

Performance Information for Appropriations

Vote Commerce

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

ADMINISTERING DEPARTMENT: Ministry of Economic Development

MINISTER RESPONSIBLE FOR MINISTRY OF ECONOMIC DEVELOPMENT: Minister for Economic Development

Part 1 - Summary of the Vote

Part 1.1 - Overview of the Vote

The Minister of Commerce is responsible for appropriations in the Vote for the 2012/13 financial year covering the following:

- a total of just over \$11 million for policy advice on the effective and low-cost regulation of economic activity, remedies to prevent injury caused by subsidised imports, administration of exemptions from import duties, services to support the Minister, and monitoring the performance and compliance of Crown Entities
- a total of just under \$38 million for the protection of intellectual property rights and the registration and provision of documents required to be filed on public record
- a total of just over \$13 million for the administration of bankruptcies and liquidations, and the management of forfeited property gained from criminal activity
- a total of just over \$64 million for services provided by Crown entities under the purview of this Vote to ensure that business and consumers have confidence in the integrity and effectiveness of New Zealand markets and can make informed decisions
- a total of just under \$13 million for the cost of major litigation undertaken by the Commerce Commission, the Financial Markets Authority and the Takeovers Panel
- a total of just under \$500,000 for membership of various international organisations, and
- a total of \$500,000 for the Statutory Management of Aorangi Securities.

Details of these appropriations are set out in Parts 2-6 below.

Part 1.2 - High-Level Objectives of the Vote

Government Priorities and Outcomes - Links to Appropriations

Government Priorities	Government Outcomes	Appropriations
Build a more competitive and productive economy Deliver better public services	A world-class business environment	Policy Advice - Business Law and Competition Policy Business Law and Competition operational policy, ministerial servicing and Crown entity monitoring Administration of Insolvencies Administration of Part II Tariff Concessions Registration and Granting of Intellectual Property Rights Registration and Provision of Statutory Information
Build a more competitive and productive economy	Productive and competitive businesses	Policy Advice - Business Law and Competition Policy Business Law and Competition operational policy, ministerial servicing and Crown entity monitoring Registration and Granting of Intellectual Property Rights

Note - The Government Priorities are also referred to as the Government Goals

Objectives of the Vote

The Government's key goals for this term of government include building a more competitive and productive economy, and delivering better public services.

Work under Vote Commerce directly contributes to these goals by helping to develop a world-class regulatory and business environment and enabling productive and competitive businesses to grow jobs and exports.

It does this by ensuring that effective policy and regulatory frameworks are in place to promote competition, support efficient business transactions, lower compliance costs, improve business confidence to make investments, and give firms access to other markets.

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2007/08	2008/09	2009/10	2010/11	2011/12		2012/13			2013/14	2014/15	2015/16
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	82,977	92,312	103,241	109,451	129,110	126,363	61,927	64,346	126,273	127,188	123,455	123,544
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	7,397	8,866	8,194	7,941	10,138	10,138	-	13,475	13,475	10,685	10,685	10,685
Capital Expenditure	-	-	1,260	8,901	6,460	6,460	-	500	500	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	90,374	101,178	112,695	126,293	145,708	142,961	61,927	78,321	140,248	137,873	134,140	134,229
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	2,890	6,206	19,455	26,580	18,663	18,663	N/A	19,074	19,074	17,980	16,022	16,122
Capital Receipts	16	2,067	-	-	927	927	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	2,906	8,273	19,455	26,580	19,590	19,590	N/A	19,074	19,074	17,980	16,022	16,122

New Policy Initiatives

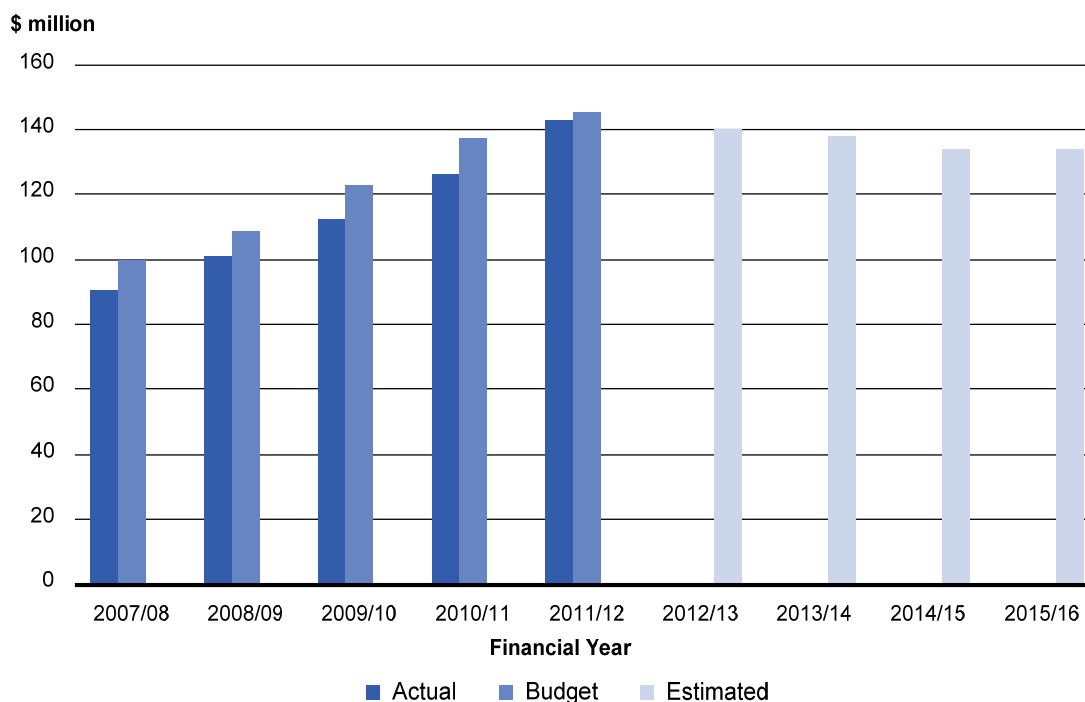
Policy Initiative	Appropriation	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Funding for Dairy Industry Restructuring Amendment Bill Proposals	Enforcement of Dairy Sector Regulation and Auditing of Milk Price Setting - Non-Departmental Output Expenses	-	340	340	251	340
Efficiency Dividend	Policy Advice - Business Law and Competition Policy	-	(201)	(201)	(201)	(201)
	Business Law and Competition operational policy, ministerial servicing and Crown entity monitoring	-	(48)	(48)	(48)	(48)
	Administration of Trade Remedies	-	(16)	(16)	(16)	(16)
	Registration and Granting of Intellectual Property Rights	-	(302)	(302)	(302)	(302)
	Administration of Insolvencies	-	(295)	(295)	(295)	(295)
	Registration and Provision of Statutory Information	-	(343)	(343)	(343)	(343)
	(All Departmental Output Expenses)					
Dairy Regulatory Framework - Fonterra's Milk Price, Capital Restructure and Share Valuation	Enforcement of Dairy Sector Regulation and Auditing of Milk Price Setting - Non-Departmental Output Expenses	700	905	905	905	905
Transfer of Responsibility for Retirement Commissioner	Retirement Commissioner - Non-Departmental Output Expenses	5,782	5,782	5,782	5,782	5,782
	Policy Advice and Investigative Services - Regulatory Environment - Multi-Class Output Appropriation - Policy and Purchase Advice - Business Law and Competition Policy - Departmental Output Expenses	34	34	34	34	34
Financial Markets Authority - Proposed Budget Arrangements and Related Vote Commerce Issues	Registration and Provision of Statutory Information - Departmental Output Expense	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)
	Performance of Securities Market Functions - Non-Departmental Output Expenses	(6,501)	(6,501)	(6,501)	(6,501)	(6,501)
	Financial Advisers and Financial Service Providers - Non-Departmental Output Expenses	(6,263)	(6,225)	(6,225)	(6,225)	(6,225)
	Regulation of Anti-Money Laundering and Countering Financing of Terrorism - Non-Departmental Output Expenses	(2,910)	(2,907)	(2,907)	(2,907)	(2,907)
	Securities Commission Litigation Fund - Non-Departmental Other Expenses	(1,370)	(1,370)	(1,370)	(1,370)	(1,370)
	Licensing and Supervision of Market Participants - Non-Departmental Output Expenses	11,688	12,256	12,556	12,556	12,556

Policy Initiative	Appropriation	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Financial Markets Authority - Proposed Budget Arrangements and Related Vote Commerce Issues - cont'd	Performance of Financial Markets Monitoring Functions - Non-Departmental Output Expenses	6,837	6,237	7,241	5,655	5,655
	Performance of Investigation and Enforcement Functions - Non-Departmental Output Expenses	5,749	6,968	7,973	7,973	7,973
	Financial Markets Authority Litigation Fund - Non-Departmental Other Expenses	2,500	2,000	2,000	2,000	2,000
	Investment in the Financial Markets Authority - Non-Departmental Capital Expenditure	5,000	-	-	-	-
Corporations (Investigation and Management) Order (No 3) 2010	Statutory Management - Aorangi Securities - Non-Departmental Capital Expenditure	1,000	500	-	-	-
Changes to Appropriations for the Implementation of New Governance Arrangements in the Electricity Industry Act	Regulation of Electricity Lines Businesses - Non-Departmental Output Expenses	1,500	1,000	1,000	1,000	1,000
	Input Methodology - Non-Departmental Output Expenses	355	-	-	-	-
Total Initiatives		23,001	16,714	18,523	16,848	16,937

