



## COVERSHEET

<b>Minister</b>	Hon Dr David Clark	<b>Portfolio</b>	Commerce and Consumer Affairs
<b>Title of Cabinet paper</b>	Plant Variety Rights Regime Fees Review 2022: release of discussion document and reprioritisation of funding	<b>Date to be published</b>	11 May 2022

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
April 2022	Plant Variety Rights Regime Fees Review 2022: release of discussion document and reprioritisation of funding	Office of the Minister of Commerce and Consumer Affairs
April 2022	Review of Plant Variety Rights Fees Discussion Document	MBIE
6 April 2022	Plant Variety Rights Regime Fees Review 2022: release of discussion document and reprioritisation of funding DEV-22-MIN-0078 Minute	Cabinet Office

### Information redacted

**NO**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



# Cabinet Economic Development Committee

## Minute of Decision

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*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

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### Plant Variety Rights Regime Fees Review 2022: Release of Discussion Document and Reprioritisation of Funding

Portfolio                      Commerce and Consumer Affairs

On 6 April 2022, the Cabinet Economic Development Committee:

#### Background

- 1        **noted** that New Zealand is required by its international obligations to provide a regime for providing intellectual property rights for new plant varieties;
- 2        **noted** that the Plant Variety Right (PVR) fees have not been adjusted since 2002 despite lower application volumes and an increase in charges by suppliers providing testing services;
- 3        **noted** that the resulting deficit is currently offset by the surplus position of the surplus position of the Registration and Granting of Intellectual Property Rights Memorandum Account;

#### Release of consultation document

- 4        **noted** that the Ministry of Business, Innovation and Employment proposes to publicly consult on the following proposed adjustments to fees for the PVR regime:
  - 4.1      updating the fee structure to equitably allocate the costs of services to users through the appropriate fees;
  - 4.2      increasing the fees charged to sustainably recovery costs;
  - 4.3      increasing the level of Crown funding for the PVR regime for a short- term period to mitigate the impact of fee increases on businesses;
- 5        **approved** the release of the discussion document *Review of Plant Variety Rights Fees*, subject to any minor or technical changes that the Minister of Commerce and Consumer Affairs may approve prior to publication;
- 6        **noted** that there will be public consultation with stakeholders over a period of approximately five weeks in April to May 2022;

**Financial implications**

- 7 **noted** that partial cost recovery is necessary for an interim period to mitigate the impacts on users, recognise the wider benefit of the PVR regime, and support the scheme’s policy objectives;
- 8 **noted** that a long term solution will be finalised as part of a fees review of all Intellectual Property fees;
- 9 **agreed** to the policy change to move the PVR regime from a full cost recovery model to a level of Crown funding of \$0.500 million per annum from 2022/23 to 2026/27, with no increase in appropriation;
- 10 **noted** that Cabinet has agreed that COVID-19 Response and Recovery Funding (CRRF) underspends are to be returned to the centre [CAB-20-MIN-0328.03];
- 11 **agreed** that \$2.000 million from CRRF in the Commerce and Consumer Affairs: Official Assignee Functions be reprioritised to increase the level of Crown funding for the PVR scheme;
- 12 **approved** the following changes to appropriations to give effect to the paragraph 11 above, with no corresponding impact on the operating balance and net core Crown debt:

Vote Business, Science and Innovation Minister of Commerce and Consumer Affairs	\$m – increase/(decrease)					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 & outyears
Departmental Output Expenses:						
Commerce and Consumer Affairs: Official Assignee Functions (funded by revenue Crown)	(2.000)	-	-	-	-	-
Commerce and Consumer Affairs: Registration and Granting of Intellectual Property Rights (funded by revenue Crown)	-	0.500	0.500	0.500	0.500	-
Commerce and Consumer Affairs: Registration and Granting of Intellectual Property Rights (funded by revenue other)	-	(0.500)	(0.500)	(0.500)	(0.500)	-

- 13 **agreed** that the change to appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates.

Janine Harvey  
Committee Secretary

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**Present: (see over)**

**Present:**

Hon Grant Robertson (Chair)  
Hon Dr Megan Woods  
Hon David Parker  
Hon Nanaia Mahuta  
Hon Poto Williams  
Hon Damien O'Connor  
Hon Stuart Nash  
Hon Kris Faafoi  
Hon Willie Jackson  
Hon Michael Wood  
Hon Dr David Clark  
Hon Phil Twyford  
Rino Tirikatene, MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV