | 1,800                         | 1,800                         | 1,800                         |
| Introduction of Patents Act 2013                                    | Registration and Granting of Intellectual Property Rights         | -                            | 1,350                      | 1,350                         | 1,350                         | 1,350                         |
| Introduction of Financial Markets Conduct Act 2013                  | Registration and Provision of Statutory Information               | 498                          | 1,684                      | 1,261                         | 1,261                         | 1,261                         |
| Business Registry Reform Programme in Africa                        | Registration and Provision of Statutory Information               | 483                          | 227                        | -                             | -                             | -                             |
| Formation Of Ministry Of Business Innovation And Employment Savings | Official Assignee Functions                                       | -                            | (245)                      | (245)                         | (245)                         | (245)                         |
|   | MCA - Ministerial Services and Crown Entity Monitoring - Commerce | -                            | (21)                       | (21)                          | (21)                          | (21)                          |
|   | MCA - Policy Advice - Commerce                                    | -                            | (220)                      | (220)                         | (220)                         | (220)                         |
|   | MCA - Investigative Services - Trade Remedies                     | -                            | (22)                       | (22)                          | (22)                          | (22)                          |
|   | Registration and Granting of Intellectual Property Rights         | -                            | (217)                      | (217)                         | (217)                         | (217)                         |
|   | Registration and Provision of Statutory Information               | -                            | (263)                      | (263)                         | (263)                         | (263)                         |
|   | Consumer Information  | -                            | (38)                       | (38)                          | (38)                          | (38)                          |
|   | MCA - Policy Advice - Consumer Affairs                            | -                            | (15)                       | (15)                          | (15)                          | (15)                          |
|   | Trading Standards   | -                            | (56)                       | (56)                          | (56)                          | (56)                          |
| <b>Total Initiatives</b>  |   | -                            | 703                        | 703                           | 703                           | 703                           |



## 1.2 - Trends in the Vote

### Summary of Financial Activity

|  | 2009/10         | 2010/11         | 2011/12         | 2012/13         | 2013/14           |                              | 2014/15   |   |                          | 2015/16            | 2016/17            | 2017/18            |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|------------------------------|---|---|--------------------------|--------------------|--------------------|--------------------|
|  | Actual<br>\$000 | Actual<br>\$000 | Actual<br>\$000 | Actual<br>\$000 | Budgeted<br>\$000 | Estimated<br>Actual<br>\$000 | Departmental<br>Transactions<br>Budget<br>\$000 | Non-<br>Departmental<br>Transactions<br>Budget<br>\$000 | Total<br>Budget<br>\$000 | Estimated<br>\$000 | Estimated<br>\$000 | Estimated<br>\$000 |
| <b>Appropriations</b>  |                 |                 |                 |                 |                   |                              |   |   |                          |                    |                    |                    |
| Output Expenses  | 90,053          | 93,716          | 90,075          | 92,875          | 107,040           | 107,040                      | 61,741  | 37,878  | 99,619                   | 97,273             | 100,103            | 107,934            |
| Benefits or Related Expenses   | -               | -               | -               | -               | -                 | -                            | N/A   | -   | -                        | -                  | -                  | -                  |
| Borrowing Expenses   | -               | -               | -               | -               | -                 | -                            | -   | -   | -                        | -                  | -                  | -                  |
| Other Expenses   | 1,824           | 1,979           | 2,575           | 2,283           | 2,685             | 2,685                        | -   | 2,685   | 2,685                    | 2,685              | 2,685              | 2,685              |
| Capital Expenditure  | -               | -               | -               | -               | -                 | -                            | -   | -   | -                        | -                  | -                  | -                  |
| Intelligence and Security Department Expenses<br>and Capital Expenditure | -               | -               | -               | -               | -                 | -                            | -   | N/A   | -                        | -                  | -                  | -                  |
| Multi-Category Expenses and Capital<br>Expenditure (MCA)                 |                 |                 |                 |                 |                   |                              |   |   |                          |                    |                    |                    |
| <i>Output Expenses</i>   | 19,136          | 24,334          | 41,034          | 38,719          | 31,137            | 31,137                       | 11,329  | 26,184  | 37,513                   | 37,513             | 37,513             | 37,513             |
| <i>Other Expenses</i>  | 6,370           | 5,962           | 3,933           | 2,954           | 8,000             | 8,000                        | -   | 10,500  | 10,500                   | 10,500             | 10,500             | 10,500             |
| <i>Capital Expenditure</i>   | -               | -               | -               | -               | -                 | -                            | N/A   | -   | -                        | -                  | -                  | -                  |
| <b>Total Appropriations</b>  | 117,383         | 125,991         | 137,617         | 136,831         | 148,862           | 148,862                      | 73,070  | 77,247  | 150,317                  | 147,971            | 150,801            | 158,632            |
| <b>Crown Revenue and Capital Receipts</b>                                |                 |                 |                 |                 |                   |                              |   |   |                          |                    |                    |                    |
| Tax Revenue  | -               | -               | -               | -               | -                 | -                            | N/A   | -   | -                        | -                  | -                  | -                  |
| Non-Tax Revenue  | 19,460          | 26,826          | 36,974          | 64,013          | 32,608            | 37,608                       | N/A   | 33,551  | 33,551                   | 31,806             | 31,466             | 31,033             |
| Capital Receipts   | -               | -               | 1,027           | 3,655           | -                 | -                            | N/A   | -   | -                        | -                  | -                  | -                  |
| <b>Total Crown Revenue and Capital Receipts</b>                          | 19,460          | 26,826          | 38,001          | 67,668          | 32,608            | 37,608                       | N/A   | 33,551  | 33,551                   | 31,806             | 31,466             | 31,033             |

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered.

## Adjustments to the Summary of Financial Activity Table due to Vote Restructuring

|  | 2009/10<br>Adjustments<br>\$000 | 2010/11<br>Adjustments<br>\$000 | 2011/12<br>Adjustments<br>\$000 | 2012/13<br>Adjustments<br>\$000 | 2013/14<br>Budgeted<br>Adjustments<br>\$000 | 2013/14<br>Estimated<br>Actual<br>Adjustments<br>\$000 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---|--|
| <b>Appropriations</b>  |                                 |                                 |                                 |                                 |   |  |
| Output Expenses  | (19,136)                        | (24,334)                        | (41,034)                        | (38,719)                        | (31,137)                                    | (31,137)   |
| Benefits or Related Expenses   | -                               | -                               | -                               | -                               | -   | -  |
| Borrowing Expenses   | -                               | -                               | -                               | -                               | -   | -  |
| Other Expenses   | (6,370)                         | (5,962)                         | (3,933)                         | (2,954)                         | (8,000)                                     | (8,000)  |
| Capital Expenditure  | -                               | -                               | -                               | -                               | -   | -  |
| Intelligence and Security Department Expenses and<br>Capital Expenditure | -                               | -                               | -                               | -                               | -   | -  |
| Multi-Category Expenses and Capital Expenditure<br>(MCA)                 |                                 |                                 |                                 |                                 |   |  |
| <i>Output Expenses</i>   | 19,136                          | 24,334                          | 41,034                          | 38,719                          | 31,137                                      | 31,137   |
| <i>Other Expenses</i>  | 6,370                           | 5,962                           | 3,933                           | 2,954                           | 8,000                                       | 8,000  |
| <i>Capital Expenditure</i>   | -                               | -                               | -                               | -                               | -   | -  |
| <b>Total Appropriations</b>  | -                               | -                               | -                               | -                               | -   | -  |
| <b>Crown Revenue and Capital Receipts</b>                                |                                 |                                 |                                 |                                 |   |  |
| Tax Revenue  | -                               | -                               | -                               | -                               | -   | -  |
| Non-Tax Revenue  | -                               | -                               | -                               | -                               | -   | -  |
| Capital Receipts   | -                               | -                               | -                               | -                               | -   | -  |
| <b>Total Crown Revenue and Capital Receipts</b>                          | -                               | -                               | -                               | -                               | -   | -  |

The prior year information in the Summary of Financial Activity table has been restated to reflect the current Vote structure.

### 1.3 - Analysis of Significant Trends

#### *Output Expenses*

The increase in appropriations in 2013/14 was due to increased activity, which is expected to decrease in 2014/15 and remain stable in following years.

The increase in expense from 2014/15 relates to increased activity following the passage of the Financial Markets Conducts Act 2013 and Patents Act 2013 and new trading standard setting requirements.

#### *Other Expenses*

The trend in this category is reasonably constant through the years.

#### *Capital Expenditure*

The trend in this category is reasonably constant through the years.

*Multi-Category Output Expenses*

The significant expense increase between 2010/11 and 2012/13 was due to the establishment of the Financial Markets Authority and funding to consolidate standard setting responsibilities within Crown entities.

*Multi-Category Other Expenses*

The changes here are all in relation for the fluctuations in respect of the demands and costs in relation to the Commerce Commission Litigation Fund.

## 1.4 - Reconciliation of Changes in Appropriation Structure

From 1 July 2014 the former Vote Commerce and Vote Consumer Affairs have been merged into Vote Commerce and Consumer Affairs.

The table below provides a detailed analysis of the appropriation restructure, which includes:

- one departmental and one non-departmental output appropriation transferred from Vote Consumer Affairs to Vote Commerce and Consumer Affairs with the same name and no other changes
- one departmental appropriation transferred from Vote Consumer Affairs to Vote Commerce and Consumer Affairs newly established departmental MCA
- one new Consumer Affairs category was established within the new departmental MCA
- two departmental appropriations from Vote Consumer Affairs had changes in title names and transfer of funding, and
- one departmental output MCA, one non-departmental output MCA, and one mixed non-departmental output and other expense MCA have been established.