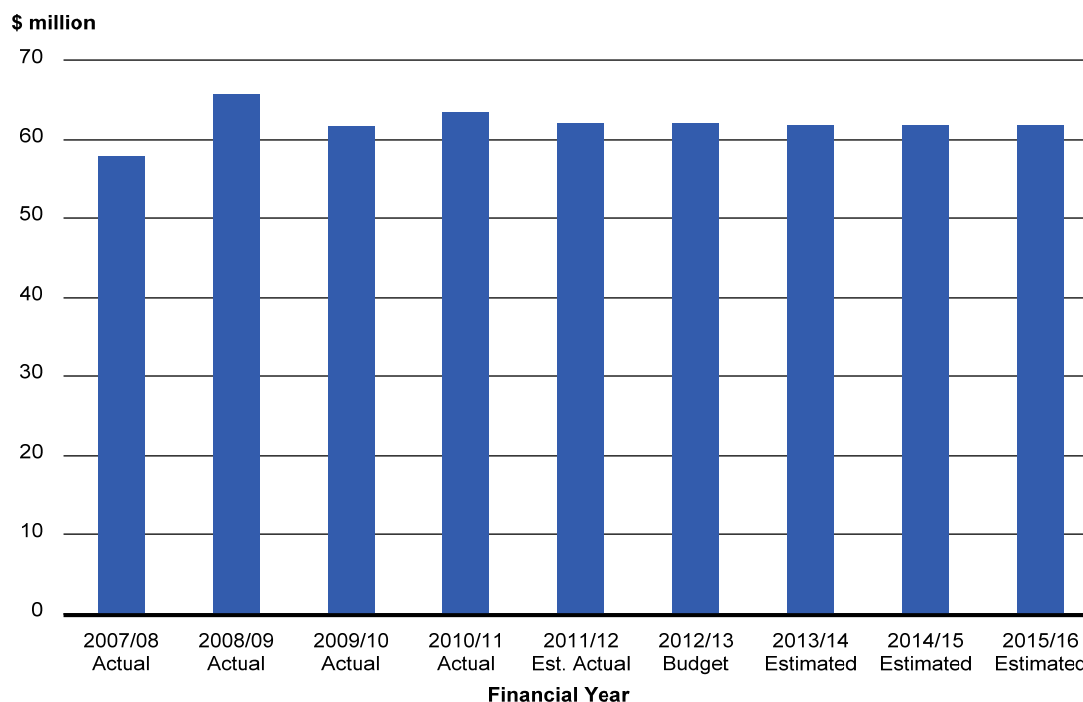
Analysis of Significant Trends

Total Vote: All Appropriations

Figure 1 - Trends in actual, budget and estimated expenses and capital expenditure



Source: MED

Figure 2 - Trends in departmental output expenses

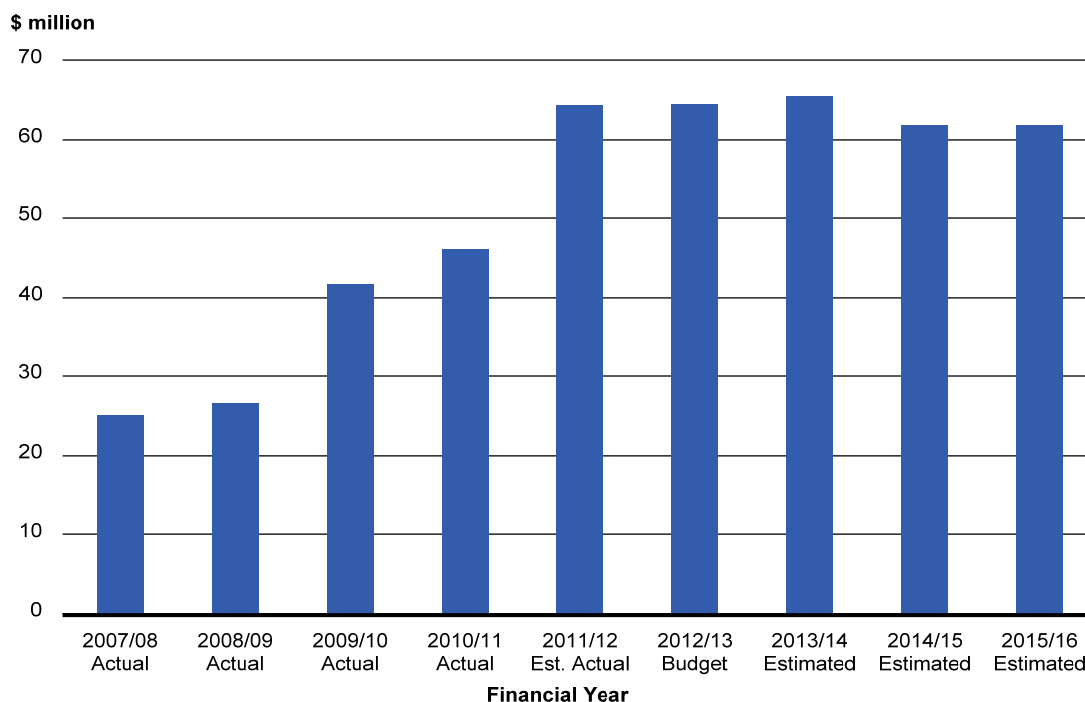
Source: MED

The increase between 2007/08 and 2008/09 mainly reflects: the inclusion of the new activities of standard business reporting of \$2.940 million; the "Business.Govt" unit of \$1.344 million; increases to funding for insolvency law reform of \$873,000; and increased costs of \$1.388 million for patent renewals and application activity. These increases were partly offset by cost decreases of the Companies Office long-term fees strategy of \$1.037 million and a reduction in the funding profile for eco-verification activities of \$392,000.

The decrease between 2008/09 and 2009/10 is largely due to a transfer of \$1.091 million to Vote Economic Development to reflect the transfer of responsibilities of the Government Procurement programme and savings made in 2009/10 as a result of the value-for-money exercise.

The increase in 2010/11 is largely due to increased activity in insolvency due to economic pressures and one off establishment costs associated with the Financial Markets Authority. These increases were offset by the cessation of standard business reporting.

The decrease in 2011/12 is mainly due to the Companies Office reducing their expenditure.

Figure 3 - Non-departmental output expenses from 2007/08 to 2015/16

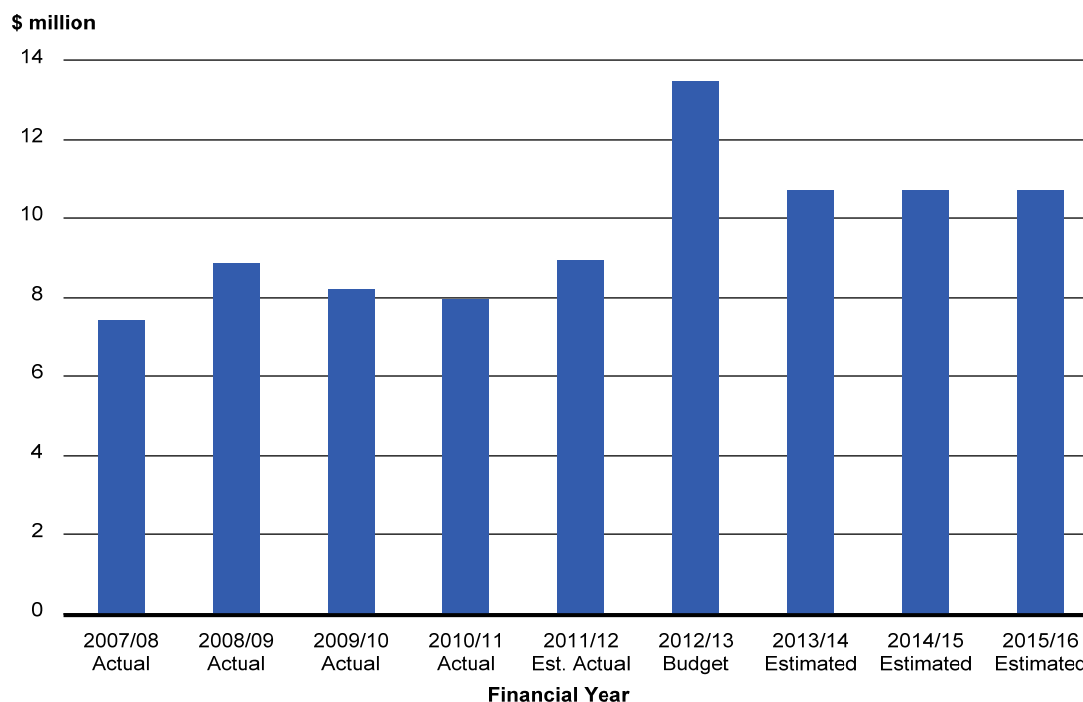
Source: MED

The increase between 2007/08 and 2008/09 is mainly due to an increase in funding of \$800,000 for the Securities Commission (now Financial Markets Authority) for the establishment of the Financial Regulation Infrastructure.

