

Tauākī Ā-Whāinga Whakatutuki

Statement of Performance Expectations

2024/25

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Presented to the House of Representatives pursuant to section 149L (3) of the Crown Entities Act 2004.

Tauākī haepapatanga | Statement of responsibility

The Commerce Commission | Te Komihana Tauhokohoko presents this Statement of Performance Expectations to the House of Representatives under Part 4, section 149L (3) of the Crown Entities Act 2004.

This Statement of Performance Expectations reflects our proposed performance targets and forecast financial information for the period 1 July 2024 to 30 June 2025. It is prepared in accordance with the requirements of section 149E of the Crown Entities Act 2004.

The prospective financial statements and performance expectations are prepared following generally accepted accounting standards. They were not audited and may not be relied upon for any other purpose.

The Board acknowledges responsibility for the information and prospective financial statements contained in this Statement of Performance Expectations.



Dr John Small
Heamana
Chair



Anne Callinan
Heamana Tuarua
Deputy Chair

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Kupu whakataki | Introduction

Tēnei Te Komihana Tauhokohoko e whakatau nei i te manawanui kia whai koha mātou ki ā te Kāwanatanga whāinga ōhanga tōmua mā te mahi pono hei kaiwhakariterite māia, kounga, tika hoki.

Mā ō mātou uara ā mātou mahi katoa e ārahi, tō mātou tū whakahaere, ngā tikanga hei tiaki i a mātou nei, hei manaaki hoki i ētahi atu, me te pāhekoheko anō hoki ki te ao whānui. I 2023 i whakahoungia ō mātou uara me te whakauru mai i te kupu ‘māia’, me te aha e tino harikoa ana mātou ki tō te Kāwanatanga hiahia kia tū ‘māia’ mātou. Kitea tonutia ai tēnei tū i roto i ā mātou mahi inātata nei¹ me ngā ritenga katoa o ā mātou mahi pērā i tā mātou hei kōkiri i te whakataetaetanga me te tauhokohoko tika i te rāngai hokohoko kai, te whakatairanga hoki i te whakataetaetanga me te ngākaunui mauroa o ngā kaiwhakapeto puta noa i ngā rāngai maha, me te tautoko i ngā ratonga hanganga kounga, kiriūka, mauroa hoki.

E manawanui ana mātou kia pai ake ngā hua me ngā ratonga ahakoa i runga i ngā here ā-pūtea. Ka aromatawai tonu mātou i tā mātou mahi, ā, ka waihanga anō hoki i tā mātou tauira whakahaere kia kaha ake ngā tikanga whakahaere pūtea. Kei te whakapai ake mātou i ngā tikanga mahi kia hāngai tika te whakapaunga o te pūtea e tukua mai ana ki tā mātou tirohanga roa. ‘Making New Zealanders better off because markets work well and consumers and businesses are confident market participants’², he mea ruruku rawa ki ā mātou kawenga ā-ture.

Ko te kawataua ia ka tino whaihua ā mātou mahi hei te tau 2024/25, ā, ka āta whakatakotonga ngā hua o ā mātou mahi ki tēnei Tauākī Ā-Whāinga Whakatutuki e whakaaweawe ana i te ōhanga o Aotearoa i runga i te whakataetaetanga ora, te māketē whakahaere pai me te ngākau titikaha o ngā kaiwhakapeto me ngā pakihī kia whai wāhi mai. E manawanui nei mātou ki te whai oranga hou ngā tāngata katoa o Aotearoa me ngā pakihī, kia eke tonu a Aotearoa ki ngā taumata o te angitu i runga i te tōnuitanga o te taiao ohaoha.’

As the Commerce Commission | Te Komihana Tauhokohoko, we are committed to contributing to the Government’s economic priorities by continuing to operate as a brave, efficient and effective regulator.

Our values guide our actions, the sort of organisation we want to be, the way we treat ourselves and others, and our interaction with the world around us. In 2023, we refreshed our values and included ‘courageous’ so we are delighted by the Government’s desire that we be ‘brave’. This stance can be seen in our recent history¹ and in how we approach all aspects of our work, including our role in driving competition and fair trading in the grocery sector, promoting competition and long-term interest of consumers across many sectors and supporting efficient, resilient and sustainable infrastructure services.