The analysis of the restructure does not include the Multi-Year Appropriation Upgrading and Promoting the Consumer Powerswitch Website, which has transferred from Vote Consumer Affairs to Vote Commerce and Consumer Affairs with no changes, and the conversion to multi-year appropriations of three non-departmental output classes:

- Regulation of Airport Services to Economic Regulation of Specified Airport Services 2014-2019
- Regulation of Electricity Lines Businesses to Economic Regulation of Electricity Line Services 2014-2019, and
- Regulation of Natural Gas Services to Economic Regulation of Gas Pipeline Services 2014-2019.

|  |                         | Old Structure   |                    | New Structure  |                          |               |
|--|-------------------------|---|--------------------|--|--------------------------|---------------|
| 2013/14 Appropriations in the 2013/14 Structure  | 2013/14 (Current) \$000 | Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to      | Amount Moved \$000 | 2013/14 Appropriations in the 2014/15 Structure                                    | 2013/14 (Restated) \$000 | 2014/15 \$000 |
| <b>Vote Commerce</b>   |                         |   |                    | <b>Vote Commerce and Consumer Affairs</b>  |                          |               |
| <i>Departmental Output Expense</i>   |                         |   |                    | <i>Departmental Output Expense</i>   |                          |               |
| Administration of Insolvencies   | 14,673                  | Name change to: Official Assignee Functions   | 14,673             | Official Assignee Functions  | 14,673                   | 14,673        |
| <b>Vote Consumer Affairs</b>   |                         |   |                    |  |                          |               |
| <i>Policy Advice, Information and Compliance - Consumer Affairs MCOA</i>                           |                         | <i>Transferred from Policy Advice, Information and Compliance - Consumer Affairs MCOA</i> |                    | <i>Departmental Output Expense</i>   |                          |               |
| Measurement and Product Safety Compliance and Enforcement  | 2,893                   | <i>Transferred to Departmental Output Expense</i><br>Trading Standards                    | 2,893              | Trading Standards  | 2,893                    | 3,937         |
| <b>Vote Consumer Affairs</b>   |                         |   |                    |  |                          |               |
| <i>Non-Departmental Output Expense</i>   |                         |   |                    |  |                          |               |
| Financial Service Providers Reserve Dispute Resolution Scheme                                      | 1,680                   | Transferred as is - no change   | 1,680              | Financial Service Providers Reserve Dispute Resolution Scheme                      | 1,680                    | 1,680         |
|  |                         |   |                    | <b>Multi-Category Appropriations</b>   |                          |               |
| <b>Vote Commerce</b>   |                         | Transferred to  |                    |  |                          |               |
| <i>Departmental Output Expense</i>   |                         | <b>Policy Advice and Related Outputs MCA</b><br><i>Departmental Output Expense</i>        |                    | <b>Policy Advice and Related Outputs MCA</b><br><i>Departmental Output Expense</i> |                          |               |
| Business Law and Competition Operational Policy, Ministerial Servicing and Crown Entity Monitoring | 1,242                   | Ministerial Services and Crown Entity Monitoring - Commerce                               | 642                | Ministerial Services and Crown Entity Monitoring - Commerce                        | 642                      | 1,071         |
|  |                         | Policy Advice - Commerce  | 600                |  |                          |               |
| Policy Advice - Business Law and Competition Policy  | 11,440                  | Policy Advice - Commerce  | 11,440             | Policy Advice - Commerce   | 12,540                   | 8,491         |
| Policy Advice and Investigative Services - Regulatory Environment MCOA                             | 974                     | Policy Advice - Commerce  | 500                |  |                          |               |
| Administration of Trade Remedies   |                         | Investigative Services - Trade Remedies   | 474                | Investigative Services - Trade Remedies  | 474                      | 562           |

|  |                         | Old Structure  |                    | New Structure  |                          |               |
|--|-------------------------|--|--------------------|--|--------------------------|---------------|
| 2013/14 Appropriations in the 2013/14 Structure  | 2013/14 (Current) \$000 | Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to                 | Amount Moved \$000 | 2013/14 Appropriations in the 2014/15 Structure  | 2013/14 (Restated) \$000 | 2014/15 \$000 |
| <b>Vote Consumer Affairs</b>   |                         | Transferred to   |                    |  |                          |               |
| <i>Departmental Output Expense</i>   |                         | <b>Policy Advice and Related Outputs MCA</b>   |                    |  |                          |               |
|  |                         | <i>Departmental Output Expense</i>   |                    |  |                          |               |
| Policy Advice - Consumer Issues  | 1,160                   | Policy Advice - Consumer Affairs   | 1,000              | Policy Advice - Consumer Affairs   | 1,000                    | 1,005         |
|  |                         | Ministerial Services - Consumer Affairs  | 160                | Ministerial Services - Consumer Affairs  | 200                      | 200           |
| Development of Consumer Information and Associated Issues  | 2,455                   | Ministerial Services - Consumer Affairs  | 40                 |  |                          |               |
|  |                         | Consumer Information   | 2,415              | Consumer Information   | 2,415                    | 2,277         |
| <b>Vote Commerce</b>   |                         | Transferred to   |                    |  |                          |               |
| <i>Non-Departmental Output Expense</i>   |                         | <b>Services and Advice to Support Well-functioning Financial Markets MCA</b>                         |                    | <b>Services and Advice to Support Well-functioning Financial Markets MCA</b>                         |                          |               |
|  |                         | <i>Non-Departmental Output Expense</i>   |                    | <i>Non-Departmental Output Expense</i>   |                          |               |
| Performance of Investigation and Enforcement Functions   | 7,973                   | Performance of Investigation and Enforcement Functions   | 7,973              | Performance of Investigation and Enforcement Functions   | 7,973                    | 7,973         |
| <b>Vote Commerce</b>   |                         | Transferred to   |                    |  |                          |               |
| <i>Non-Departmental Output Expense</i>   |                         | <b>Services and Advice to Support Well-functioning Financial Markets MCA</b>                         |                    |  |                          |               |
|  |                         | <i>Non-Departmental Output Expense</i>   |                    |  |                          |               |
| Performance of Licensing and Compliance Monitoring Functions   | 12,556                  | Performance of Licensing and Compliance Monitoring Functions   | 12,556             | Performance of Licensing and Compliance Monitoring Functions   | 12,556                   | 12,556        |
| <b>Vote Commerce</b>   |                         | Transferred to   |                    |  |                          |               |
| <i>Non-Departmental Output Expense</i>   |                         | <b>Services and Advice to Support Well-functioning Financial Markets MCA</b>                         |                    |  |                          |               |
|  |                         | <i>Non-Departmental Output Expense</i>   |                    |  |                          |               |
| Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions | 7,241                   | Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions | 7,241              | Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions | 7,241                    | 7,241         |

|   |                         | Old Structure  |                    | New Structure  |                          |                 |
|---|-------------------------|--|--------------------|--|--------------------------|-----------------|
| 2013/14 Appropriations in the 2013/14 Structure | 2013/14 (Current) \$000 | Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to | Amount Moved \$000 | 2013/14 Appropriations in the 2014/15 Structure                                    | 2013/14 (Restated) \$000 | 2014/15 \$000   |
| <b>Vote Commerce</b>                            |                         | Transferred to   |                    |  |                          |                 |
| <i>Non-Departmental Other Expense</i>           |                         | <b>Commerce Commission Litigation MCA</b><br><i>Non-Departmental Other Expense</i>   |                    | <b>Commerce Commission Litigation MCA</b><br><i>Non-Departmental Other Expense</i> |                          |                 |
| Commerce Commission Litigation Fund             | 8,000                   | Commerce Commission Externally-Sourced Litigation Fund                               | 7,000              | Commerce Commission Externally-Sourced Litigation Fund                             | 7,000                    | 7,000           |
|   |                         | Commerce Commission Internally-Sourced Litigation Fund                               | 1,000              | Commerce Commission Internally-Sourced Litigation Fund                             | 1,000                    | 3,500           |
| <b>Total</b>                                    | <b>\$72,287</b>         |  | <b>\$72,287</b>    |  | <b>\$72,287</b>          | <b>\$72,166</b> |

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### Consumer Information (M17)

##### *Scope of Appropriation*

This appropriation is limited to the development and delivery of information and programmes that increase the ability of consumers to transact with confidence.

##### *Expenses and Revenue*

|                        | 2013/14           |                           | 2014/15         |
|------------------------|-------------------|---------------------------|-----------------|
|                        | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| Total Appropriation    | -                 | -                         | 2,277           |
| Revenue from the Crown | -                 | -                         | 1,985           |
| Revenue from Others    | -                 | -                         | 392             |

##### *Comparators for Restructured Appropriation*

| Vote, Type and Title of Appropriation                     | 2013/14           |                           | 2014/15         |
|---|-------------------|---------------------------|-----------------|
|   | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| <b>Vote Consumer Affairs</b>                              |                   |                           |                 |
| <b>Departmental Output Expenses</b>                       |                   |                           |                 |
| <i>Consumer Information</i>                               |                   |                           |                 |
| Development of Consumer Information and Associated issues | 2,455             | 2,455                     | -               |
| <b>Total</b>  | <b>2,455</b>      | <b>2,455</b>              | <b>2,277</b>    |

##### *What is Intended to be Achieved with this Appropriation*

This appropriation contributes to creating a trading environment in which consumers are well informed, adequately protected, trading is fair and there is effective competition.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

| Assessment of Performance  | 2013/14              |                              | 2014/15   |
|--|----------------------|------------------------------|---|
|  | Budgeted<br>Standard | Estimated Actual<br>Standard | Budget<br>Standard  |
| Deliver an advice, information and education programme to consumers, business and key stakeholders, to raise their awareness of consumer rights and responsibilities under consumer law. | Updated measure      | Updated measure              | 80% of surveyed clients are satisfied or very satisfied with the advice, information and education received |

*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

*Current and Past Policy Initiatives*

| Policy Initiative   | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|---|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Transfer the appropriation from Vote Consumer Affairs to Vote Commerce and Consumer Affairs | 2014/15              | -                      | 2,315                | 2,315                   | 2,315                   | 2,315                   |
| Formation of Ministry of Business Innovation and Employment Savings                         | 2014/15              | -                      | (38)                 | (38)                    | (38)                    | (38)                    |

*Reasons for Change in Appropriation*

This appropriation was previously titled the "Development of Consumer Information and Associated Issues" in the old Vote Consumer Affairs. The renaming of this appropriation and the transfer from Vote Consumer Affairs to the new Vote Commerce and Consumer Affairs is a result of a merger of the two Votes.

**Official Assignee Functions (M13)***Scope of Appropriation*

This appropriation is limited to the carrying out of statutory functions of the Official Assignee under the Insolvency Act 2006, the Companies Act 1993, the Proceeds of Crime Act 1991 and the Criminal Proceeds (Recovery) Act 2009.

*Expenses and Revenue*

|                        | 2013/14        |                        | 2014/15      |
|------------------------|----------------|------------------------|--------------|
|                        | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation    | 14,673         | 14,673                 | 14,428       |
| Revenue from the Crown | 11,948         | 11,948                 | 11,703       |
| Revenue from Others    | 3,441          | 3,441                  | 3,441        |

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to provide a formal process for dealing with unmanageable debt, which balances the rights of creditors and debtors and that business can have confidence in. It also is intended to provide a mechanism for the custody and control of assets restrained and forfeited by an order of the court.



### *How Performance will be Assessed and End of Year Reporting Requirements*

|   | 2013/14           |                           | 2014/15   |
|---|-------------------|---------------------------|---|
|   | Budgeted Standard | Estimated Actual Standard | Budget Standard   |
| Assessment of Performance   |                   |                           |   |
| That high quality and timely administration is consistently provided by all Insolvency and Trustee Service (ITS) offices. | Updated measure   | Updated measure           | The annual average internal quality assurance rating across all ITS Offices is between 1-2. Possible ratings are: 1 - a high level of compliance, 2 - an acceptable level of compliance, 3 - a marginal level of compliance, 4 - an unacceptable level of compliance, 5 - the office does not comply. |

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

### *Current and Past Policy Initiatives*

| Policy Initiative   | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|---|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Savings to reflect efficiencies arising from the formation of the new Ministry. | 2014/15              | -                      | (245)                | (245)                   | (245)                   | (245)                   |

### *Reasons for Change in Appropriation*

This appropriation decreased from 2013/14 to 2014/15 is mainly as a result of savings to reflect efficiencies arising from the formation of the new Ministry.

