

Performance Information for Appropriations

Vote Consumer Affairs

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Consumer Affairs (M17)

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 Consumer Affairs is responsible for appropriations in the Vote for the 2012/13 financial year covering the following:

- a total of just over \$3.500 million for purchasing policy advice and information on issues, policies and programmes affecting or potentially affecting the ability of consumers to transact with confidence, and services to support the Minister
- a total of just under \$2.200 million for purchasing compliance and enforcement activities to ensure a supportive measurement and product safety infrastructure for business and consumers
- a total of \$1.100 million in the third year of a four year multi-year appropriation for the power switch programme, and
- a total of just under \$1.700 million for the financial service providers reserve dispute resolution scheme.

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 - Consumer Affairs Development of Consumer Information and Associated Issues

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

Objectives of the Vote

The Government's key goals for this term of government include building a more competitive and productive economy. Work under Vote Consumer Affairs directly contributes to this by helping to develop a world-class business environment.

It provides policy advice, information and technical services that help to create a trading environment in which consumers are well-informed and adequately protected, trading is fair, there is effective competition and consumers and businesses participate confidently.

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	6,048	5,921	5,948	8,599	8,904	8,904	6,828	1,680	8,508	7,908	7,408	7,408
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	6,048	5,921	5,948	8,599	8,904	8,904	6,828	1,680	8,508	7,908	7,408	7,408
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	6	11	5	246	1,714	720	N/A	1,700	1,700	1,700	1,700	1,700
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	6	11	5	246	1,714	720	N/A	1,700	1,700	1,700	1,700	1,700

New Policy Initiatives

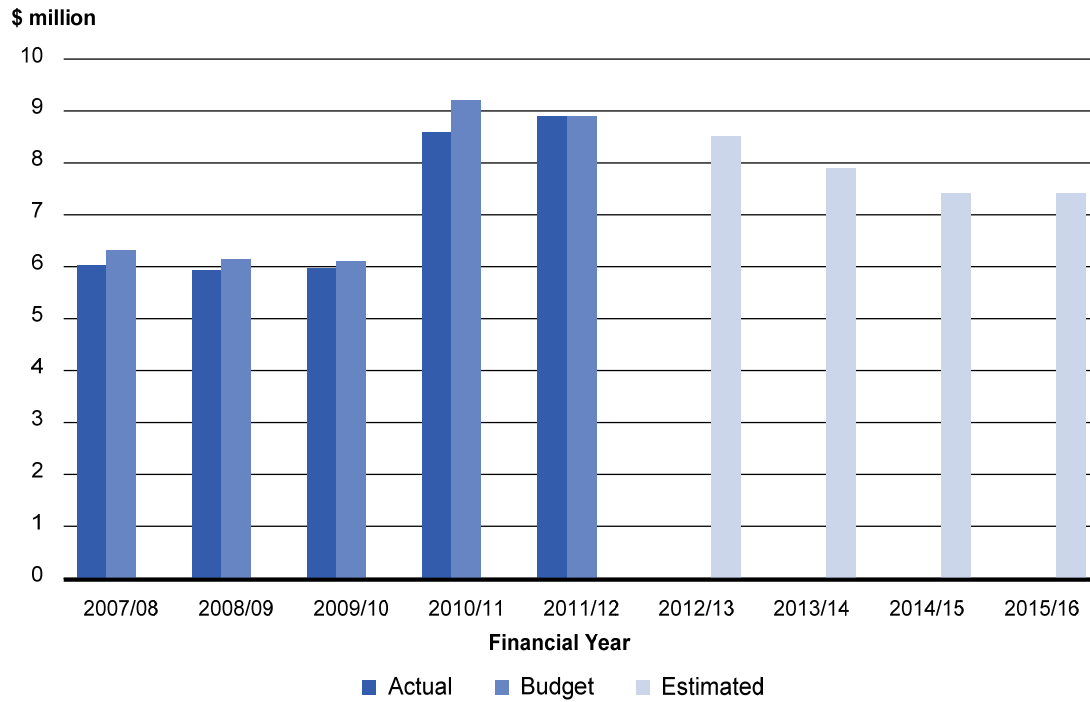
Policy Initiative	Appropriation	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Efficiency Dividend	Policy Advice - Consumer Issues	-	(14)	(14)	(14)	(14)
	Development of Consumer Information and Associated Issues	-	(18)	(18)	(18)	(18)
	Measurement and Product Safety Compliance and Enforcement	-	(50)	(50)	(50)	(50)
	All Departmental Output Expense					
Implementation and operation of Part 3 of the Financial Service Providers Reserve Dispute ACT 2008	Policy Advice and Information on Consumer Affairs Departmental Output Expense	80	80	80	80	80
	Financial Service Providers Reserve Dispute Resolution Scheme Non-Departmental Output Expense	1,694	1,680	1,680	1,680	1,680
Implementation of New Governance arrangements in the Electricity Industry Act	Upgrading and Promoting the Consumer Powerswitch Website Departmental Output Expense	1,250	1,750	-	-	-
Contribution to the Establishment of the Productivity Commission	Policy Advice and Information on Consumer Affairs Departmental Output Expense	(33)	(35)	(35)	(35)	(35)

Analysis of Significant Trends

Total Vote: All Appropriations

The departmental and non-departmental appropriations in Vote Consumer Affairs, which are detailed in the Summary of Financial Activity table above, show the significant changes discussed briefly below.