The increase in 2009/10 reflects the structural and financial adjustments to the Commerce Commission appropriations to implement the Commerce Amendment Act. Once implemented, the Commerce Commission budgets are more constant from 2010/11 and outyears. The increase in 2009/10 also reflects the implementation of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 by the Securities Commission.

The increases from 2010/11 onwards reflect the establishment and the budget arrangements for the Financial Markets Authority for around \$6.500 million as well as an increase in funding of \$3 million to consolidate standard-settings responsibilities within Crown entities in the Accounting and Assurance Standards Setting appropriation between 2010/11 and 2011/12.

The increase in 2011/12 and in 2013/14 is mainly due to funding increases for work by the Financial Markets Authority and the Commerce Commission. This funding reduces in 2014/15.

Figure 4 - Non-departmental other expenses from 2007/08 to 2015/16

Source: MED

The increase between 2007/08 and 2008/09 is mainly due to an increase in litigation activity for the Securities Commission (now Financial Markets Authority) in 2008/09.

The decrease in 2009/10 reflects reduced litigation for the Commerce Commission.

The increase in 2010/11 is largely due to a one-off increase to address delays in hearing litigation cases and volatility in major litigation costs for the Commerce Commission; and the establishment of the Financial Markets Authority litigation fund.

The increase from 2011/12 to 2012/13 reflects the increase in funding for the Commerce Commission litigation fund of \$3.837 million, which then reduces in 2013/14 by \$2.790 million.

Part 1.4 - Reconciliation of Changes in Appropriation Structure

2011/12 Appropriations in the 2011/12 Structure	2011/12 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2011/12 Appropriations in the 2012/13 Structure	2011/12 (Restated) \$000	2012/13 \$000
Departmental Output Expense						
Policy and Purchase Advice - Business Law and Competition Policy	11,114	Transferred to Policy Advice - Business Law and Competition Policy	(8,645)			
		Transferred to Business Law and Competition Operational Policy, Ministerial Servicing and Crown Entity Monitoring	(2,469)			
		Transferred from Policy Advice - Business Law and Competition Policy	8,645	Policy Advice - Business Law and Competition Policy	8,645	4,918
		Transferred from Policy Advice - Business Law and Competition Policy	2,469	Business Law and Competition Operational Policy, Ministerial Servicing and Crown Entity Monitoring	2,469	1,540

The Review of Expenditure on Policy Advice recommended the reorganisation of Policy Advice appropriations. As a result new appropriations have been created for the 2012/13 year and out years.

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-6.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
A more efficient and effective regulatory environment Reduced barriers to opportunities in overseas markets Improved business access to finance for growth	Policy Advice - Business Law and Competition Policy Business Law and Competition Operational Policy, Ministerial Servicing and Crown Entity Monitoring Administration of Part II Tariff Concessions
More effective competition	Policy Advice - Business Law and Competition Policy Business Law and Competition Operational Policy, Ministerial Servicing and Crown Entity Monitoring Administration of Part II Tariff Concessions
Increased confidence and participation in New Zealand's financial markets	Policy Advice - Business Law and Competition Policy Business Law and Competition Operational Policy, Ministerial Servicing and Crown Entity Monitoring Administration of Insolvencies Registration and Provision of Statutory Information
Improved public services for business	Policy Advice - Business Law and Competition Policy Business Law and Competition Operational Policy, Ministerial Servicing and Crown Entity Monitoring Administration of Insolvencies Administration of Part II Tariff Concessions Registration and Granting of Intellectual Property Rights Registration and Provision of Statutory Information
Increased business investment in innovation	Policy Advice - Business Law and Competition Policy Business Law and Competition Operational Policy, Ministerial Servicing and Crown Entity Monitoring Registration and Granting of Intellectual Property Rights

For further information on the intended impacts, outcomes and objectives of the departmental output expense appropriations, please see the Statement of Intent for the Ministry of Economic Development.

Administration of Insolvencies (M13)

Scope of Appropriation

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

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	13,750	13,750	13,173
Revenue from Crown	11,948	11,948	11,948
Revenue from Other	2,518	2,512	1,941

Reasons for Change in Appropriation

The \$577,000 decrease in this appropriation between 2011/12 and 2012/13 is mainly due to the following; time-limited funding that ceased in 2011/12 of \$300,000 reflecting the increase in additional investigations fee collections, a decrease of \$295,000 in 2012/13 reflecting the Efficiency Dividend, and a decrease of \$18,000 reflecting movements in the KiwiSaver and SSRSS savings schemes.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
High quality and timely administration of bankruptcies and No Asset Procedures, liquidations and proceeds of crime matters by the Official Assignee demonstrated by the annual average internal quality assurance rating* for estate administration undertaken by staff of the Official Assignee (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).	Annual average internal quality assurance rating for estate administration no less than 2	Achieved	Annual average internal quality assurance rating for estate administration no less than 2

Note - The quality assurance standard is based on legislative requirements and measures both quality and timeliness.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Efficiency Dividend	2012/13	-	(295)	(295)	(295)	(295)
Previous Government						
Insolvency Act 2006 Law Reform	2009/10	378	378	378	378	378
For new responsibilities arising from recent law reform	2008/09	2,520	2,520	2,520	2,520	2,520
Future funding options for the Insolvency and Trustee Service	2007/08	280	280	280	280	280

Administration of Part II Tariff Concessions (M13)

Scope of Appropriation

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

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	352	304	352
Revenue from Crown	-	-	-
Revenue from Other	361	313	361

Reasons for Change in Appropriation

No change for this appropriation.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Action applications lodged by importers.	136	210	200
Quality of decisions as indicated by no successful formal reviews.	No successful formal reviews	No successful formal reviews	No successful formal reviews
Applications of an acceptable standard will be advertised or declined within seven (7) days of receipt.	100%	100%	100%
Final decisions on complete applications will be made within sixty (60) days of receipt.	100%	100%	100%

Conditions on Use of Appropriation

Reference	Conditions
Section 8 of the Tariff Act 1988.	Exercise of discretion to approve tariff concessions (under the Minister's delegated authority).
Notes 1, 2 and 3 to Part II of the Tariff Act.	Criteria under which concessions may be approved.
1991 Cabinet decisions on the Tariff Concessions (Procedural) Review and subsequent amendments thereto.	Policy and procedures for the administration of tariff concessions.
Section 16A of the Tariff Act 1988 and the Tariff (Fees) Regulations 1998.	The prescribing and payment of fees for tariff concession applications.

Business Law and Competition Operational Policy, Ministerial Servicing and Crown Entity Monitoring (M13)

Scope of Appropriation

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

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	2,092
Revenue from Crown	-	-	2,067
Revenue from Other	-	-	25

Reasons for Change in Appropriation

This appropriation was established in 2011/12 to commence 2012/13 as a result of the Review of Expenditure on Policy Advice (Reorganisation of Policy Advice appropriations). Funding of \$2.140 million was transferred from the dis-established Policy advice appropriation which was offset by \$48,000 for the Efficiency Dividend.

Output Performance Measures and Standards

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Timeliness of submission to the Minister of draft Ministerial correspondence, draft responses to parliamentary questions and draft Ministerial Official Information Act (OIA) responses	95% of draft correspondence and draft Parliamentary questions submitted to the Minister by the due date	Achieved	95% of draft correspondence and draft Parliamentary questions submitted to the Minister by the due date

Conditions on Use of Appropriation

Reference	Conditions
Quality Standards for Analysis and Advice	Refer to the Policy Advice - Business Law and Competition Policy appropriation below

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Efficiency Dividend	2012/13	-	(48)	(48)	(48)	(48)

Policy Advice - Business Law and Competition Policy (M13)

Scope of Appropriation

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

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	7,726
Revenue from Crown	-	-	7,655
Revenue from Other	-	-	71

Reasons for Change in Appropriation

This appropriation was established in 2011/12 to commence 2012/13 as a result of the Review of Expenditure on Policy Advice (Reorganisation of Policy Advice appropriations). Funding of \$7.927 million was transferred from the dis-established Policy advice appropriation which was offset by \$201,000 for Efficiency Dividend.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quality of policy advice, as assessed by the Minister twice during the year against the agreed standards for Policy Advice and Ministerial Servicing	No less than a 4 (met and sometimes exceeded my expectations)	Achieved	No less than a 4 (met and sometimes exceeded my expectations)
Quality of Regulatory Impact Statements which are subject to assessment by the Treasury or by MED's Regulatory Impact Analysis Review Panel against criteria of completeness, convincing, consulted and clear and concise	80% fully meet the criteria and the remaining 20% at least partially meet them	Achieved	80% fully meet the criteria and the remaining 20% at least partially meet them
Quality of policy briefings as assessed independently by the New Zealand Institute of Economic Research (NZIER) - or an equivalent organisation	A median score of at least 7.5 (halfway between 'adequate' and 'good' - goes beyond the task at hand somewhat)	Achieved	A median score of at least 7.5 (halfway between 'adequate' and 'good' - goes beyond the task at hand somewhat)

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Efficiency Dividend	2012/13	-	(201)	(201)	(201)	(201)

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

Scope of Appropriation

Administration of Trade Remedies

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

Policy and Purchase Advice - Business Law and Competition Policy

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

Explanation for Use of Multi-Class Output Expense Appropriation

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

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	12,214	11,407	1,084
Administration of Trade Remedies	1,100	1,021	1,084
Policy and Purchase Advice - Business Law and Competition Policy	11,114	10,386	-
Revenue from Crown	11,866	11,059	1,084
Administration of Trade Remedies	1,084	1,005	1,084
Policy and Purchase Advice - Business Law and Competition Policy	10,782	10,054	-
Revenue from Other	348	348	-
Administration of Trade Remedies	16	16	-
Policy and Purchase Advice - Business Law and Competition Policy	332	332	-

Reasons for Change in Appropriation

Administration of Trade Remedies

This appropriation decreased by \$16,000 reflecting the Efficiency Dividend commencing from 2012/13.