## **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*

|                        | 2013/14        |                        | 2014/15      |
|------------------------|----------------|------------------------|--------------|
|                        | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation    | 14,404         | 14,404                 | 15,537       |
| Revenue from the Crown | 85             | 85                     | 85           |
| Revenue from Others    | 15,824         | 15,824                 | 16,957       |

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to provide for the granting and renewal of patent applications and plant variety right applications, the registration and renewal of trade mark and design applications all received through the Intellectual Property Office of New Zealand and the criminal enforcement of trademarks and copyright.

*How Performance will be Assessed and End of Year Reporting Requirements*

|  | 2013/14           |                           | 2014/15         |
|--|-------------------|---------------------------|-----------------|
|  | Budgeted Standard | Estimated Actual Standard | Budget Standard |
| Assessment of Performance  |                   |                           |                 |
| Decisions to accept, grant or register intellectual property rights made by the Intellectual Property Office and the Plant Variety Rights Office will be upheld. | Updated measure   | Updated measure           | 99%             |

*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

*Current and Past Policy Initiatives*

| Policy Initiative  | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|--|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Introduction of the Patents Act 2013   | 2014/15              | -                      | 1,350                | 1,350                   | 1,350                   | 1,350                   |
| Savings to reflect efficiencies arising from the formation of the new Ministry | 2014/15              | -                      | (217)                | (217)                   | (217)                   | (217)                   |

*Reasons for Change in Appropriation*

The increased appropriation from 2013/14 to 2014/15 is mainly to due to the introduction of the Patents Act 2013 (Act) which will lead to an increase in examination time to assess patents eligibility. The increase in funds will be recovered by fees paid by the applicants.

*Memorandum Account*

|  | 2013/14        |                        | 2014/15      |
|--|----------------|------------------------|--------------|
|  | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| <b>Registration and Granting of Intellectual Property Rights</b> |                |                        |              |
| Opening Balance at 1 July  | 3,163          | 3,163                  | 5,650        |
| Revenue  | 15,435         | 16,347                 | 16,568       |
| Expenses   | (13,930)       | (13,860)               | (15,063)     |
| Transfers and Adjustments  | -              | -                      | -            |
| <b>Closing Balance at 30 June</b>                                | <b>4,668</b>   | <b>5,650</b>           | <b>7,155</b> |

## Registration and Provision of Statutory Information (M13)

### Scope of Appropriation

This appropriation is limited to the administration of legislation providing for the registration and provision of documents and information services in respect of corporate entities and business registers.

### Expenses and Revenue

|                        | 2013/14        |                        | 2014/15      |
|------------------------|----------------|------------------------|--------------|
|                        | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation    | 24,772         | 24,772                 | 25,562       |
| Revenue from the Crown | 2,519          | 2,519                  | 2,494        |
| Revenue from Others    | 20,061         | 20,061                 | 20,876       |

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to manage the registries for corporate entities (particularly companies), capital market registers and personal property securities and provide small to medium business owners the means to readily access information that allows them to interact with Government efficiently and effectively.

### How Performance will be Assessed and End of Year Reporting Requirements

|   | 2013/14   |   | 2014/15  |
|---|---|---|--|
|   | Budgeted Standard   | Estimated Actual Standard                                   | Budget Standard  |
| Assessment of Performance   |   |   |  |
| Online Company name approvals and consents are processed within 35 minutes of receipt during normal business hours.                                 | 99%   | 99%   | 95%  |
| The Companies and PPSR (Personal Property Securities Register) online registers are available (excluding agreed outages for scheduled maintenance). | 99%   | 99%   | 95%  |
| Increase in the use of Business.govt.nz for access to information and advice, and to interact or transact with government.                          | Use of business.govt.nz portal increases from previous year | Use of business.govt.nz portal increases from previous year | 5% increase in the use of business.govt.nz portal from previous year |

### End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

### Current and Past Policy Initiatives

| Policy Initiative  | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|--|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Savings to reflect efficiencies arising from the formation of the new Ministry | 2014/15              | -                      | (263)                | (263)                   | (263)                   | (263)                   |
| Financial Markets Conduct Act 2013   | 2013/14              | 498                    | 1,684                | 1,261                   | 1,261                   | 1,261                   |
| Business Registry Reform Programme In Africa                                   | 2013/14              | 483                    | 227                  | -                       | -                       | -                       |

*Reasons for Change in Appropriation*

The increase in this appropriation from 2013/14 to 2014/15 is mainly due to funding for the Financial Markets Conduct Act 2013. This Act requires the establishment of a register of offers of financial products and a register of managed investment schemes to be operational in December 2014. This funding is required to develop and operate the registers.

*Memorandum Account*

|  | 2013/14           |                           | 2014/15         |
|--|-------------------|---------------------------|-----------------|
|  | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| <b>Registration and Provision of Statutory Information</b> |                   |                           |                 |
| Opening Balance at 1 July                                  | (4,384)           | (4,384)                   | 2,325           |
| Revenue  | 18,907            | 27,726                    | 19,757          |
| Expenses   | (21,123)          | (21,017)                  | (21,973)        |
| Transfers and Adjustments                                  | -                 | -                         | -               |
| Closing Balance at 30 June                                 | (6,600)           | 2,325                     | 109             |

*Memorandum Account*

|                                      | 2013/14           |                           | 2014/15         |
|--------------------------------------|-------------------|---------------------------|-----------------|
|                                      | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| <b>Motor Vehicle Trades Register</b> |                   |                           |                 |
| Opening Balance at 1 July            | 537               | 537                       | 492             |
| Revenue                              | 1,067             | 993                       | 1,067           |
| Expenses                             | (1,043)           | (1,038)                   | (1,043)         |
| Transfers and Adjustments            | -                 | -                         | -               |
| Closing Balance at 30 June           | 561               | 492                       | 516             |

**Trading Standards (M17)***Scope of Appropriation*

This appropriation is limited to compliance and enforcement activities to ensure a supportive measurement and product safety infrastructure for business and consumers.

*Expenses and Revenue*

|                        | 2013/14           |                           | 2014/15         |
|------------------------|-------------------|---------------------------|-----------------|
|                        | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| Total Appropriation    | -                 | -                         | 3,937           |
| Revenue from the Crown | -                 | -                         | 3,777           |
| Revenue from Others    | -                 | -                         | 160             |

### Comparators for Restructured Appropriation

| Vote, Type and Title of Appropriation                            | 2013/14        |                        | 2014/15      |
|--|----------------|------------------------|--------------|
|  | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| <b>Vote Consumer Affairs</b>                                     |                |                        |              |
| <b>Departmental Output Expenses</b>                              |                |                        |              |
| Measurement and Product Safety Compliance and Enforcement - MCOA | 2,893          | 2,893                  | -            |
| <b>Total</b>   | <b>2,893</b>   | <b>2,893</b>           | <b>3,937</b> |

### What is Intended to be Achieved with this Appropriation

This appropriation contributes to creating a trading environment in which businesses and consumers are well informed, adequately protected, trading is fair and there is effective competition.

### How Performance will be Assessed and End of Year Reporting Requirements

| Assessment of Performance   | 2013/14           |                           | 2014/15                                    |
|---|-------------------|---------------------------|--|
|   | Budgeted Standard | Estimated Actual Standard | Budget Standard                            |
| Quality and timeliness of administration of product safety and weights and measures legislation demonstrated by an internal audit and assurance rating (see Note 1) | New measure       | New measure               | At least an acceptable level of compliance |

Note 1 - Using a rating scale of "High level of compliance", "Acceptable level of compliance", "Marginal level of compliance", and "Unacceptable level of compliance".

### End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

### Current and Past Policy Initiatives

| Policy Initiative   | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|---|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Transfer from Vote Consumer Affairs   | 2014/15              | -                      | 2,193                | 2,193                   | 2,193                   | 2,193                   |
| Increased Operational Capacity for Trading Standards                            | 2014/15              | -                      | 1,800                | 1,800                   | 1,800                   | 1,800                   |
| Savings to reflect efficiencies arising from the formation of the new Ministry. | 2014/15              | -                      | (56)                 | (56)                    | (56)                    | (56)                    |

### Reasons for Change in Appropriation

This appropriation was transferred from Vote Consumer Affairs and was previously titled Policy Advice, Information and Compliance - Consumer Issues MCOA - Measurement and Product Safety Compliance and Enforcement.

## Upgrading and Promoting the Consumer Powerswitch Website (M17)

### *Scope of Appropriation and Expenses*

| Type, Title, Scope and Period of Appropriations   | Appropriations, Adjustments and Use | \$000 |
|---|-------------------------------------|-------|
| <b>Upgrading and Promoting the Consumer Powerswitch Website (M17)</b>   | Original Appropriation              | 4,500 |
| This appropriation is limited to upgrading the capability of Consumer New Zealand's Powerswitch website and promoting and facilitating the use of the website to consumers. | Adjustments to 2012/13              | -     |
|   | Adjustments for 2013/14             | -     |
| Commences: 01 November 2010   | Adjusted Appropriation              | 4,500 |
| Expires: 30 June 2015   | Actual to 2012/13 Year End          | 3,427 |
|   | Estimated Actual for 2013/14        | 1,073 |
|   | Estimated Actual for 2014/15        | -     |
|   | Estimated Appropriation Remaining   | -     |

### *What is Intended to be Achieved with this Appropriation*

The intent of this appropriation was to give consumers enhanced access to information in order to make well-informed decisions.

### *How Performance will be Assessed and End of Year Reporting Requirements*

| Assessment of Performance  | 2013/14                   |                           | 2014/15                        |
|--|---------------------------|---------------------------|--------------------------------|
|  | Budgeted Standard         | Estimated Actual Standard | Budget Standard                |
| Powerswitch is promoted to the public as a tool to identify whether savings can be made by switching electrical power companies. | 350,000 visits in 2013/14 | 350,000 visits in 2013/14 | 350,000 visits by 30 June 2015 |

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported the Ministry of Business, Innovation and Employment in its annual report.

### *Current and Past Policy Initiatives*

| Policy Initiative   | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|---|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Establishment of the Upgrading and Promoting the Consumer Powerswitch Website programme | 2010/11              | 500                    | -                    | -                       | -                       | -                       |

## Part 3 - Details of Non-Departmental Appropriations

### 3.1 - Non-Departmental Output Expenses

#### Accounting and Assurance Standards Setting (M13)

##### *Scope of Appropriation*

This appropriation is limited to the funding of financial reporting and auditing and assurance standards setting for the purposes of promoting the quality of financial reporting.