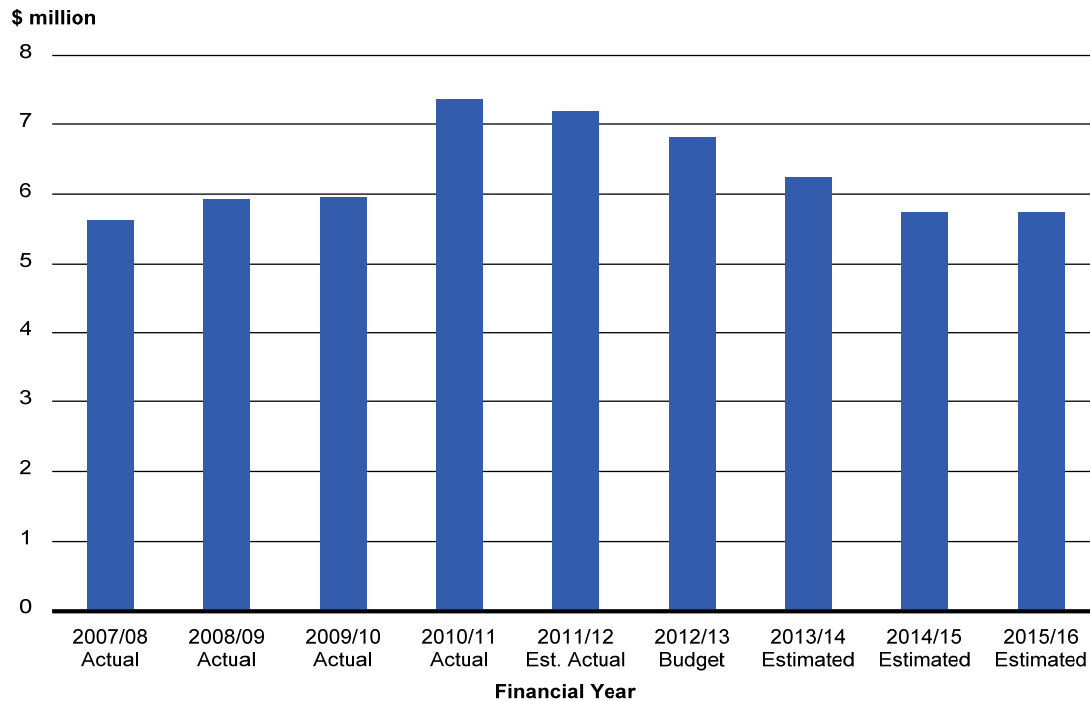
Figure 1 - Trends in actual, budget and estimated expenses and capital expenditure



Source: MED

Details of significant movements within each appropriation category are detailed below.