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	14,760	14,655	14,104
Revenue from Crown	85	85	85
Revenue from Other	16,180	11,260	15,524

Reasons for Change in Appropriation

The \$656,000 decrease in this appropriation between 2011/12 and 2012/13 is mainly due to:

- a one-off expense transfers from 2010/11 to 2011/12 of \$1.060 million reflecting the delay in the work related to the Trademark Amendments Bill and the Patents Bill
- \$302,000 in 2012/13 reflecting the Efficiency Dividend, and
- \$150,000 in 2012/13 reflecting the funding stream as agreed by Cabinet (Changes in the Patents Bill and the Trade Mark (International Treaty and Enforcement) Amendment Bill).

These decreases are partially offset by:

- a one-off expense transfer from 2011/12 to 2012/13 of \$400,000 to reflect the delays in the passage and implementation of new responsibilities under the Patents Bill (net movement of \$800,000).

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The provisions of the Patents Act 1953 in the granting and renewal of Patent applications, the provisions of the Trade Marks Act 2002 in the registration and renewal of Trade Mark applications and the provisions of the Plant Variety Rights Act 1987 in the granting and renewal of plant variety right applications received through the Intellectual Property Office of New Zealand (IPONZ) are complied with.	99% of decisions to accept, grant or register intellectual property rights made by IPONZ will be upheld.	Achieved	99% of decisions to accept, grant or register intellectual property rights made by IPONZ will be upheld.
	99% of decisions not to accept grant or register intellectual property rights made by the Intellectual Property Office and the Plant Variety Rights Office will be upheld.	Achieved	99% of decisions not to accept grant or register intellectual property rights made by the Intellectual Property Office and the Plant Variety Rights Office will be upheld.
	98% of completed applications (see Note 1) will be received, acknowledged and a filing date confirmed within one clear business day of receipt.	Achieved	N/A
	95% of completed Trade Mark Search and Preliminary Advice applications (see Note 1) will be examined and a report issued within five clear business days of receipt	Achieved	95% of completed Trade Mark Search and Preliminary Advice applications (see Note 1) will be examined and a report issued within five clear business days of receipt
	95% of completed standard patent, trade mark and design applications will be examined and an examination report issued within fifteen clear business days of receipt	Achieved	95% of completed standard patent, trade mark and design applications will be examined and an examination report issued within fifteen clear business days of receipt
	90% of incoming patent, trade marks and design correspondence will be responded to within fifteen clear business days of receipt	Achieved	90% of incoming patent, trademarks and design correspondence will be responded to within fifteen clear business days of receipt

Note 1 - A completed application is one where all information required by the relevant legislation has been provided, and the prescribed fees have been paid in full.

Memorandum Account

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Registration and Granting of Intellectual Property Rights			
Opening Balance at 1 July	7,084	7,084	3,868
Revenue	16,186	10,875	15,135
Expenses	14,381	14,091	13,630
Closing Balance at 30 June	8,589	3,868	5,373

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Efficiency Dividend	2012/13	-	(302)	(302)	(302)	(302)
Changes in the Patents Bill and the Trade Mark (International Treaty & Enforcement) Amendment Bill	2010/11	2,334	2,184	2,384	2,384	2,384

Registration and Provision of Statutory Information (M13)*Scope of Appropriation*

Registering and provision of documents and information services in respect of all corporate entities, securities over insurance and superannuation schemes and securities over personal property (excluding land).

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	23,621	21,834	23,396
Revenue from Crown	2,286	2,286	2,286
Revenue from Other	19,143	13,631	18,918

Reasons for Change in Appropriation

The \$225,000 decrease in this appropriation between 2011/12 and 2012/13 is due to a \$343,000 reduction in 2012/13 reflecting the Efficiency Dividend. This decrease is partially offset by an increase of \$100,000 in 2012/13 relating to the "Auditor Regulation Oversight" paper, and an increase of \$18,000 reflecting movements in the KiwiSaver and SSRSS schemes.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Manual documents are imaged and available on the Companies Register free of material errors	99% of documents and images entered into the database will be free of material errors (see Note 1) for both electronic and manual information.	Achieved	That 99% of manual company filings are imaged and visible on the register within 2 working days from registration
Company Consents and Name Reservation documents will be processed within thirty-five (35) minutes of receipt	99% of Company Incorporation, Name Reservation, Prospectus and Annual return documents will be processed within one (1) clear business day of receipt for paper documents and within forty-five (45) minutes of receipt for documents filed electronically.	Achieved	99% of online Company name approvals and consents are processed within 35 minutes of receipt during normal business hours.
That the Companies and PPSR online registers are available for searching and registration, where the legislation permits, 99% of the time over a 24/7 basis (allowing for scheduled maintenance or a planned systems outage).	The Companies Office websites will be available for searching and registration, where the legislation permits, 99% of the time over a 24/7 basis (allowing for scheduled maintenance or planned systems outage).	Not Met (due to number of front office unscheduled outages)	That the Companies and PPSR online registers are available for searching and registration 99% of the time measured over each month, excluding agreed outage for scheduled maintenance.
We see an 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.	Achieved	Use of business.govt.nz portal increases from previous year

Note 1 - Material errors include but are not limited to: incorrect information recorded in registered documents, out-dated information, incorrect share numbers, documents registered against incorrect companies.

Memorandum Account

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Motor Vehicle Traders Register and Information Programme			
Opening Balance at 1 July	691	691	612
Revenue	1,073	948	1,067
Expenses	1,049	-1,027	1,043
Closing Balance at 30 June	715	612	636

Memorandum Account

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Registration and Provision of Statutory Information			
Opening Balance at 1 July	(4,813)	(4,813)	(10,848)
Revenue	17,353	12,507	17,318
Expenses	19,753	18,542	19,434
Closing Balance at 30 June	(7,213)	(10,848)	(12,964)

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Efficiency Dividend	2012/13	-	(343)	(343)	(343)	(343)
Financial Markets Authority - Proposed Budget Arrangements and Related Vote Commerce Issues	2011/12	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)
Previous Government						
Funds Relocation and responsibilities of the business portal from NZTE to MED	2008/09	2,137	2,137	2,137	2,137	2,137
Establishment of Financial Regulation Infrastructure	2008/09	2,091	2,091	2,091	2,091	2,091

Part 2.2 - Non-Departmental Output Expenses**Intended Impacts, Outcomes and Objectives**

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
An effective and efficient takeovers market that maintains the respect and confidence of participants by providing a transparent process which ensures equal treatment of shareholders.	Administration of the Takeovers Code*
Contributing to the creation of dynamic and trusted markets through the establishment of an accounting and assurance standards framework that: <ul style="list-style-type: none"> engenders confidence in New Zealand financial reporting assists entities to compete internationally, and enhances entities' accountability to stakeholders. 	Approval and Review of Financial Reporting Standards** Accounting and Assurance Standards Setting**

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>ENFORCEMENT OUTCOMES the Commerce Commission influences</p> <p>Markets are more competitive: By improving business compliance with competition law, businesses will undertake fewer anti-competitive mergers and trade practices, allowing markets to function more competitively.</p> <p>AND</p> <p>Consumers are better informed: By improving business compliance with consumer laws, businesses will represent goods and services more accurately, allowing consumers to make better informed purchasing decisions.</p> <p>ENFORCEMENT IMPACTS the Commerce Commission seeks to have over time</p> <ul style="list-style-type: none"> Improved levels of business compliance with competition and consumer laws over time. Improved levels of awareness and understanding of competition and consumer law, and the benefits of competition. Business conduct that does not comply with competition and consumer law is detected and responded to appropriately. 	Enforcement of General Market Regulation***
<p>REGULATION OUTCOMES the Commerce Commission influences</p> <p>Regulation is better targeted and more effective: By delivering targeted and effective regulation of goods and services in markets where there is little or no competition, consumers receive the goods and services that would have been available if the market was competitive.</p> <p>REGULATION IMPACTS the Commission seeks to have over time</p> <ul style="list-style-type: none"> Regulatory decisions promote statutory objectives. Businesses and consumers have an increased understanding of business and market performance. Businesses are encouraged to act consistently with regulatory obligations. Conduct by businesses that does not comply with regulatory obligations is detected and dealt with appropriately. Businesses and consumers are aware of and understand regulatory regimes and the benefits of targeted regulation. 	Enforcement of the Dairy Sector Regulation and Auditing of Milk Price Setting*** Regulation of Airport Services*** Regulation of Electricity Lines Business*** Regulation of Natural Gas Services***
Substantial reduction in risk of issuer audit failures.	Regulation of Auditors**
New Zealanders are educated in financial matters; Government's retirement income policies remain effective; and the interests of residents of retirement villages are protected.	Retirement Commissioner*****

For further information on the intended impacts, outcomes and objectives of the non-departmental output expense appropriations, please see the Statements of Intent for the Takeovers Panel (*), the External Reporting Board (**), the Commerce Commission (***), the Financial Markets Authority (****) and the Commission for Financial Literacy and Retirement Income (*****).