##### *Expenses*

|                     | 2013/14        |                        | 2014/15      |
|---------------------|----------------|------------------------|--------------|
|                     | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 4,410          | 4,410                  | 4,410        |

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to fund the development and issuing of accounting and auditing and assurance standards and associated documents that are converged with international standards and harmonised with Australian standards where applicable.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

|  | 2013/14           |                           | 2014/15   |
|--|-------------------|---------------------------|---|
|  | Budgeted Standard | Estimated Actual Standard | Budget Standard                                     |
| Assessment of Performance  |                   |                           |   |
| <b>Development and Issuing of Accounting, and Auditing and Assurance Standards and Associated Documents</b>  |                   |                           |   |
| <b>Quantity</b>  |                   |                           |   |
| Number of exposure drafts, standards and related documents issued.   | Updated measure   | Updated measure           | 65-80 (depending on output of International Boards) |
| <b>Quality</b>   |                   |                           |   |
| Standards reflect relevant international standards with departures only to improve quality and are harmonised with Australia where appropriate.                    | Updated measure   | Updated measure           | 100% compliance                                     |
| Statutory due process requirements followed.   | Updated measure   | Updated measure           | 100% compliance                                     |
| <b>Timeliness</b>  |                   |                           |   |
| Standards relating to existing standards suites issued in time for the commencement date to be no later than the international commencement date (where relevant). | Updated measure   | Updated measure           | 100% compliance                                     |

##### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the External Reporting Board in its annual report.

*Current and Past Policy Initiatives*

| Policy Initiative   | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|---|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Proposed Fee and Levy Changes   | 2012/13              | 105                    | 105                  | 105                     | 105                     | 105                     |
| Financial Reporting and Assurance: Consolidating Standards-Setting Responsibilities within a Crown Entity | 2010/11              | 4,305                  | 4,305                | 4,305                   | 4,305                   | 4,305                   |

**Administration of the Takeovers Code (M13)***Scope of Appropriation*

The performance of statutory functions by the Takeovers Panel as specified in the Takeovers Act 1993.

*Expenses*

|                     | 2013/14        |                        | 2014/15      |
|---------------------|----------------|------------------------|--------------|
|                     | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 1,494          | 1,494                  | 1,494        |

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to contribute to trusted, competitive and well-functioning capital markets.

*How Performance will be Assessed and End of Year Reporting Requirements*

|  | 2013/14           |                           | 2014/15         |
|--|-------------------|---------------------------|-----------------|
|  | Budgeted Standard | Estimated Actual Standard | Budget Standard |
| Assessment of Performance  |                   |                           |                 |
| Enforcement of Takeovers Code and of Schemes of Arrangement involving Code companies - Practitioners are satisfied overall with process and with professionalism of the Takeovers Panel executive. | New measure       | New measure               | 90%             |

*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Takeovers Panel in its annual report.



## Economic Regulation of Electricity Line Services 2014-2019 (M13)

### *Scope of Appropriation and Expenses*

| Type, Title, Scope and Period of Appropriations   | Appropriations, Adjustments and Use | \$000  |
|---|-------------------------------------|--------|
| <b>Economic Regulation of Electricity Line Services 2014-2019 (M13)</b>   | Original Appropriation              | 28,311 |
| This appropriation is limited to the regulation of electricity lines services under Part 4 of the Commerce Act 1986 for the period 2014-2019. | Adjustments to 2012/13              | -      |
|   | Adjustments for 2013/14             | -      |
| Commences: 01 July 2014   | Adjusted Appropriation              | 28,311 |
| Expires: 30 June 2019   | Actual to 2012/13 Year End          | -      |
|   | Estimated Actual for 2013/14        | -      |
|   | Estimated Actual for 2014/15        | 7,244  |
|   | Estimated Appropriation Remaining   | 21,067 |

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the delivery of regulated electricity lines services at prices and quality that would have been available if the market were competitive, for the long-term benefit of consumers.

### *How Performance will be Assessed and End of Year Reporting Requirements*

|   | 2013/14           |                                     | 2014/15         |
|---|-------------------|-------------------------------------|-----------------|
|   | Budgeted Standard | Estimated Actual Standard           | Budget Standard |
| Assessment of Performance   |                   |                                     |                 |
| <b>Determinations</b>   |                   |                                     |                 |
| Number of determinations (includes determinations, clarifications, reviews and amendments).   | 11-26             | 15                                  | 10-29           |
| Percentage of Part 4 of the Commerce Act 1986 determinations completed by statutory deadlines.                                      | 100%              | 100%                                | 100%            |
| Percentage of stakeholders who find the Commerce Commission's determinations and supporting reasons clear.                          | 75%               | Survey to be conducted in June 2014 | 80%             |
| <b>Public Reports and Advice to Officials</b>   |                   |                                     |                 |
| Number of reports completed (monitoring reports, summary and analysis report, information disclosure reports, ministerial reports). | 1-4               | 3                                   | 1-4             |
| Number of substantial pieces of advice provided to officials to inform policy design.   | 0-7               | 0                                   | 0-7             |
| Percentage of stakeholders who rate our reports good or above.  | 75%               | Survey to be conducted in June 2014 | 80%             |
| Percentage of reports completed by the set date.  | 100%              | 100%                                | 100%            |
| <b>Compliance and Enforcement</b>   |                   |                                     |                 |
| Number of compliance assessments completed.   | 48                | 48                                  | 48              |
| Number of enforcement cases taken.  | 0-3               | 0                                   | 0-3             |
| Percentage of compliance assessments completed by the set date.   | 100%              | 100%                                | 100%            |
| <b>Quality</b>  |                   |                                     |                 |
| Number of successful legal challenges of the Commerce Commission's processes.   | 0                 | 0                                   | 0               |

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Commerce Commission in its annual report.

### *Current and Past Policy Initiatives*

| Policy Initiative   | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|---|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Establishment of the Economic Regulation of Electricity Line Services | 2014/15              | -                      | 7,244                | 4,737                   | 3,797                   | 4,486                   |

## **Economic Regulation of Gas Pipeline Services 2014-2019 (M13)**

### *Scope of Appropriation and Expenses*

| Type, Title, Scope and Period of Appropriations  | Appropriations, Adjustments and Use | \$000 |
|--|-------------------------------------|-------|
| <b>Economic Regulation of Gas Pipeline Services 2014-2019 (M13)</b>  | Original Appropriation              | 9,684 |
| This appropriation is limited to the regulation of gas pipeline services under Part 4 of the Commerce Act 1986 for the period 2014-2019. | Adjustments to 2012/13              | -     |
|  | Adjustments for 2013/14             | -     |
| Commences: 01 July 2014  | Adjusted Appropriation              | 9,684 |
| Expires: 30 June 2019  | Actual to 2012/13 Year End          | -     |
|  | Estimated Actual for 2013/14        | -     |
|  | Estimated Actual for 2014/15        | 1,580 |
|  | Estimated Appropriation Remaining   | 8,104 |

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the delivery of regulated gas pipeline services at prices and quality that would have been available if the market were competitive, for the long-term benefit of consumers.

### *How Performance will be Assessed and End of Year Reporting Requirements*

| Assessment of Performance  | 2013/14           |                                     | 2014/15         |
|--|-------------------|-------------------------------------|-----------------|
|  | Budgeted Standard | Estimated Actual Standard           | Budget Standard |
| <b>Determinations</b>  |                   |                                     |                 |
| Number of determinations (includes determinations, clarifications, reviews and amendments).                | 8-18              | 10                                  | 6-16            |
| Percentage of Part 4 of the Commerce Act 1986 determinations completed by statutory deadlines.             | 100%              | 90%                                 | 100%            |
| Percentage of stakeholders who find the Commerce Commission's determinations and supporting reasons clear. | 75%               | Survey to be conducted in June 2014 | 80%             |

| Assessment of Performance   | 2013/14           |                                     | 2014/15         |
|---|-------------------|-------------------------------------|-----------------|
|   | Budgeted Standard | Estimated Actual Standard           | Budget Standard |
| <b>Public Reports and Advice to Officials</b>   |                   |                                     |                 |
| Number of reports completed (monitoring reports, summary and analysis report, information disclosure reports, ministerial reports). | 1-3               | 1                                   | 1-3             |
| Number of substantial pieces of advice provided to officials to inform policy design.   | 0-4               | 0                                   | 0-4             |
| Percentage of stakeholders who rate our reports good or above.  | 75%               | Survey to be conducted in June 2014 | 80%             |
| Percentage of reports completed by the set date.  | 100%              | 100%                                | 100%            |
| <b>Compliance and Enforcement</b>   |                   |                                     |                 |
| Number of compliance assessments completed.   | 10                | 5                                   | 10              |
| Number of enforcement cases taken.  | 0-1               | 0                                   | 0-1             |
| Percentage of compliance assessments completed by the set date.   | 100%              | 100%                                | 100%            |
| <b>Quality</b>  |                   |                                     |                 |
| Number of successful legal challenges of the Commerce Commission's processes.   | 0                 | 0                                   | 0               |

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Commerce Commission in its annual report.

### *Current and Past Policy Initiatives*

| Policy Initiative   | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|---|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Establishment of the Economic Regulation of Gas Pipeline Services programme | 2014/15              | -                      | 1,580                | 2,414                   | 2,958                   | 1,443                   |

## **Economic Regulation of Specified Airport Services 2014-2019 (M13)**

### *Scope of Appropriation and Expenses*

| Type, Title, Scope and Period of Appropriations   | Appropriations, Adjustments and Use | \$000 |
|---|-------------------------------------|-------|
| <b>Economic Regulation of Specified Airport Services 2014-2019 (M13)</b>  | Original Appropriation              | 2,763 |
| This appropriation is limited to the regulation of specified airport services under Part 4 of the Commerce Act 1986 for the period 2014-2019. | Adjustments to 2012/13              | -     |
| Commences: 01 July 2014   | Adjustments for 2013/14             | -     |
| Expires: 30 June 2019   | Adjusted Appropriation              | 2,763 |
|   | Actual to 2012/13 Year End          | -     |
|   | Estimated Actual for 2013/14        | -     |
|   | Estimated Actual for 2014/15        | 597   |
|   | Estimated Appropriation Remaining   | 2,166 |

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the delivery of specified airport services at prices and quality that would have been available if the market were competitive, for the long-term benefit of consumers.

### *How Performance will be Assessed and End of Year Reporting Requirements*

| Assessment of Performance  | 2013/14           |                                     | 2014/15         |
|--|-------------------|-------------------------------------|-----------------|
|  | Budgeted Standard | Estimated Actual Standard           | Budget Standard |
| <b>Determinations</b>  |                   |                                     |                 |
| Number of determinations (includes determinations, clarifications, reviews and amendments).  | 2-4               | 3                                   | 2-5             |
| Percentage of Part 4 of the Commerce Act 1986 determinations completed by statutory deadlines.                                       | 100%              | 100%                                | 100%            |
| Percentage of stakeholders who find the Commerce Commission's determinations and supporting reasons clear.                           | 75%               | Survey to be conducted in June 2014 | 80%             |
| <b>Public Reports and Advice to Officials</b>  |                   |                                     |                 |
| Number of reports completed (monitoring reports, summary and analysis reports, information disclosure reports, ministerial reports). | 3-6               | 3                                   | 1-4             |
| Number of substantial pieces of advice provided to officials to inform policy design.  | 2-6               | 0                                   | 1-4             |
| Percentage of stakeholders who rate our reports good or above.   | 75%               | Survey to be conducted in June 2014 | 80%             |
| Percentage of reports completed by the set date.   | 100%              | 100%                                | 100%            |
| <b>Compliance and Enforcement</b>  |                   |                                     |                 |
| Number of compliance assessments completed.  | 3                 | 6                                   | 3               |
| Number of enforcement cases taken.   | 0-1               | 0                                   | 0-1             |
| Percentage of compliance assessments completed by the set date.  | 100%              | 100%                                | 100%            |
| <b>Quality</b>   |                   |                                     |                 |
| Number of successful legal challenges of the Commerce Commission's processes.  | 0                 | 0                                   | 0               |

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Commerce Commission in its annual report.