Figure 2 - Departmental output expenses from 2007/08 to 2015/16

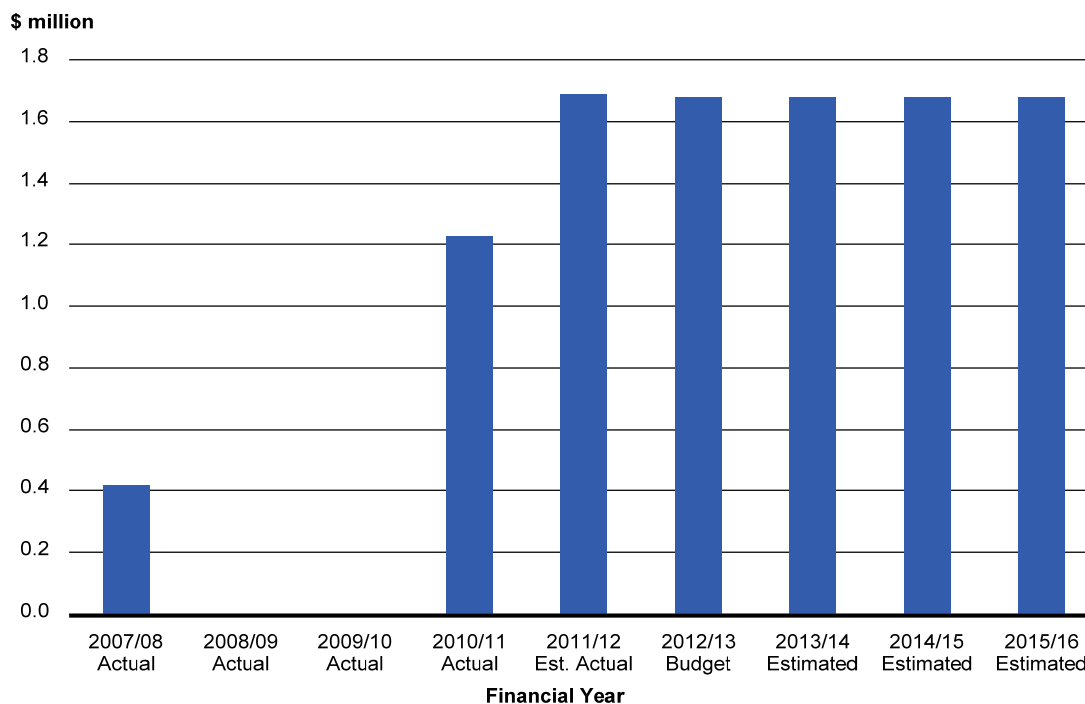


Source: MED

The increase in 2008/09 is mainly due to one-off expense transfers from 2007/08 due to deferrals in the 2007/08.

The increase in 2010/11 primarily reflects the additional funding to reflect a Cabinet decision relating to the implementation and operation of Part 3 of the "Financial Service Providers (Registration and Disputes Resolution) Act 2008". This is partially offset by the reductions in funding due to the cessation of the one-off increase in funding provided for the Motor Vehicle Sales Act Information programme effective from the end of 2010/11 and the annual contribution to the Productivity Commission commencing in 2010/11. The decline from 2011/12 to 2015/16 reflects the funding stream for the Upgrading and Promoting the Consumer Powerswitch Website multi-year appropriation, which expires 30 April 2014.

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



Source: MED

The 2007/08 costs include one-off funding for building of the New Zealand Association of Citizen's Advice Bureaux internet-based data capture system. Funding of \$81,000 annually was also provided for the Ministry of Consumer Affairs to purchase data from community organisations in order to inform policy advice. This funding was given up as savings as part of the Budget 2009 process. Future purchases of data, when required, will be made from within departmental baselines.

The increase in 2010/11 reflects the implementation of the operation of the reserve scheme as required under the "Financial Service Providers (Registration and Disputes Resolution) Act 2008" for \$1.709 million, then at \$1.694 million in 2011/12, and stays at \$1.680 million in the out years.

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 Advice and Information on Consumer Issues	3,565	Transferred to Policy Advice - Consumer Issues	(1,194)			
		Transferred to Development of Consumer Information and associated Issues	(2,371)			
		Transferred from Policy Advice and Information on Consumer Issues	1,194	Policy Advice - Consumer Issues	1,194	1,194
		Transferred from Policy Advice and Information on Consumer Issues	2,371	Development of Consumer Information and associated Issues	2,371	2,371

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
Well-informed and adequately protected consumers Improved public services for businesses	Policy Advice - Consumer Issues Development of Consumer Information and Associated Issues Policy Advice, Information and Compliance - Consumer Issues Upgrading and Promoting the Consumer Powerswitch Website

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.

Development of Consumer Information and Associated Issues (M17)

Scope of Appropriation

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.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	2,355
Revenue from Crown	-	-	2,063
Revenue from Other	-	-	392

Reasons for Change in Appropriation

The Review of Expenditure on Policy Advice recommended the reorganisation of Policy Advice appropriations. As a result a new appropriation has been created for the 2012/13 year and out years. This has been funded by way of a fiscally neutral transfer from the Policy Advice, Information and Compliance - Consumer Issues appropriation.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
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 due date	Achieved	95% of draft correspondence and draft Parliamentary questions submitted to the Minister by due date

Memorandum Account

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Motor Vehicle Trades Register and Information Programme			
Opening Balance at 1 July	31	26	31
Revenue	250	125	250
Expenses	100	120	100
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	131	31	181

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	-	(18)	(18)	(18)	(18)

Policy Advice - Consumer Issues (M17)

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	-	-	1,180
Revenue from Crown	-	-	994
Revenue from Other	-	-	186

Reasons for Change in Appropriation

The Review of Expenditure on Policy Advice recommended the reorganisation of Policy Advice appropriations. As a result a new appropriation has been created for the 2012/13 year and out years. This has been funded by way of a fiscally neutral transfer from the Policy Advice, Information and Compliance - Consumer Issues appropriation.