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,410	4,410	4,410

Reasons for Change in Appropriation

No change for this appropriation.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Developing Financial Reporting Strategy			
<i>Quantity</i>			
Finalised financial reporting framework	1 issued	1 issued	N/A
Finalised reporting tiers structure	1 submitted for Ministerial approval	1 submitted for Ministerial approval	N/A
Number of accounting standards frameworks being implemented	N/A	N/A	1 for-profit 1 public sector 1 not-for-profit
Number of amendments to accounting standards Tier Strategy submitted to Minister for approval	N/A	N/A	As required; expected to be 1-2
Number of auditing and assurance standards frameworks being implemented	N/A	N/A	1
<i>Quality</i>			
Financial reporting framework is consistent with the Government's trans-Tasman outcome goals	100% consistent	100% consistent	N/A
Tier structure is established in accordance with statutory requirements	100% compliance	100% compliance	N/A
Accounting standards frameworks implemented in accordance with approved Tier Strategy	N/A	N/A	100% compliance
Amendments to Tier Strategy consistent with statutory requirements and consistent with the Government's trans-Tasman outcome goals	N/A	N/A	100% consistent
<i>Timeliness</i>			
Financial reporting framework	31 December 2011	31 March 2012	N/A
Tier structure	Within statutory deadline: expected to be 31 December 2011	Within statutory deadline: 31 March 2012	N/A
Implementation of standards frameworks	N/A	N/A	On-going throughout the year
Amendments to Tier Strategy	N/A	N/A	As required
Preparing and Issuing Accounting Standards			
<i>Quantity</i>			
Number of International Accounting Standards Board standards and related documents issued	All relevant: expected to be 5-10	6	N/A
Number of other accounting standards and related documents issued	15-25	6	N/A
Number of exposure drafts and other due process documents issued relating to implementing the new accounting standards frameworks	N/A	N/A	30-40
Number of standards and related documents issued relating to implementing the new accounting standards frameworks	N/A	N/A	100-120
Number of exposure drafts and other due process documents relating to existing accounting standards suits issued	N/A	N/A	8-12 (depending on output of International Boards)

	2011/12		2012/13
Performance Measures	Budgeted Standard	Estimated Actual Standard	Budget Standard
<i>Quantity - cont'd</i>			
Number of standards and related documents relating to existing accounting standards suits issued	N/A	N/A	3-6 (depending on output of International Boards)
Number of projects undertaken on behalf of international accounting standard setters	N/A	N/A	1
<i>Quality</i>			
Statutory due process requirements followed	All standards	All standards	All standards
Standards reflect relevant international standards with departures only to improve quality	All standards	All standards	All standards
Due process documents and Standards reflect approved Tier Strategy	N/A	N/A	All documents and standards
For-profit standards harmonised with Australia where appropriate	N/A	N/A	All standards
<i>Timeliness</i>			
Standards issued in time for the commencement date to be no later than the international commencement date	All standards	All standards	N/A
Due process documents and standards relating to the new accounting standards framework issued in accordance with timeline established by the Board	N/A	N/A	All documents and standards
Due process documents and Standards relating to existing accounting standards suites issued in time for the commencement date to be no later than the international commencement date (where relevant)	N/A	N/A	All documents and standards
Preparing and Issuing Audit and Assurance Standards			
<i>Quantity</i>			
Number of initial standards issued on establishment	45-50	41	N/A
Number of new International Auditing and Assurance Standards Board standards and related documents issued	All relevant: expected to be 4-8	0	N/A
Number of other assurance standards and related documents issued	2-5	3	N/A
Number of exposure drafts and other due process documents relating to auditing and assurance standards issued	N/A	N/A	Expected to be 5-8 (depending on the output of International Boards)
Number of auditing and assurance standards and related documents issued	N/A	N/A	Expected to be 12-16 (depending on output of International Boards)
<i>Quality</i>			
Statutory due process requirements followed	All standards	All standards	All standards
Standards reflect relevant international standards with departures only to improve quality	All standards	All standards	All standards
Standards harmonised with Australia where appropriate	N/A	N/A	All standards
<i>Timeliness</i>			
Standards issued in time for the commencement date to be no later than the international commencement date	All standards	All standards	N/A
Due process documents and Standards issued in time for the commencement date to be no later than the international commencement date (where relevant)	N/A	N/A	All documents and standards

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Proposed Fee and Levy Changes	2012/13	-	105	105	105	105
Financial Reporting and Assurance: Consolidating Standards-Setting Responsibilities within a Crown Entity	2010/11	4,410	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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,494	1,494	1,494

Reasons for Change in Appropriation

No change for this appropriation.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Takeovers Law			
The provisions of the Takeovers Code are effective and relevant, as assessed by conducting reviews, enquiring into market practices and recommending amendments to the Code and the Takeovers Act as necessary.	2 market reviews completed and one set of 20 recommendations made for technical changes to the Code's provisions	2 market reviews (technical amendments consultation paper; market feedback on independent reports) 21 recommendations made for technical changes to the Code's provisions	N/A N/A
Percentage of resources spent on reviewing market activity and recommending any necessary law changes.	N/A	N/A	31%
Quality and timeliness: Best practice policy development process has been followed.	N/A	N/A	100%
Recommendations (if any) sent to MED within 10 working days of Panel sign-off.	N/A	N/A	100%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Code Approvals			
Applications for approval of independent advisers and independent experts are processed in accordance with the Takeovers Panel's published policies. (Demand driven).	22-28	22-28	22-28
<ul style="list-style-type: none"> • Straight forward applications (that take less than 10 hours to process). 	15-20	12-16	N/A
<ul style="list-style-type: none"> • Complex applications (that take more than 10 hours to process). 	7-9	10-14	N/A
Applications for consent to withdrawal of offers, and for use of defensive tactics, are processed in accordance with the applicant's timetables.	1	1	1
Timeliness & Quality: Applications for Code Approvals are completed within 3-5 working days of receipt of completed application.	95% of applications completed on time	95%	95%
Quality: Adviser competence and independence considered by Panel before approval.	N/A	100%	100%
Code Exemptions			
Applications for individual exemptions and class exemptions are processed efficiently (applications are demand-driven).	(16-20 individual, 2-4 class)	8-11 individual, 4-5 class	8-11 individual, 3-4 class
Individual exemptions: Complex (that take more than 50 hours to process).	4-5	2-3	2-3
Individual exemptions Less complex (that take less than 50 hours to process).	14-19	6-8	6-8
Class Exemptions.	2-4	4-5	3-4
Class exemptions: Complex (>50 hours).	N/A	N/A	2-3
Class exemptions: Less complex (50 hours or less).	N/A	N/A	2-3
Timeliness & Quality: Code Exemptions are completed within timeframe as agreed with.	90% completed as agreed	90%	90%
Not disallowed by Regulations Review Committee, nor successfully judicially reviewed.	0	0	0
Applicants are satisfied with process and professionalism of executive, as indicated by survey.	N/A	N/A	95%
Enforcement			
Oversight of takeover activity in the market is maintained by reviewing relevant documentation, intervening where necessary in accordance with the Takeovers Panel's statutory powers, investigating any possible Code breaches in accordance with the law and the rules of natural justice.	14 takeovers, 12 Code company meetings, 3 enforcement meetings, 1 section 35 action, 1 scheme of arrangement and 8 investigations of possible breaches of the Code	6-9 takeovers, 10-14 Code company meetings, 1 section 32 meeting, 1 section 35 action, 1 scheme of arrangement and 4-5 investigations of possible breaches of the Code	6-9 takeovers, 10-14 Code company meetings, 1 section 32 meeting, 1 section 35 action, 1 scheme of arrangement and 4-5 investigations of possible breaches of the Code
Percentage of enforcement resources spent on review of documents.	N/A	N/A	75%
Quality: All documents reviewed and all non-compliance followed up.	100%	100%	100%
Feedback on Panel performance to be obtained from key participants in each transaction.	>50% of responses are positive	Achieved	>90% of responses are positive
Timeliness: Enforcement work is completed within statutory timeframes for takeovers and enforcement meetings specified in the Takeovers Act 1993.	100%	100%	100%
Timeliness: Court-ordered timetables are complied with for legal proceedings under the Companies Act involving code companies.	100%	100%	100%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Public Understanding			
Information about the Takeovers Code, relevant law and activities of the Takeovers Panel is published via its website, media statements, policy statements, guidance notes and commentaries on current issues, public meetings and speeches and by responding to enquiries from the public.	3 Code Words (Newsletter on Code Issues), 3 policy papers or guidance notes, 10 meetings with market representatives, 140 enquiries	3 Code Words (Newsletter on Code Issues), 2 consultations on policy; 14-16 meetings with market representatives, 100-120 enquires	3 Code Words (Newsletter on Code Issues), 3000-4000 hits on website; 130-150 enquiries
Quality: Feedback field on website indicates usefulness of documents published and of website.	N/A	N/A	95%
Timeliness: A website with relevant information about the Takeovers Code, relevant law and activities of the Takeovers Panel is maintained.	All information posted within 5 working days of decision or event 100%	All information posted within 5 working days of decision or event 100%	All information posted within 5 working days of decision or event 100%
Timeliness: Miscellaneous enquiries from members of the public and professional firms are responded to in a timely manner.	Respond within 3 working days 100%	Respond within 3 working days 100%	Respond within 3 working days 100%
International Liaison			
Reciprocal membership between Australian and New Zealand Takeovers Panels is maintained.	One on each Panel	One on each Panel	N/A
Regular meetings are held with international takeovers regulators to improve cooperation, administration and enforcement of takeovers law and promote international understanding between the Takeovers Panel and these bodies.	1 time per year (attendance at international conference of takeover regulators in September 2011)	1	N/A