### *Current and Past Policy Initiatives*

| Policy Initiative  | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|--|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Establishment of the Economic Regulation of Specified Airport Services programme | 2014/15              | -                      | 597                  | 425                     | 481                     | 874                     |

## 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 2001 and related regulations.

### *Expenses*

|                     | 2013/14           |                           | 2014/15         |
|---------------------|-------------------|---------------------------|-----------------|
|                     | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| Total Appropriation | 1,245             | 1,245                     | 1,156           |

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve more efficient operation of dairy markets through the facilitation of competition.

### *How Performance will be Assessed and End of Year Reporting Requirements*

|  | 2013/14              |                                     | 2014/15            |
|--|----------------------|-------------------------------------|--------------------|
|  | Budgeted<br>Standard | Estimated Actual<br>Standard        | Budget<br>Standard |
| Assessment of Performance  |                      |                                     |                    |
| <b>Determinations</b>  |                      |                                     |                    |
| Number of determinations (includes determinations, clarifications, reviews and amendments).  | 0-1                  | 0                                   | 0-1                |
| Average time taken to complete dairy determinations.   | 120 working days     | N/A                                 | 120 working days   |
| Percentage of stakeholders who find the Commerce Commission's determinations and supporting reasons clear.                           | 75%                  | Survey to be conducted in June 2014 | 80%                |
| <b>Public Reports and Advice to Officials</b>  |                      |                                     |                    |
| Number of reports completed (monitoring reports, summary and analysis reports, information disclosure reports, ministerial reports). | 2                    | 2                                   | 2                  |
| Number of substantial pieces of advice provided to officials to inform policy design.  | 0-2                  | 0                                   | 0-2                |
| Percentage of stakeholders who rate our reports good or above.   | 75%                  | Survey to be conducted in June 2014 | 80%                |
| Percentage of reports completed by the set date.   | 100%                 | 100%                                | 100%               |
| <b>Quality</b>   |                      |                                     |                    |
| Number of successful legal challenges of the Commerce Commission's processes.  | 0                    | 0                                   | 0                  |

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Commerce Commission in its annual report.

*Current and Past Policy Initiatives*

| Policy Initiative   | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|---|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Funding for Dairy Industry Restructuring Amendment Act Provisions                           | 2012/13              | 340                    | 251                  | 340                     | 340                     | 340                     |
| Dairy Regulatory Framework - Fonterra's Milk Price, Capital Restructure and Share Valuation | 2011/12              | 905                    | 905                  | 905                     | 905                     | 905                     |

*Reasons for Change in Appropriation*

The decrease in appropriation is due to the funding profile for implementation of the Dairy Industry Restructuring Amendment Act provisions.

**Enforcement of General Market Regulation (M13)***Scope of Appropriation*

This appropriation is limited to the promotion of fair trading and competitive markets through the administration, enforcement and adjudication activities of the Commerce Commission, and the internal costs of major litigation undertaken by the Commerce Commission in relation to all of its statutory functions.

*Expenses*

|                     | 2013/14        |                        | 2014/15      |
|---------------------|----------------|------------------------|--------------|
|                     | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 16,435         | 16,435                 | 13,935       |

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve more competitive markets and ensure consumers' interests are protected.

*How Performance will be Assessed and End of Year Reporting Requirements*

|   | 2013/14           |                           | 2014/15         |
|---|-------------------|---------------------------|-----------------|
|   | Budgeted Standard | Estimated Actual Standard | Budget Standard |
| Assessment of Performance   |                   |                           |                 |
| <b>Determinations</b>   |                   |                           |                 |
| Percentage of successfully defended determinations appeals over five years.   | 100%              | 100%                      | 100%            |
| Average number of working days from date of registration to date of decision for merger clearance applications.             | 40 days           | 55 days                   | 40 days         |
| Average number of working days from date of decision to date of publication of reasons for declined clearance applications. | 10 days           | N/A                       | 10 days         |
| Number of clearance applications processed.   | 10-22             | 14                        | 10-22           |
| Number of authorisation applications processed.   | 0-4               | 0                         | 0-4             |

| Assessment of Performance   | 2013/14            |                                     | 2014/15                                    |
|---|--------------------|-------------------------------------|--|
|   | Budgeted Standard  | Estimated Actual Standard           | Budget Standard                            |
| <b>Enforcement</b>  |                    |                                     |  |
| Percentage of investigations undecided for more than 18 months (at any point during the year).  | 0%                 | 5%                                  | 0%   |
| Percentage of investigations decided within 12 months.  | 90%                | 93%                                 | 90%  |
| The percentage of surveyed businesses that have received a compliance advice or warning letter from the Commerce Commission in the last 12 months report that the Commerce Commission's communications and guidance are clear and useful. | 95%                | Survey to be conducted in June 2014 | 95%  |
| Market structure cases completed.   | 0-5                | 1                                   | 0-5  |
| Coordinated behaviour cases completed.  | 8-14               | 8                                   | 8-14                                       |
| Unilateral conduct cases completed.   | 2-6                | 5                                   | 2-6  |
| Fair Trading Act 1986 cases completed.  | 300-400            | 260                                 | 200-300                                    |
| Product safety and information standards cases completed.   | 60-100             | 60                                  | 100-150                                    |
| Number of CCCF Act 2003 cases.  | 40-60              | 43                                  | 40-60                                      |
| <b>Education</b>  |                    |                                     |  |
| Number of Commerce Commission guidelines or fact sheets published.  | 5-20               | 18                                  | 5-20                                       |
| Number of substantial pieces of advice provided to inform policy design.  | 5-20               | 4                                   | 5-15                                       |
| Percentage of stakeholders who find our publications clear and useful.  | Baseline to be set | Survey to be conducted in June 2014 | Target to be set once baseline established |
| <b>Quality</b>  |                    |                                     |  |
| Number of successful legal challenges of the Commerce Commission's processes.   | 0                  | 0                                   | 0  |

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Commerce Commission in its annual report.

### *Current and Past Policy Initiatives*

| Policy Initiative   | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|---|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Transfer to assist in the establishment of the Commerce Commission Litigation Funds MCA | 2014/15              | -                      | (2,500)              | (2,500)                 | (2,500)                 | (2,500)                 |

### *Reasons for Change in Appropriation*

The decrease in the appropriation is due to the transfer of \$2.500 million to the Commerce Commission Litigation Funds multi-category expenses and capital expenditure appropriation.

## Financial Service Providers Reserve Dispute Resolution Scheme (M17)

### Scope of Appropriation

This appropriation is limited to the performance of the functions relating to the Financial Service Providers Reserve Dispute Resolution Scheme.

### Expenses

|                     | 2013/14           |                           | 2014/15         |
|---------------------|-------------------|---------------------------|-----------------|
|                     | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| Total Appropriation | -                 | -                         | 1,680           |

### Comparators for Restructured Appropriation

| Vote, Type and Title of Appropriation                         | 2013/14           |                           | 2014/15         |
|---|-------------------|---------------------------|-----------------|
|   | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| <b>Vote Consumer Affairs</b>                                  |                   |                           |                 |
| <b>Non-Departmental Output Expenses</b>                       |                   |                           |                 |
| Financial Service Providers Reserve Dispute Resolution Scheme | 1,680             | 1,680                     | 1,680           |
| <b>Total</b>  | <b>1,680</b>      | <b>1,680</b>              | <b>1,680</b>    |

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the efficient and effective operation of the reserve financial service providers dispute resolution scheme leading to well-informed and adequately protected consumers.

### How Performance will be Assessed and End of Year Reporting Requirements

| Assessment of Performance  | 2013/14   |                           | 2014/15   |
|--|---|---------------------------|---|
|  | Budgeted Standard   | Estimated Actual Standard | Budget Standard   |
| Timeliness of complaint resolution.  | At least 50% of total complaints resolved in less than 60 business days | Achieved                  | At least 50% of total complaints resolved in less than 60 business days |
| Member satisfaction: Percentage of members surveyed who are satisfied with FairWay Resolution Limited's service. | At least 60% of members are satisfied or very satisfied                 | Achieved                  | At least 60% of members are satisfied or very satisfied                 |

### End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Consumer Affairs and included as an appendix by the Ministry of Business, Innovation and Employment in its annual report.



*Service Providers*

| Provider                   | 2013/14<br>Budgeted<br>\$000 | 2013/14<br>Estimated Actual<br>\$000 | 2014/15<br>Budget<br>\$000 | Reporting to the<br>House  | Expiry of<br>Resourcing<br>Commitment |
|----------------------------|------------------------------|--------------------------------------|----------------------------|----------------------------|---------------------------------------|
| Fairway Resolution Limited | 1,680                        | 1,680                                | 1,680                      | Providers Annual<br>Report | Ongoing                               |

*Current and Past Policy Initiatives*

| Policy Initiative   | Year of<br>First<br>Impact | 2013/14<br>Budgeted<br>\$000 | 2014/15<br>Budget<br>\$000 | 2015/16<br>Estimated<br>\$000 | 2016/17<br>Estimated<br>\$000 | 2017/18<br>Estimated<br>\$000 |
|---|----------------------------|------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Transfer the appropriation from Vote Consumer Affairs to Vote Commerce and Consumer Affairs | 2014/15                    | -                            | 1,680                      | 1,680                         | 1,680                         | 1,680                         |

*Reasons for Change in Appropriation*

This appropriation was previously in the old Vote Consumer Affairs. The transfer from Vote Consumer Affairs to the new Vote Commerce and Consumer Affairs is a result of a merger of the two Votes through the Vote Rationalisation paper.

*Conditions on Use of Appropriation*

| Reference  | Conditions  |
|--|---|
| Financial Service Providers (Registration and Dispute Resolution) Act 2008 | A Reserve Scheme is in place, and the provider of the scheme meets the requirements of their contract |

**Retirement Commissioner (M13)***Scope of Appropriation*

This appropriation is limited to services from the Retirement Commissioner to develop and promote methods of improving the effectiveness of retirement income policies, through the publishing of information and the delivery of a comprehensive public financial education programme.

*Expenses*

|                     | 2013/14           |                           | 2014/15         |
|---------------------|-------------------|---------------------------|-----------------|
|                     | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| Total Appropriation | 5,782             | 5,782                     | 5,782           |

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to improve the financial wellbeing of all New Zealanders by increasing the number of New Zealanders who are financially literate throughout their lives and are financially equipped for retirement. This appropriation is also intended to monitor the effects of the Retirement Villages Act 2003 and promote awareness of rights and responsibilities of all participants in the retirement villages sector.

### *How Performance will be Assessed and End of Year Reporting Requirements*

| Assessment of Performance   | 2013/14  |                           | 2014/15   |
|---|--|---------------------------|---|
|   | Budgeted Standard  | Estimated Actual Standard | Budget Standard   |
| <b>Improving Financial Literacy</b>   |  |                           |   |
| Promotion to encourage New Zealanders to get their money matters sorted; and the development and maintenance of Sorted resources including sorted.org.nz, booklets and seminars.                        | Marketing monitor results for 2013/14 show an improvement from 2012/13 results | Achieved                  | Marketing monitor results for 2014/15 show an improvement from 2013/14 results  |
| New Zealand Financial Behaviour Index.  | Index is updated November 2013 and May 2014                                    | Achieved                  | Index is updated November 2014 and May 2015   |
| Advice and comprehensive recommendations to the Minister for Building and Construction when requested or required by the Retirement Villages Act relating to monitoring and code of practice functions. | New measure  | New measure               | The Minister is satisfied or better with the completeness, clarity and timeliness of the Retirement Commissioner's advice or recommendation provided on any draft codes of practice |

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Commission for Financial Literacy and Retirement Income in its annual report.

### *Current and Past Policy Initiatives*

| Policy Initiative                                      | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|--|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Transfer of Responsibility for Retirement Commissioner | 2011/12              | 5,782                  | 5,782                | 5,782                   | 5,782                   | 5,782                   |

### *Conditions on Use of Appropriation*

| Reference   | Conditions  |
|---|---|
| New Zealand Superannuation and Retirement Income Act 2001 | Part 4 of the New Zealand Superannuation and Retirement Income Act 2001 provides the constitution, appointment, functions, powers and duties of the Commissioners.  |
| Retirement Villages Act 2003                              | Part 3 provides for the monitoring and other functions of the Retirement Commissioner. Part 4 provides for the Commissioner to approve members eligible for appointment to a disputes panel. Part 5 provides for the Commissioner to make recommendations to the Minister on any draft Code of Practice or variation, and to publish information and receive submissions on any Codes of Practice or variation.   |
| Crown Entities Act 2004                                   | The Crown Entities Act 2004: <ul style="list-style-type: none"> <li>• provides for different categories of Crown entities and for each category to have its own framework for governance (including the degree to which the Crown entity is required to give effect to, or be independent of, government policy)</li> <li>• clarifies the powers and duties of board members in respect of the governance and operation of Crown entities, including their duty to ensure the financial responsibility of the Crown entity, and</li> <li>• sets out reporting and accountability requirements.</li> </ul> |

### 3.4 - Non-Departmental Other Expenses

#### Contributions to International Organisations (M13)

##### *Scope of Appropriation*

Annual fee for New Zealand's membership of the International Copyright and Patent Union; International Patent Documentation Centre; International Organization for Standardization; International Electrotechnical Commission; International Union for the Protection of New Plant Varieties.

##### *Expenses*

|                     | 2013/14           |                           | 2014/15         |
|---------------------|-------------------|---------------------------|-----------------|
|                     | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| Total Appropriation | 485               | 485                       | 485             |

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to ensure New Zealand's continued participation in and contribution to the worldwide development of standards and protection of intellectual property.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

#### Financial Markets Authority Litigation Fund (M13)

##### *Scope of Appropriation*

This appropriation is limited to meeting the cost of major litigation activity arising from the enforcement of financial markets and securities markets law.

##### *Expenses*

|                     | 2013/14           |                           | 2014/15         |
|---------------------|-------------------|---------------------------|-----------------|
|                     | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| Total Appropriation | 2,000             | 2,000                     | 2,000           |

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to contribute to trusted, competitive and well-functioning capital markets.

*How Performance will be Assessed and End of Year Reporting Requirements*

|  | 2013/14  |  | 2014/15  |
|--|--|--|--|
|  | Budgeted Standard  | Estimated Actual Standard  | Budget Standard  |
| Assessment of Performance  |  |  |  |
| The Financial Markets Authority delivers a strong and credible monitoring and enforcement regime to uphold the Government's financial and securities markets law. Litigation is one of the tools used in carrying out the FMA's enforcement functions under its enabling statutes. | The FMA undertakes litigation using the Litigation Fund as per the conditions of use | The FMA undertakes litigation using the Litigation Fund as per the conditions of use | The FMA undertakes litigation using the Litigation Fund as per the conditions of use |

*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Financial Markets Authority in its annual report

*Current and Past Policy Initiatives*

| Policy Initiative   | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|---|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Financial Markets Authority - Proposed Budget Arrangements and Related Vote Commerce Issues | 2010/11              | 2,000                  | 2,000                | 2,000                   | 2,000                   | 2,000                   |

*Conditions on Use of Appropriation*

| Reference   | Conditions  |
|---|---|
| An Output Agreement between the Financial Markets Authority and the Minister of Commerce. | Criteria to be specified in the Output Agreement for costs and expenses arising from litigation between the FMA and another party involving external legal counsel and/or consultants and expert witnesses, with direct costs of at least \$10,000 (GST excl), excluding FMA overheads. |

**Takeovers Panel Litigation Fund (M13)***Scope of Appropriation*

This appropriation is limited to meeting 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.

*Expenses*

|                     | 2013/14        |                        | 2014/15      |
|---------------------|----------------|------------------------|--------------|
|                     | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Total Appropriation | 200            | 200                    | 200          |

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to contribute to trusted, competitive and well-functioning capital markets.

*How Performance will be Assessed and End of Year Reporting Requirements*

| Assessment of Performance  | 2013/14   |   | 2014/15   |
|--|---|---|---|
|  | Budgeted Standard   | Estimated Actual Standard   | Budget Standard   |
| Ensuring adequate funding is available from time to time for the Takeovers Panel to undertake civil proceedings under the Takeovers Act 1993 or in relation to the Takeovers Code, which is unpredictable in both occurrence and extent. | Litigation is undertaken with respect to eligible cases, according to criteria as set out in the Output Agreement | Litigation is undertaken with respect to eligible cases, according to criteria as set out in the Output Agreement | Litigation is undertaken with respect to eligible cases, according to criteria as set out in the Output Agreement |

*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Takeovers Panel in its annual report.

*Current and Past Policy Initiatives*

| Policy Initiative | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|-------------------|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Baseline Savings  | 2009/10              | (244)                  | (244)                | (244)                   | (244)                   | (244)                   |

*Conditions on Use of Appropriation*

| Reference   | Conditions  |
|---|---|
| Output Agreement between Takeovers Panel and Minister of Commerce | All cases require the involvement of senior counsel and/or consultants and expert witnesses, and involve expenditure of at least \$10,000 (GST exclusive) excluding Panel overheads. Use of the Fund must be approved by the Panel. |

## Part 4 - Details of Multi-Category Expenses and Capital Expenditure

### Multi-Category Expenses and Capital Expenditure

#### Commerce Commission Litigation Funds (M13)

##### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to meet the costs of litigation activity undertaken by the Commerce Commission arising from its general market or sector specific activities.

##### *Scope of Appropriation*

###### **Non-Departmental Other Expenses**

###### *Commerce Commission Externally-Sourced Litigation*

This category is limited to meeting the external direct costs of major litigation activity undertaken by the Commerce Commission arising from its general market or sector specific activities.

###### *Commerce Commission Internally-Sourced Litigation Fund*

This category is limited to meeting the internal costs of major litigation activity undertaken by the Commerce Commission arising from its general market or sector specific activities.

##### *Expenses, Revenue and Capital Expenditure*

|  | 2013/14           |                           | 2014/15         |
|--|-------------------|---------------------------|-----------------|
|  | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| <b>Total Appropriation</b>                             | -                 | -                         | 10,500          |
| <b>Non-Departmental Other Expenses</b>                 |                   |                           |                 |
| Commerce Commission Externally-Sourced Litigation      | -                 | -                         | 7,000           |
| Commerce Commission Internally-Sourced Litigation Fund | -                 | -                         | 3,500           |

##### *Comparators for Restructured Appropriation*

| Vote, Type and Title of Appropriation  | 2013/14           |                           | 2014/15         |
|--|-------------------|---------------------------|-----------------|
|  | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| <b>Vote Commerce</b>                   |                   |                           |                 |
| <b>Non-Departmental Other Expenses</b> |                   |                           |                 |
| Commerce Commission Litigation Fund    | 8,000             | 8,000                     | -               |
| <b>Total</b>                           | <b>8,000</b>      | <b>8,000</b>              | <b>10,500</b>   |

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve an increase in competitive markets through enforcement litigation.

### *How Performance will be Assessed for this Appropriation*

Performance will be assessed through identified changes in competitive behaviour arising from use of the litigation fund.

### *What is Intended to be Achieved with each Category and How Performance will be Assessed*

| Assessment of Performance  | 2013/14  |  | 2014/15  |
|--|--|--|--|
|  | Budgeted Standard  | Estimated Actual Standard  | Budget Standard  |
| <i>Commerce Commission Externally-Sourced Litigation</i>   |  |  |  |
| <i>Commerce Commission Internally-Sourced Litigation</i>   |  |  |  |
| This category is intended to achieve an increase in competitive markets through enforcement litigation.  |  |  |  |
| Enforcement is a critical element in promoting competitive markets. The Commerce Commission litigates to protect the competitive process and to deter others from behaving anticompetitively, thereby making a significant contribution to economic welfare. | Using the Litigation Fund in accordance with the conditions for using the Fund | Using the Litigation Fund in accordance with the conditions for using the Fund | Using the Litigation Fund in accordance with the conditions for using the Fund |

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Commerce Commission annual report.

### *Current and Past Policy Initiatives*

| Policy Initiative                      | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|--|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Commerce Commission Externally-Sourced | 2014/15              | -                      | 7,000                | 7,000                   | 7,000                   | 7,000                   |
| Commerce Commission Internally-Sourced | 2014/15              | -                      | 3,500                | 3,500                   | 3,500                   | 3,500                   |

### *Reasons for Change in Appropriation*

The above changes reflect the implementation of the Vote restructure and the establishment of the MCA as per the Public Finance Act amendments.