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 the Ministry of Economic Development'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 met them	Achieved	80% fully meet the criteria and the remaining 20% at least partially met 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	-	(14)	(14)	(14)	(14)

Policy Advice, Information and Compliance - Consumer Issues MCOA (M17)

Scope of Appropriation

Measurement and Product Safety Compliance and Enforcement

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

Policy Advice and Information on Consumer Issues

This appropriation is limited to the provision of policy advice (including providing a consumer perspective) information and Ministerial servicing on issues, policies and programmes affecting the ability of consumers to transact with confidence.

Explanation for Use of Multi-Class Output Expense Appropriation

Both output classes contribute to the outcome of creating an environment in which consumers can transact with confidence.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,808	5,808	2,193
Measurement and Product Safety Compliance and Enforcement	2,243	2,243	2,193
Policy Advice and Information on Consumer Issues	3,565	3,565	-
Revenue from Crown	5,092	5,092	2,033
Measurement and Product Safety Compliance and Enforcement	2,033	2,033	2,033
Policy Advice and Information on Consumer Issues	3,059	3,059	-
Revenue from Other	816	816	160
Measurement and Product Safety Compliance and Enforcement	210	210	160
Policy Advice and Information on Consumer Issues	606	606	-

Reasons for Change in Appropriation

Measurement and Product Safety Compliance and Enforcement

This appropriation decreased by \$50,000 as a direct result of the Efficiency Dividend commencing 2012/13.

Policy Advice and Information on Consumer Issues

Please note that this appropriation no longer exists as from 1 July 2012, and has been replaced by Departmental Output Expenses "Policy Advice - Consumer Issues" and "Development of Consumer Information and Associated Issues".

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Measurement and Product Safety Compliance and Enforcement			
A Type Approvals regime is maintained that ensures weighing and measuring instruments do not facilitate fraud	Approvals issued in accordance with scope of ISO 17025 Accreditation, the Weights and Measures Act 1987 and the relevant OIML International Recommendations	Achieved	Approvals issued in accordance with scope of ISO 17025 Accreditation, the Weights and Measures Act 1987 and the relevant OIML International Recommendations
Surveillance visits to traders in New Zealand are undertaken to monitor the activities of Accredited Persons and check the correctness of pre-packaged goods and the trade use of weighing and measuring equipment	Inspection activities, reference tests and surveillance inspections of packages are conducted in accordance to the provisions of the Weights and Measures Act 1987 and the relevant OIML International Recommendations	Achieved	Inspection activities, reference tests and surveillance inspections of packages are conducted in accordance to the provisions of the Weights and Measures Act 1987 and the relevant OIML International Recommendations
Laboratory calibration, verification and other services provided to Accredited Persons in accordance with the scope of ISO 17025 Laboratory Accreditation	Accreditation status maintained in accordance with ISO 17025 and relevant OIML International Recommendations as determined by periodic IANZ audits	Achieved	Accreditation status maintained in accordance with ISO 17025 and relevant OIML International Recommendations as determined by periodic IANZ audits
Surveillance and investigations are undertaken to monitor general consumer product safety in response to complaints, emerging issues and recall notifications in accordance with the Fair Trading Act 1986	Internal audit of compliance with procedure manuals which are based on international best practice, determines correct procedures were followed	Achieved	Internal audit of compliance with procedure manuals which are based on international best practice, determines correct procedures were followed

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	-	(50)	(50)	(50)	(50)

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
<i>Upgrading and Promoting the Consumer Powerswitch Website (M17)</i>	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. Commences: 1 November 2010 Expires: 30 April 2014	Adjustments to 2010/11	-
	Adjustments for 2011/12	-
	Adjusted Appropriation	4,500
	Actual to 2010/11 Year End	1,498
	Estimated Actual for 2011/12	1,402
	Estimated Actual for 2012/13	1,100
	Estimated Appropriation Remaining	500

Revenue

	Budget \$000
Revenue from the Crown to end of 2012/13	-
Revenue from Others to end of 2012/13	4,000
Total Revenue	4,000

Reasons for Change in Appropriation

No change in appropriation.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	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.	Information campaign runs during June and July 2011. There will be at least 293,600 visits to the Powerswitch website during the information campaign.	Achieved	Information campaign runs during April and September 2012. There will be at least 250,000 visits to the Powerswitch website during the information campaign.

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
New Governance arrangements in the Electricity Industry Act	2010/11	1,250	1,750	-	-	-

Part 2.2 - Non-Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Well informed and adequately protected consumers.	Financial Service Providers Reserve Dispute Resolution Scheme (M17)

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,694	1,694	1,680

Reasons for Change in Appropriation

The decrease in appropriation reflects the original forecast of expect expenditure over the five years.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	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 Financial Dispute Resolution's service	At least 60% of members are satisfied or very satisfied	Achieved	At least 60% of members are satisfied or very satisfied

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 for service

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 Service Providers Reserve Dispute Resolution Scheme	2010/11	1,694	1,680	1,680	1,680	-