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Previous Government						
Improve the Operational Capability of the Takeovers Panel	2007/08	150	150	150	150	150

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

Scope of Appropriation

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

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	700	700	1,245

Reasons for Change in Appropriation

This appropriation was established during 2011/12 to reflect the "Dairy Regulatory Framework - Fonterra's Milk Price, Capital Restructure and Share Valuation" paper, replacing the "Enforcement of Dairy Sector Regulation" appropriation as at 1 January 2012.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Determinations			
Number of determinations (includes determinations, clarifications, reviews and amendments)	New Measure	New Measure	0-1
Average time taken to complete dairy determinations	New Measure	New Measure	120 working days
Percentage of stakeholders who find the Commission determinations and supporting reasons clear	New Measure	New Measure	75%
Public Report and Advice to Officials			
Number of reports completed (monitoring reports, summary and analysis reports, information disclosure reports, ministerial reports)	New Measure	New Measure	2
Number of substantial pieces of advice provided to officials to inform policy design	New Measure	New Measure	0-3
Percentage of stakeholders who rate our reports good or above	New Measure	New Measure	75%
Percentage of reports completed by the set date	New Measure	New Measure	100%
Compliance and Enforcement			
Number of enforcement cases taken	New Measure	New Measure	0-1
Quality measure for all outputs			
Number of successful legal challenges of the Commission's processes	New Measure	New Measure	0

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Funding for Dairy Industry Restructuring Amendment Bill Proposals	2012/13	-	340	340	251	340
Dairy Regulatory Framework - Fonterra's Milk Price, Capital Restructure and Share Valuation	2011/12	700	905	905	905	905

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	18,073	18,073	16,435

This appropriation decreased by \$1.638 million as a result of a one-off expense transfer in-principle in 2011/12 from 2010/11 as part of the "Commerce Commission Litigation Fund - Report Back" paper.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Determinations			
Number of successful legal challenges of the Commission's processes	0	0	N/A
Percentage of successful defended determinations appeals over 5 years	80%	100%	80%
Percentage of written reasons published for determinations	100%	100%	100%
Average number of working days from date of registration to date of decision for merger clearance applications	40 days	60 days	40 days
Average number of working days from date of decision to date of publication of reasons for declined clearance applications	10 days	10 days	10 days
Enforcement			
Number of successful legal challenges of the Commission's processes	0	0	N/A
Percentage of investigations undecided for more than 18 months (at any point during the year)	0%	0%	0%
Percentage of Commerce Act investigations decided within 12 months	80%	80%	N/A
Percentage of Fair Trading, product safety and CCCF investigations decided within 12 months	95%	95%	N/A
Percentage of investigations decided within 12 months (Commerce Act, Fair Trading, Product Safety and CCCF)	N/A	N/A	90%
Advocacy and Development			
Number of Commission guidelines or fact sheets published	20-35	28	5-20
Number of contributions made to external publications, guidelines and codes of practice	100-200	42	20-100

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Advocacy and Development - cont'd			
Number of substantial pieces of advice provided to inform policy design	15-30	18	5-30
Number of presentations delivered and stakeholder engagements held	100-250	120	50-150
Quality measure for all outputs: Number of successful legal challenges of the Commission's processes	N/A	N/A	0
Activity Information			
<i>Determinations</i>			
Total determination projects completed			
• Number of clearance applications processed	15-24	15	10-22
• Number of authorisation applications processed	0-2	3	0-4
<i>Enforcement Cases</i>			
Total enforcement cases completed			
• Market structure cases completed	0-4	3	0-5
• Coordinated behaviour cases completed	8-14	8	8-14
• Unilateral conduct cases completed	5-10	3-6	5-10
• Fair Trading cases completed	260-370	400-450	260-400
• Product safety and information standards cases completed	40-65	50-60	40-65
• CCCF Act cases completed	31-47	50-60	30-50
Total Reports to the Minister			
Number of reports to the Minister on the control of certain goods and services in specified markets	0-1	0-1	0-1

Note 1 - Activity information relates to output volumes that are demand driven and therefore out of the Commission's control.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Commerce Commission Litigation Fund - Report Back	2011/12	1,638	-	-	-	-
Previous Government						
Commerce Commission Funding for Implementation of Part 4 of the Commerce Act 1986	2008/09	(400)	(400)	(400)	(400)	(400)
Commerce Commission's internal capacity to work on major litigation	2008/09	1,000	1,000	1,000	1,000	1,000
Commerce Act Review Airports	2008/09	400	400	400	400	400
2007 Review of Commerce Commission funding to undertake major litigation	2007/08	1,500	1,500	1,500	1,500	1,500

Licensing and Supervision of Market Participants (M13)

Scope of Appropriation

This appropriation is limited to the performance of statutory functions relating to regulation of financial market participants, including issuers, market licensees, intermediaries and exchanges, and financial advisers and qualifying financial entities (QFEs).

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	11,688	11,688	12,256

Reasons for Change in Appropriation

This appropriation was established during 2010/11 relating to the "Financial Markets Authority (FMA) - Proposed Budget Arrangements and Related Vote Commerce Issues" initiative. The increase between 2011/12 and 2012/13 reflects the funding stream agreed to by Cabinet.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Licensing and Supervision of Market Participants			
Government agencies are "satisfied" with the quality of advice provided by FMA in regard to licensing and supervision.	New Measure	New Measure	"Satisfied"
Publication of guidance on anti-money laundering and countering financial terrorism for reporting entities.	New Measure	New Measure	By 30 December 2012
The percentage of QFE licence applications processed within 40 working days.	New Measure	New Measure	90%
The percentage of statutory supervisor and securities trustee licence applications received after 30 September 2012 are processed within 40 working days.	New Measure	New Measure	90%
The percentage of AFA licence applications processed within 20 working days.	New Measure	New Measure	90%
The percentage of cases where FMA intervenes disclosures are improved or documents withdrawn.	New Measure	New Measure	100%
Annual review of registered securities market completed and published.	New Measure	New Measure	By 30 June 2013

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Financial Markets Authority - Proposed Budget Arrangements and Related Vote Commerce Issues	2010/11	11,688	12,256	12,556	12,556	12,556

Performance of Financial Markets Monitoring Functions (M13)

Scope of Appropriation

This appropriation is limited to the performance of statutory functions relating to monitoring of financial and securities markets, including the provision of investor education, the granting of exemptions, and other General Counsel duties.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	6,837	6,837	6,237

Reasons for Change in Appropriation

This appropriation was established during 2010/11 relating to the "Financial Markets Authority (FMA) - Proposed Budget Arrangements and Related Vote Commerce Issues" initiative. The decrease between 2011/12 and 2012/13 reflects the funding stream agreed to by Cabinet.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance of Financial Markets Monitoring Functions			
Government agencies are "satisfied" with the quality of advice provided by FMA arising from FMA's monitoring and intelligence functions.	New Measure	New Measure	"Satisfied"
Greater stakeholder awareness and understanding of the FMA and its actions.	New Measure	New Measure	2012/13 annual stakeholder survey results demonstrate greater awareness and understanding of FMA and its actions compared to results achieved in 2011/12.
Key areas of focus for FMAs investor education are identified.	New Measure	New Measure	By 30 September 2012
Key areas of focus for FMAs investor education are prioritised and implemented to plan.	New Measure	New Measure	By 30 June 2013
The percentage of complaints, tips and referrals that are acknowledged within two working days.	New Measure	New Measure	80%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The percentage of referrals from frontline regulators that are acknowledged and prioritised for action within one working day.	New Measure	New Measure	80%
The percentage of complaints that receive a substantive response within 20 working days of receipt of all relevant information.	New Measure	New Measure	80%

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Financial Markets Authority - Proposed Budget Arrangements and Related Vote Commerce Issues	2010/11	6,837	6,237	7,241	5,655	5,655

Performance of Investigation and Enforcement Functions (M13)

Scope of Appropriation

This appropriation is limited to the performance of statutory functions relating to the investigation and enforcement of financial markets and securities markets law.