## Conditions on Use of Appropriation

| Reference  | Conditions   |
|--|--|
| Criteria for use of the fund is set out in the annual Output Agreement | <p>The Commerce Commission will access the Other Expenses appropriation only in relation to litigation that it has assessed as meeting the criteria set out below. Access to the appropriation will be restricted to eligible cases, being cases:</p> <p>i) with total costs estimated to be not less than \$200,000 (GST exclusive), such costs:</p> <ul style="list-style-type: none"> <li>· to exclude Commission overheads</li> <li>· to be calculated as follows, as the case may be: <ul style="list-style-type: none"> <li>· from the time when the Commission instructs legal counsel with a view to possible litigation, until the completion of the case, or</li> <li>· for the period from the decision of the initiating party to take legal process involving the Commission, until the completion of the case, and</li> </ul> </li> </ul> <p>ii) relating to any regulatory regime the Commission is responsible for enforcing, or</p> <p>iii) involving international, national, major network, or other major companies, or a major issue affecting a particular industry, or</p> <p>iv) requiring the use of:</p> <ul style="list-style-type: none"> <li>· senior external legal counsel</li> <li>· consultants and expert witnesses (eg, economic, accounting, engineering, scientific), or</li> </ul> <p>v) where there is a risk of costs of the order of \$100,000 (GST exclusive), being awarded by the Courts for or against the Commission.</p> <p>Where the criteria apply and a decision is taken to use the Litigation Fund, then the Fund may be used, regardless of whether litigation eventuates, or the matter is settled, or a decision is taken not to proceed.</p> |

## Policy Advice and Related Outputs (M13)

### Overarching Purpose Statement

The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.

### Scope of Appropriation

#### Departmental Output Expenses

##### *Investigative Services - Trade Remedies*

This category is limited to investigative services to support advice to the Minister of Commerce to establish whether New Zealand industries require remedies to prevent injury caused by dumped or subsidised imports or sudden import surges.

##### *Ministerial Services - Consumer Affairs*

This category is limited to the provision of services to Ministers to enable them to discharge their portfolio responsibilities (other than policy decision-making) relating to Consumer Affairs.

##### *Ministerial Services and Crown Entity Monitoring - Commerce*

This category is limited to the provision of services to Ministers to enable them to discharge their portfolio responsibilities (other than policy decision-making) including monitoring of Crown Entities and Statutory Bodies relating to Commerce.

##### *Policy Advice - Commerce*

This category 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 relating to Commerce.



**Policy Advice - Consumer Affairs**

This category 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 relating to Consumer Affairs.

**Expenses, Revenue and Capital Expenditure**

|   | 2013/14           |                           | 2014/15         |
|---|-------------------|---------------------------|-----------------|
|   | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| <b>Total Appropriation</b>                                  | -                 | -                         | 11,329          |
| <b>Departmental Output Expenses</b>                         |                   |                           |                 |
| Investigative Services - Trade Remedies                     | -                 | -                         | 562             |
| Ministerial Services - Consumer Affairs                     | -                 | -                         | 200             |
| Ministerial Services and Crown Entity Monitoring - Commerce | -                 | -                         | 1,071           |
| Policy Advice - Commerce                                    | -                 | -                         | 8,491           |
| Policy Advice - Consumer Affairs                            | -                 | -                         | 1,005           |
| <b>Funding for Departmental Output Expenses</b>             |                   |                           |                 |
| <b>Revenue from the Crown</b>                               | -                 | -                         | 11,047          |
| Investigative Services - Trade Remedies                     | -                 | -                         | 562             |
| Ministerial Services - Consumer Affairs                     | -                 | -                         | 200             |
| Ministerial Services and Crown Entity Monitoring - Commerce | -                 | -                         | 1,046           |
| Policy Advice - Commerce                                    | -                 | -                         | 8,420           |
| Policy Advice - Consumer Affairs                            | -                 | -                         | 819             |
| <b>Revenue from Others</b>                                  | -                 | -                         | 282             |
| Investigative Services - Trade Remedies                     | -                 | -                         | -               |
| Ministerial Services - Consumer Affairs                     | -                 | -                         | -               |
| Ministerial Services and Crown Entity Monitoring - Commerce | -                 | -                         | 25              |
| Policy Advice - Commerce                                    | -                 | -                         | 71              |
| Policy Advice - Consumer Affairs                            | -                 | -                         | 186             |

**Comparators for Restructured Appropriation**

| Vote, Type and Title of Appropriation                       | 2013/14           |                           | 2014/15         |
|---|-------------------|---------------------------|-----------------|
|   | Budgeted<br>\$000 | Estimated Actual<br>\$000 | Budget<br>\$000 |
| <b>Commerce</b>   |                   |                           |                 |
| <b>Departmental Output Expenses</b>                         |                   |                           |                 |
| Investigative Services - Trade Remedies                     | 474               | 474                       | 562             |
| Ministerial Services and Crown Entity Monitoring - Commerce | 642               | 642                       | 1,071           |
| Policy Advice - Commerce                                    | 12,540            | 12,540                    | 8,491           |

| Vote, Type and Title of Appropriation   | 2013/14        |                        | 2014/15       |
|---|----------------|------------------------|---------------|
|   | Budgeted \$000 | Estimated Actual \$000 | Budget \$000  |
| <b>Consumer Affairs</b>                 |                |                        |               |
| <b>Departmental Output Expenses</b>     |                |                        |               |
| Ministerial Services - Consumer Affairs | 200            | 200                    | 200           |
| Policy Advice - Consumer Affairs        | 1,000          | 1,000                  | 1,005         |
| <b>Total</b>                            | <b>14,856</b>  | <b>14,856</b>          | <b>11,329</b> |

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve policy advice of high technical quality relating to commerce and consumer affairs.

### *How Performance will be Assessed for this Appropriation*

Performance will be assessed by ministerial feedback on policy advice, external review of policy advice, cost of policy advice, timeliness of ministerial service, and assessing court challenges or WTO dispute settlement as specified in the following table for each MCA category.

### *What is Intended to be Achieved with each Category and How Performance will be Assessed*

| Assessment of Performance  | 2013/14   |   | 2014/15   |
|--|---|---|---|
|  | Budgeted Standard   | Estimated Actual Standard   | Budget Standard   |
| <b>Departmental Output Expenses</b>  |   |   |   |
| <i>Investigative Services - Trade Remedies</i>   |   |   |   |
| This category is intended to provide a fair international trading environment for NZ manufacturers through the imposition of anti-dumping and countervailing duties on imported goods, and to allow NZ manufacturers time to adjust to competition from surges of imported goods through the imposition of temporary safeguard measures, where an investigation has established that either action is justified. |   |   |   |
| Number of product-by-country investigations, reviews and reassessments actioned following applications from New Zealand industries.  | Demand led but estimate 4   | Demand led but estimate 4   | Demand led but estimate 4   |
| Timeliness of interested parties being advised of essential facts and conclusions on which a final determination will be based.  | 100% no later than 150 days from initiation                                 | 100% no later than 150 days from initiation                                 | 100% no later than 150 days from initiation                                 |
| Timeliness of reports to allow the Minister of Commerce to make final determinations.  | 100% no later than 180 days from initiation of an investigation             | 100% no later than 180 days from initiation of an investigation             | 100% no later than 180 days from initiation of an investigation             |
| Quality of investigations as indicated by them being recognised by the parties involved as consistent with the requirements of either the Dumping and Countervailing Duties Act 1988 or the Temporary Safeguard Authorities Act 1987, and by the lack of grounds for successful court challenges or successful World Trade Organisation (WTO) dispute settlement action.   | No successful court challenges or successful WTO dispute settlement actions | No successful court challenges or successful WTO dispute settlement actions | No successful court challenges or successful WTO dispute settlement actions |

| Assessment of Performance   | 2013/14                    |                            | 2014/15                    |
|---|----------------------------|----------------------------|----------------------------|
|   | Budgeted Standard          | Estimated Actual Standard  | Budget Standard            |
| <i>Ministerial Services - Consumer Affairs</i>  |                            |                            |                            |
| This category is intended to achieve effective and efficient ministerial services related to consumer affairs.  |                            |                            |                            |
| Responses to Parliamentary Questions, ministerial correspondence and ministerial Official Information Act 1982 requests are to be completed within either specified or statutory timeframes.  | 95% or above               | 95% or above               | 95% or above               |
| <i>Ministerial Services and Crown Entity Monitoring - Commerce</i>  |                            |                            |                            |
| This category is intended to achieve effective and efficient ministerial services related to commerce.  |                            |                            |                            |
| Responses to Parliamentary Questions, ministerial correspondence and ministerial Official Information Act 1982 requests are to be completed within either specified or statutory timeframes.  | 95% or above               | 95% or above               | 95% or above               |
| <i>Policy Advice - Commerce</i>   |                            |                            |                            |
| This category is intended to achieve policy advice of high technical quality that contributes to trusted, competitive and well-functioning markets, improved business capability and higher levels of innovation and improved international flows of people, investment and trade, as measured by the satisfaction of the Minister, external review of MBIE's policy advice and hourly cost of policy advice. |                            |                            |                            |
| The satisfaction of the Minister of Commerce with the policy advice service, as per the common satisfaction survey.   | At least 70%               | At least 70%               | At least 70%               |
| Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%.   | At least an average of 73% | At least an average of 73% | At least an average of 73% |
| The total cost per hour of producing outputs.   | At most \$155              | At most \$155              | At most \$155              |
| <i>Policy Advice - Consumer Affairs</i>   |                            |                            |                            |
| This category is intended to achieve policy advice of high technical quality that contributes to trusted, competitive and well-functioning markets, as measured by the satisfaction of the Minister; external review of MBIE's policy advice, and hourly cost of policy advice.   |                            |                            |                            |
| The satisfaction of the Minister of Consumer Affairs with the policy advice service, as per the common satisfaction survey.   | At least 70%               | At least 70%               | At least 70%               |
| Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%.   | At least an average of 73% | At least an average of 73% | At least an average of 73% |
| The total cost per hour of producing outputs.   | At most \$155              | At most \$155              | At most \$155              |

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

*Current and Past Policy Initiatives*

| Policy Initiative  | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|--|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| <b>Investigative Services - Trade Remedies</b>                                 |                      |                        |                      |                         |                         |                         |
| Savings to reflect efficiencies arising from the formation of the new Ministry | 2014/15              | -                      | (22)                 | (22)                    | (22)                    | (22)                    |
| <b>Ministerial Services - Consumer Affairs</b>                                 |                      |                        |                      |                         |                         |                         |
| Transfers from Vote Consumer Affairs   | 2014/15              | -                      | 200                  | 200                     | 200                     | 200                     |
| <b>Ministerial Services and Crown Entity Monitoring - Commerce</b>             |                      |                        |                      |                         |                         |                         |
| Savings to reflect efficiencies arising from the formation of the new Ministry | 2014/15              | -                      | (21)                 | (21)                    | (21)                    | (21)                    |
| <b>Policy Advice - Commerce</b>  |                      |                        |                      |                         |                         |                         |
| Savings to reflect efficiencies arising from the formation of the new Ministry | 2014/15              | -                      | (220)                | (220)                   | (220)                   | (220)                   |
| Efficiency Dividend  | 2012/13              | (201)                  | (201)                | (201)                   | (201)                   | (201)                   |
| <b>Policy Advice - Consumer Affairs</b>  |                      |                        |                      |                         |                         |                         |
| Transfers from Vote Consumer Affairs   | 2014/15              | -                      | 1,020                | 1,020                   | 1,020                   | 1,020                   |
| Savings to reflect efficiencies arising from the formation of the new Ministry | 2014/15              | -                      | (15)                 | (15)                    | (15)                    | (15)                    |
| Efficiency Dividend  | 2012/13              | (14)                   | (14)                 | (14)                    | (14)                    | (14)                    |

*Reasons for Change in Appropriation*

The above changes reflect the implementation of the Vote restructure and the establishment of the MCA as per the Public Finance Act amendments.