Expenses

Total Appropriation	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
	5,749	5,749	6,968

Reasons for Change in Appropriation

This appropriation was established during 2010/11 relating to the "Financial Markets Authority (FMA) - Proposed Budget Arrangements and Related Vote Commerce Issues" initiative. The increase between 2011/12 and 2012/13 reflects the funding stream agreed to by Cabinet.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance of Investigation and Enforcement Functions			
Government agencies are "satisfied" with the quality of advice provided by FMA in regard to investigation and enforcement.	New Measure	New Measure	"Satisfied"
Publication of annual report on the key issues and themes arising from investigations, enforcement activities and outcomes.	New Measure	New Measure	By 30 June 2013
The percentage of inquiries and investigations that are completed within the timeframes and standards defined in the Governance and Enforcement Framework.	New Measure	New Measure	70%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The percentage of complaints that result in the opening of an inquiry are either resolved or progressed to a formal investigation to the timeframes and standards defined in the Governance and Enforcement Framework.	New Measure	New Measure	70%

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Financial Markets Authority - Proposed Budget Arrangements and Related Vote Commerce Issues	2010/11	5,749	6,968	7,973	7,973	7,973

Regulation of Airport Services (M13)

Scope of Appropriation

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.

Expenses

Total Appropriation	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
	400	400	1,019

Reasons for Change in Appropriation

The \$619,000 increase in this appropriation between 2011/12 and 2012/13 is a result of the "Commerce Commission - Funding of Regulatory Control Functions" initiative.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Determinations			
Number of determinations (includes determinations, clarifications, reviews and amendments)	New Measure	New Measure	4
Percentage of Part 4 determinations completed by statutory deadlines	New Measure	New Measure	100%
Percentage of stakeholders who find the Commission determinations and supporting reasons clear	New Measure	New Measure	75%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Public Reports and Advice to Officials			
Number of reports completed (monitoring reports, summary and analysis reports, information disclosure reports, ministerial reports)	New Measure	New Measure	4
Number of substantial pieces of advice provided to officials to inform policy design	New Measure	New Measure	2-6
Percentage of stakeholders who rate our reports good or above	New Measure	New Measure	75%
Percentage of reports completed by the set date	New Measure	New Measure	100%
Compliance and Enforcement			
Number of compliance assessments completed	New Measure	New Measure	5
Number of enforcement cases taken	New Measure	New Measure	0-1
Percentage of compliance assessments completed by the set date	New Measure	New Measure	100%
Quality measure for all outputs			
Number of successful legal challenges of the Commission's processes	New Measure	New Measure	0

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Commerce Commission Funding of Regulatory Control functions	2012/13	-	619	200	-	-
Previous Government						
Commerce Commission Funding for Implementation of Part 4 of the Commerce Act 1986	2008/09	400	400	400	400	400

Regulation of Auditors (M13)

Scope of Appropriation

This appropriation is limited to the oversight and regulation of professional accounting bodies, auditing firms and auditors for the purpose of promoting audit quality.

Expenses

Total Appropriation	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
	400	400	600

Reasons for Change in Appropriation

This appropriation was established during 2010/11 relating to the "Financial Markets Authority (FMA) - Proposed Budget Arrangements and Related Vote Commerce Issues" initiative. The increase between 2011/12 and 2012/13 reflects the funding stream agreed to by Cabinet.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Financials Markets Authority - Proposed Budget Arrangements and Related Vote Commerce Issues	2010/11	400	600	600	600	600

Regulation of Electricity Lines Businesses (M13)

Scope of Appropriation

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

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,060	5,060	5,744

Reasons for Change in Appropriation

The \$684,000 increase in this appropriation between 2011/12 and 2012/13 is a result of:

- an expense transfer reflecting the delays in the "Starting Pricing Adjustments" projects resulting in a decrease of \$400,000 in 2011/12 and an \$400,000 increase in 2012/13 (a net movement of \$800,000)
- \$249,000 increase as a result of the "Commerce Commission - Funding of Regulatory Control functions" paper, and
- an expense transfer reflecting delays in Transpower capital expenditure proposals resulting in a decrease of \$1 million in 2011/12 and an increase of \$1 million in 2012/13.

These increases are partially offset by the following decreases:

- a one-off transfer in 2011/12 of \$1.865 million to reflect the delays in the "Approval of Transpower's Grid Upgrade Plans and Regulation of Electricity Lines Businesses" project, and
- a reduction of \$500,000 as part of the "Changes to Appropriations - Implementation of New Governance Arrangements in Electricity Industry Act" paper.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Determinations			
Number of determinations (includes determinations, clarifications, reviews and amendments)	New Measure	New Measure	8-23
Percentage of Part 4 determinations completed by statutory deadlines	New Measure	New Measure	100%
Percentage of stakeholders who find the Commission determinations and supporting reasons clear	New Measure	New Measure	75%
Public Reports and Advice to Officials			
Number of reports completed (monitoring reports, summary and analysis reports, information disclosure reports, ministerial reports)	New Measure	New Measure	2
Number of substantial pieces of advice provided to officials to inform policy design	New Measure	New Measure	2-6
Percentage of stakeholders who rate our reports good or above	New Measure	New Measure	75%
Percentage of reports completed by the set date	New Measure	New Measure	100%
Compliance and Enforcement			
Number of compliance assessments completed	New Measure	New Measure	48
Number of enforcement cases taken	New Measure	New Measure	0-4
Percentage of compliance assessments completed by the set date	New Measure	New Measure	100%
Quality measure for all outputs			
Number of successful legal challenges of the Commission's processes	New Measure	New Measure	0

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Changes to Appropriations for the Implementation of New Governance Arrangements in the Electricity Industry Act	2010/11	1,500	1,000	1,000	1,000	1,000
Previous Government						
Commerce Commission Funding for Implementation of Part 4 of the Commerce Act 1986	2009/10	2,667	2,667	2,667	2,667	2,667

Regulation of Natural Gas Services (M13)

Scope of Appropriation

This appropriation is limited to the regulation of natural gas services under Part 4 of the Commerce Act 1986 and ongoing administration of the Part 5 control regime over the gas pipeline services of Powerco and Vector.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,900	2,900	2,156

Reasons for Change in Appropriation

The \$744,000 decrease in this appropriation between 2011/12 and 2012/13 relates to:

- \$1.233 million reduction in funding from the "Commerce Commission Funding for the Implementation of Part 4 of the Commerce Act 1986" initiative, and
- \$811,000 one off expense transfer from 2010/11 to 2011/12 for the delays in the implementation of a Default Price Path for the Gas industry under Part 4 of the Commerce Act 1986.

These decreases are partially offset by the following increases;

- an expense transfer reflecting the delays in the "Starting Pricing Adjustments" project resulting in \$500,000 reduction in 2011/12 and a \$500,000 increase in 2012/13 (a net movement of \$1 million), and
- \$300,000 reduction from the original paper relating to the "Commerce Commission Funding for the Implementation of Part 4 of the Commerce Act 1986" initiative.

Output Performance Measures and Standards

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Determinations			
Number of determinations (includes determinations, clarifications, reviews and amendments)	New Measure	New Measure	10-14
Percentage of Part 4 determinations completed by statutory deadlines	New Measure	New Measure	100%
Percentage of stakeholders who find the Commission determinations and supporting reasons clear	New Measure	New Measure	75%
Public Reports and Advice to Officials			
Number of reports completed (monitoring reports, summary and analysis reports, information disclosure reports, ministerial reports)	New Measure	New Measure	1-2
Number of substantial pieces of advice provided to officials to inform policy design	New Measure	New Measure	2-6
Percentage of stakeholders who rate our reports good or above	New Measure	New Measure	75%
Percentage of reports completed by the set date	New Measure	New Measure	100%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Compliance and Enforcement			
Number of compliance assessments completed	New Measure	New Measure	5-10
Number of enforcement cases taken	New Measure	New Measure	0-1
Percentage of compliance assessments completed by the set date	New Measure	New Measure	100%
Quality Measure for all Outputs			
Number of successful legal challenges of the commission's processes	New Measure	New Measure	0

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Commerce Commission - Funding of Regulatory Control functions	2011/12	1,289	56	(14)	-	-
Previous Government						
Commerce Commission Funding for Implementation of Part 4 of the Commerce Act 1986	2009/10	1,300	1,600	1,600	1,600	1,600

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,782	5,782	5,782

Reasons for Change in Appropriation

No change in this appropriation.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Improving Financial Literacy			
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	New Measure	New Measure	Marketing monitor results for 2012/13 show an improvement from 2011/12 results
ANZ-Commission for Financial Literacy and retirement Income Financial Knowledge Survey	New Measure	New Measure	Completed by 30 June 2013
NZ Financial Behaviour Index	New Measure	New Measure	Index is updated November 2012 and May 2013
Impact of National Strategy of New Zealanders' financial knowledge and literacy	New Measure	New Measure	Action plan measures developed by 30 June 2013
Developing a sustainable and coordinated financial education strategy to reach older Kiwis	New Measure	New Measure	Strategy measures developed by 30 June 2013
Retirement Income			
2013 review of retirement income policy	New Measure	New Measure	Completed by 31 December 2013
Retirement Villages			
Annual monitoring report is produced covering a group or area within the retirement villages sector	The report adds value to the Commission's monitoring programme	The 2012 monitoring project has been delayed by the consultation process on proposed variations to the Retirement Villages Code of Practice 2008 following the Christchurch earthquake	Monitoring report that adds value is completed by 30 June 2013

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 for the constitution, appointment, functions, powers, and duties of the Commissioner.
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"> 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) 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 sets out reporting and accountability requirements.
Output Agreement	Outlines the commitments and standards required.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Transfer of Responsibility for Retirement Commissioner	2011/12	5,782	5,782	5,782	5,782	5,872

Summary of Service Providers for Non-Departmental Outputs

Provider	2011/12 Budgeted \$000	2011/12 Estimated Actual \$000	2012/13 Budget \$000	Reporting Mechanism	Expiry of Funding Commitment
Crown entities					
Takeovers Panel • Administration of the Takeovers Code	1,494	1,494	1,494	Provider's Annual Reports	Ongoing
External Reporting Board • Accounting and Assurance Standards Setting	4,410	4,410	4,410	Provider's Annual Report	Ongoing
Commerce Commission • Enforcement of Dairy Sector Regulation and Regulation and Auditing of Milk Price Setting	700	700	905	Provider's Annual Report	Ongoing
Commerce Commission • Enforcement of General Market Regulation	18,073	18,073	16,435	Provider's Annual Report	Ongoing
Commerce Commission • Regulation of Airport Services	400	400	1,019	Provider's Annual Report	Ongoing
Commerce Commission • Regulation of Electricity Lines Businesses	6,060	5,060	4,744	Provider's Annual Report	Ongoing
Commerce Commission • Regulation of Natural Gas Services	2,900	2,900	2,156	Provider's Annual Report	Ongoing
Financial Markets Authority • Licensing and Supervision of Market Participants	11,688	11,688	12,256	Provider's Annual Reports	Ongoing
Financial Markets Authority • Performance of Financial Markets Monitoring Functions	6,837	6,837	6,237	Provider's Annual Reports	Ongoing
Financial Markets Authority • Performance of Investigation and Enforcement Functions	5,749	5,749	6,968	Provider's Annual Reports	Ongoing
Financial Markets Authority • Regulation of Auditors	400	-	600	Provider's Annual Reports	To be returned to the Crown
Retirement Commissioner • Retirement Commission	5,782	5,782	5,782	The Commission's Annual Reports	Ongoing
Total	64,493	63,093	63,006		

The above table summarises funding to be allocated through Vote Commerce to non-departmental providers, along with an indication of the mechanism to be used for reporting actual performance and (where determined) the length of the funding commitment.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Markets are more competitive. Consumers are better informed. Regulation is better targeted and more effective.	Commerce Commission Litigation Fund*
A more efficient regulatory environment that does not unnecessarily impose costs on business. Reduced barriers, and improved ability, for New Zealand firms to access opportunities in overseas markets. New Zealand is able to influence developments internationally and strengthen its relationships with other member countries.	Contributions to International Organisations
High standards of conduct are expected in the markets and the law is complied with.	Financial Markets Authority Litigation Fund***
Market participants have regard for, and comply with takeovers legislation and the Takeovers Code which provides for a fair and transparent takeovers market.	Takeovers Panel Litigation Fund**

For further information on the intended impacts, outcomes and objectives of the non-departmental other expenses appropriations, please see the Statements of Intent for the Commerce Commission (*) and the Takeovers Panel (**). Note that the intended impacts, outcomes and objectives of the Financial Markets Authority's non-departmental other expense appropriation will be reviewed and finalised in the new Crown entity's first Statements of Intent in December 2011 (***).

Commerce Commission Litigation Fund (M13)

Scope of Appropriation

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.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	6,953	6,953	10,790

Reasons for Change in Appropriation

The \$3.837 million increase in this appropriation between 2011/12 and 2012/13 is a result of an expense transfer reflecting the delays in major external litigation cases resulting in a decrease of \$2.790 million in 2011/12 and an increase of \$2.790 million in 2012/13 (a net movement of \$5.580 million).

This is partially offset by a one-off expense transfer in-principle of \$3.381 million from 2010/11 to 2011/12 (partially offset by a decrease of \$1.643 million as a fiscally neutral adjustment) relating to the "Commerce Commission Litigation Fund - Report Back" paper.

Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Enforcement is a critical element in promoting competitive markets. The Commerce Commission litigates to protect the competitive process and to deter others from behaving anti-competitively, thereby making a significant contribution to economic welfare.	Using the Litigation Fund in accordance with the conditions for using the Fund	Used 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

Conditions on Use of Appropriation

Reference	Conditions
Criteria for the use of the fund as set out in the annual Output Agreement	<p>Funding that is included in the General Market appropriation for internal capacity may be used for:</p> <ul style="list-style-type: none"> • salary costs of internal capacity and capability, including support staff associated with major litigation, and • overhead or indirect costs associated with major litigation. <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"> • to exclude Commission overheads • to be calculated as follows, as the case may be: <ul style="list-style-type: none"> • from the time when the Commission instructs legal counsel with a view to possible litigation, until the completion of the case, or • for the period from the decision of the initiating party to take legal process involving the Commission, until the completion of the case, and <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"> • senior external legal counsel • consultants and expert witnesses (eg, economic, accounting, engineering, scientific), or <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>

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Previous Government						
Commerce Commission's internal capacity to work on major litigation	2008/09	(1,000)	(1,000)	(1,000)	(1,000)	-
Commerce Commission funding to undertake major litigation	2007/08	7,500	7,500	7,500	7,500	-

Note - The above performance measures and conditions of use may change as a result of a policy review of the Litigation Fund.

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 Standards Association; International Union for the Protection of New Plant Varieties; and a share of New Zealand's annual subscription and obligations arising from the Basel Convention.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	485	485	485

Reasons for Changes to Appropriation

No change for this appropriation.

Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Membership/subscriptions maintained and key meetings attended to ensure that New Zealand's interest represented for:			
Standards New Zealand ISO Membership	80	72	80
Standards New Zealand IEC Membership	125	92	125
Union for the Protection of New Varieties of Plants Membership	80	71	80
World Intellectual Property Organisation Membership	170	192	170
Other memberships	30	30	30

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,500	2,500	2,000

Reasons for Change in Appropriation

This appropriation was established in 2010/11 relating to the "Financial Markets Authority (FMA) - Proposed Budget Arrangements and Related Vote Commerce Issues" initiative. The decrease between 2011/12 and 2012/13 reflects the funding stream agreed to by Cabinet.

Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
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 Authority's enforcement functions under its enabling statutes.	The FMA undertakes litigation using the Litigation Fund as per the conditions of use	Achieved	The FMA undertakes litigation using the Litigation Fund as per the conditions of use.

Conditions on Use of Appropriation

Reference	Conditions
An Output Agreement between the Financial Markets Authority and the Minister of Commerce to be agreed by September 2011.	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.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Financial Markets Authority - Proposed Budget Arrangements and Related Vote Commerce Issues	2010/11	2,500	2,000	2,000	2,000	2,000

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	200	200	200

Reasons for Changes to Appropriation

No change for this appropriation.

Expected Results

	2011/12		2012/13
	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	Achieved	Litigation is undertaken with respect to eligible cases, according to criteria as set out in the Output Agreement

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.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Baseline Savings	2009/10	(244)	(244)	(244)	(244)	(244)

Reporting Mechanisms

Appropriation	Reporting Mechanism
Commerce Commission Litigation Fund	Annual report of Commerce Commission
Financial Markets Authority Litigation Fund	Quarterly and Annual reports of Financial Markets Authority
Takeovers Panel Litigation Fund	Quarterly and Annual reports of Takeovers Panel
Contributions to International Organisations	Not required

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.2 - Non-Departmental Capital Expenditure

Statutory Management - Aorangi Securities Limited and Others (M13)

Scope of Appropriation

This appropriation is limited to the provision of services by the statutory managers and others within the scope of section 66(1) of the Corporations (Investigation and Management) Act 1989.

Capital Expenditure

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,000	1,000	500

Reasons for Change in Appropriation

This appropriation was established in 2010/11 relating to the "Corporations (Investigation and Management) Order (No 3) 2010" initiative. The decrease between 2011/12 and 2012/13 reflects the funding stream agreed to by Cabinet.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Corporations (Investigation and Management) Order (No 3) 2010	2010/11	1,000	500	-	-	-