*Memorandum Account*

|  | 2013/14        |                        | 2014/15      |
|--|----------------|------------------------|--------------|
|  | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| <b>Motor Vehicle Traders Information Programme</b> |                |                        |              |
| Opening Balance at 1 July                          | 90             | 90                     | 89           |
| Revenue  | 106            | 148                    | 106          |
| Expenses   | (150)          | (149)                  | (150)        |
| Transfers and Adjustments                          | -              | -                      | -            |
| <b>Closing Balance at 30 June</b>                  | <b>46</b>      | <b>89</b>              | <b>45</b>    |

## Services and Advice to Support Well-functioning Financial Markets (M13)

### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to support well-functioning financial markets through the activities of the Financial Markets Authority.

### *Scope of Appropriation*

#### **Non-Departmental Output Expenses**

##### *Performance of Investigation and Enforcement Functions*

This category is limited to the performance of statutory functions relating to the investigation and enforcement of financial markets legislation, including the assessment of complaints, tips, and referrals.

##### *Performance of Licensing and Compliance Monitoring Functions*

This category is limited to the performance of statutory functions relating to licensing of market participants and risk-based monitoring of compliance, including with disclosure requirements under financial markets legislation.

##### *Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions*

This category is limited to the performance of statutory functions relating to market intelligence, guidance, exemptions, investor education, and regulatory and government co-operation and advice.

### *Expenses, Revenue and Capital Expenditure*

|  | 2013/14        |                        | 2014/15      |
|--|----------------|------------------------|--------------|
|  | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| <b>Total Appropriation</b>   | -              | -                      | 26,184       |
| <b>Non-Departmental Output Expenses</b>  |                |                        |              |
| Performance of Investigation and Enforcement Functions   | -              | -                      | 7,973        |
| Performance of Licensing and Compliance Monitoring Functions   | -              | -                      | 12,556       |
| Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions | -              | -                      | 5,655        |

### *Comparators for Restructured Appropriation*

| Vote, Type and Title of Appropriation  | 2013/14        |                        | 2014/15      |
|--|----------------|------------------------|--------------|
|  | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| <b>Vote Commerce</b>   |                |                        |              |
| <b>Non-Departmental Output Expenses</b>  |                |                        |              |
| Performance of Investigation and Enforcement Functions   | 7,973          | 7,973                  | 7,973        |
| Performance of Licensing and Compliance Monitoring Functions   | 12,556         | 12,556                 | 12,556       |
| Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions | 7,241          | 7,241                  | 5,655        |

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to contribute to fair, efficient, and transparent financial markets.

### *How Performance will be Assessed for this Appropriation*

FMA will work to achieve three key impacts in order to contribute to the promotion and development of fair, efficient, and transparent financial markets. These are:

- increased levels of compliance of market participants and frontline regulators
- investors have access to resources that help them make more informed decisions
- FMA's regulatory and enforcement actions support market activity.

Central to achieving these impacts is the successful implementation of the Financial Markets Conduct Act (FMC Act).

Performance will be assessed as specified in the following table for each MCA category.

### *What is Intended to be Achieved with each Category and How Performance will be Assessed*

| Assessment of Performance   | 2013/14           |                           | 2014/15         |
|---|-------------------|---------------------------|-----------------|
|   | Budgeted Standard | Estimated Actual Standard | Budget Standard |
| <i>Performance of Investigation and Enforcement Functions (M13)</i>   |                   |                           |                 |
| This category is intended to achieve fair, efficient and transparent financial markets through FMA's regulatory and enforcement actions.                    |                   |                           |                 |
| <i>Risk-based, proportionate and timely action against misconduct.</i>  |                   |                           |                 |
| 70% of inquiries and investigations are conducted within the timeframes and standards defined in the enforcement governance framework.                      | Updated measure   | Updated measure           | 70%             |
| FMA works with the Serious Fraud Office on all investigations of joint-interest in accordance with Memorandum of Understanding (MoU) arrangements.          | 100%              | 100%                      | 100%            |
| Details of all public enforcement actions are published on FMA's website.   | 100%              | 100%                      | 100%            |
| A report on the key issues and themes arising from investigations and enforcement activities and outcomes is published annually.                            | Updated measure   | Updated measure           | One report      |
| 90% of MoU requests for assistance are completed within agreed time frames to the satisfaction of international regulators.                                 | Updated measure   | Updated measure           | 90%             |
| 80% of misconduct reports about market participants once received by FMA's assistance team are processed within established time frames:                    |                   |                           |                 |
| • acknowledged within two working days  | Updated measure   | Updated measure           | 80%             |
| • evaluated and determined for further action, referral or closing and the reporter is advised within 10 working days of receiving all relevant information | New measure       | New measure               | 80%             |
| • frontline regulator referrals or cases requiring urgent attention prioritised for action within one working day.  | Updated measure   | Updated measure           | 80%             |

| Assessment of Performance   | 2013/14           |                           | 2014/15         |
|---|-------------------|---------------------------|-----------------|
|   | Budgeted Standard | Estimated Actual Standard | Budget Standard |
| <i>Performance of Licensing and Compliance Monitoring Functions (M13)</i>   |                   |                           |                 |
| This category is intended to achieve compliance of market participants and frontline regulators.  |                   |                           |                 |
| <i>Risk-based monitoring and surveillance</i>   |                   |                           |                 |
| On receipt of fully completed application for a licence, 90% are processed in accordance with established processes and timeframes:   |                   |                           |                 |
| <ul style="list-style-type: none"> <li>• Qualifying Financial Entities will be processed within 60 working days</li> <li>• Statutory Supervisors and Securities Trustees will be processed within 60 working days</li> <li>• Authorised Financial Advisers will be processed within 20 working days.</li> </ul> | Updated measure   | Updated measure           | 90%             |
|   | Updated measure   | Updated measure           | 90%             |
|   | Updated measure   | Updated measure           | 90%             |
| Reviews of registered securities markets and accredited bodies are completed and published annually.  | Updated measure   | Updated measure           | 100%            |
| FMA conducts five thematic monitoring projects per annum.   | Updated measure   | Updated measure           | 5               |
| FMA publishes five reports on significant issues arising from monitoring and surveillance work per annum.   | Updated measure   | Updated measure           | 5               |
| Regulated offers are screened for risk-based review within five working days after a new PDS is lodged or a new prospectus is registered.   | Updated measure   | Updated measure           | 100%            |
| 100% of high-risk offer documents for regulated offers are reviewed post-registration or lodgement.   | Updated measure   | Updated measure           | 100%            |
| FMA has systems and procedures in place by 1 December 2014 to allow assessment of license applications submitted under the FMC Act.   | New measure       | New measure               | 100%            |
| FMA has systems and procedures in place by 1 December 2014 to review regulated offers made under Part 3 of the FMC Act.   | New measure       | New measure               | 100%            |
| In 100% of cases where FMA intervenes, disclosures are improved or documents withdrawn.   | Updated measure   | Updated measure           | 100%            |
| Less than 5% of licensing decisions are successfully challenged.  | Updated measure   | Updated measure           | Less than 5%    |

|  | 2013/14              |                           | 2014/15         |
|--|----------------------|---------------------------|-----------------|
|  | Budgeted Standard    | Estimated Actual Standard | Budget Standard |
| Assessment of Performance  |                      |                           |                 |
| <i>Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions (M13)</i>  |                      |                           |                 |
| This category is intended to achieve investors having access to resources that help them make more informed decisions.                                     |                      |                           |                 |
| <i>Market analysis and guidance</i>  |                      |                           |                 |
| 60% of respondents to the annual market participant survey agree that FMA consults well when introducing significant changes to the regulatory framework.  | Updated measure      | Updated measure           | 60%             |
| Market participants' input is proactively gained and considered prior to establishing all significant new guidance.  | 100%                 | 100%                      | 100%            |
| Quarterly briefings are provided to the Minister of Commerce highlighting key priorities for reform.   | 100%                 | 100%                      | 100%            |
| 90% of completed applications for exemptions are processed within 6 weeks of receiving all relevant information or as agreed with applicant.               | Updated measure      | Updated measure           | 90%             |
| Internal threat/risk assessments are produced in accordance with FMA's Intelligence and Risk Framework.  | 100%                 | 100%                      | 100%            |
| <i>Market and investor engagement</i>  |                      |                           |                 |
| 90% of enquiries receive a substantive response from FMA within 20 working days of FMA receiving all relevant information.                                 | Updated measure      | Updated measure           | 90%             |
| 50 public engagements are undertaken annually by FMA's staff.  | Updated measure      | Updated measure           | 50              |
| The number of website visits increases from the 2012/13 baseline.  | Increase in baseline | 220,000                   | 220,000         |
| 70% of respondents to the annual market participant survey say their level of awareness and understanding of FMA's actions has increased in the past year. | Updated measure      | Updated measure           | 70%             |
| Government agencies are "satisfied" with the quality of advice and assistance provided by FMA.   | Satisfied            | Satisfied                 | Satisfied       |
| FMA publishes investor messages on all significant thematic risks.   | 100%                 | 100%                      | 100%            |
| The Consumer Advisory Panel is consulted on development of FMA's investor education materials.   | 100%                 | 100%                      | 100%            |

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.



*Current and Past Policy Initiatives*

| Policy Initiative   | Year of First Impact | 2013/14 Budgeted \$000 | 2014/15 Budget \$000 | 2015/16 Estimated \$000 | 2016/17 Estimated \$000 | 2017/18 Estimated \$000 |
|---|----------------------|------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| <b>Performance of Investigation and Enforcement Functions</b>   |                      |                        |                      |                         |                         |                         |
| Financial Markets Authority - Proposed Budget Arrangements and Related Vote Commerce Issues                 | 2010/11              | 7,973                  | 7,973                | 7,973                   | 7,973                   | 7,973                   |
| <b>Performance of Licensing and Compliance Monitoring Functions</b>   |                      |                        |                      |                         |                         |                         |
| Financial Markets Authority - Proposed Budget Arrangements and Related Vote Commerce Issues                 | 2010/11              | 12,256                 | 12,256               | 12,256                  | 12,256                  | 12,256                  |
| <b>Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions</b> |                      |                        |                      |                         |                         |                         |
| Financial Markets Authority - Proposed Budget Arrangements and Related Vote Commerce Issues                 | 2010/11              | 7,241                  | 5,655                | 5,655                   | 5,655                   | 5,655                   |

*Reasons for Change in Appropriation*

The above changes reflect the implementation of the Vote restructure and the establishment of the MCA as per the Public Finance Act amendments.