We are determined to deliver better results and improved services while managing within tight fiscal constraints. We continuously assess what we do and shape our operating model to deliver strong fiscal disciplines. We are improving the way we work and ensuring that the funding we are entrusted with is directed in line with our vision. ‘Making New Zealanders better off because markets work well and consumers and businesses are confident market participants’², which is tightly linked to our statutory obligations.

We expect to be highly effective in 2024/25, with the results of our work detailed in this Statement of Performance Expectations influencing the New Zealand economy with healthy competition, well-functioning markets and consumers and businesses participating with confidence. We are committed to making a sustainable and improved difference in the lives of New Zealanders and businesses and the continued success of New Zealand through a thriving economic environment.

1 Refer 2023/24 Annual Report and 2024/25 Annual Report (due to be published in November 2024) case studies.

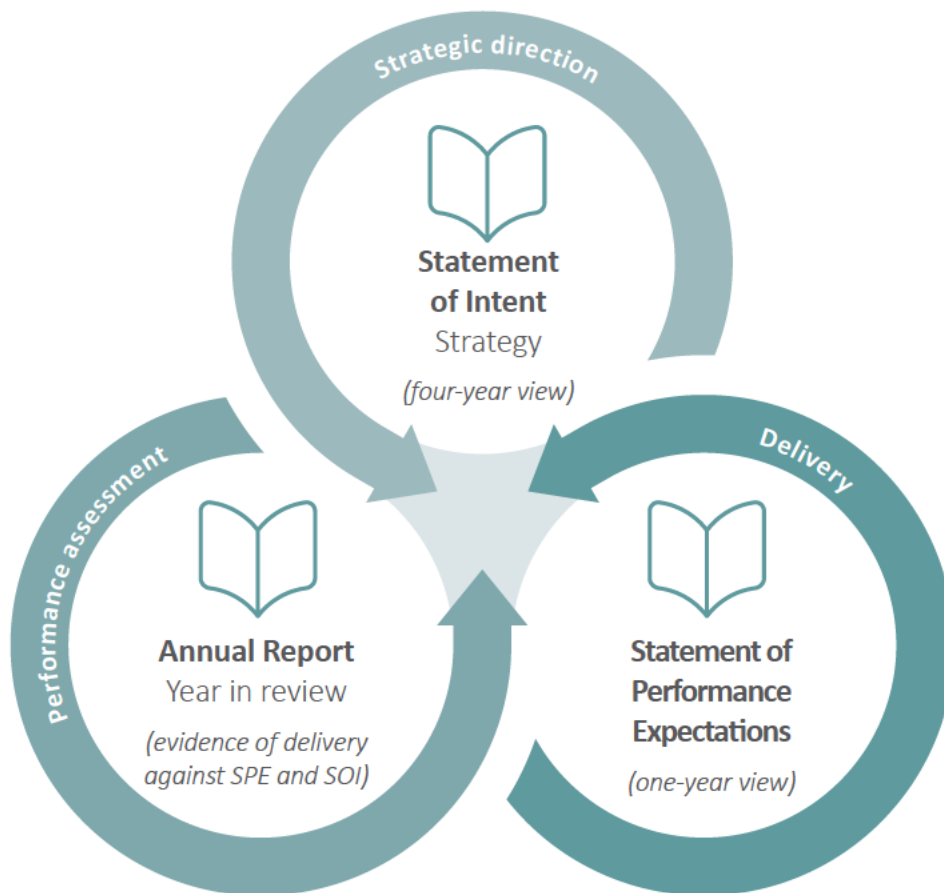
2 Commerce Commission Statement of Intent 2023–2027, page 20.

Te pūtake o te Tauākī ā-Whāinga Whakatutuki | The purpose of the Statement of Performance Expectations

The Statement of Performance Expectations (SPE) is one of three accountability documents produced by us as instruments of public accountability:

-
- **The Statement of Intent (SOI) 2023–2027** outlines our strategic intentions.
 - **The SPE** sets annual expectations for outputs and funding.
 - **The Annual Report** measures performance against these statements, reviews key events or issues and is independently audited.
-

The relationship between the SPE, SOI and Annual Report is as follows.



This SPE sets out our 2024/25 outputs and how financial and non-financial performance will be measured against those outputs. The targets and deliverables in the SPE are informed by:

-
- **our governing legislation**
 - **the Government's priorities and that of our Ministers**
 - **our strategic intent described within the 2023–2027 SOI.**
-

01

Tirohanga whānui
Te Komihana Tauhokohoko
Overview of the
Commerce Commission

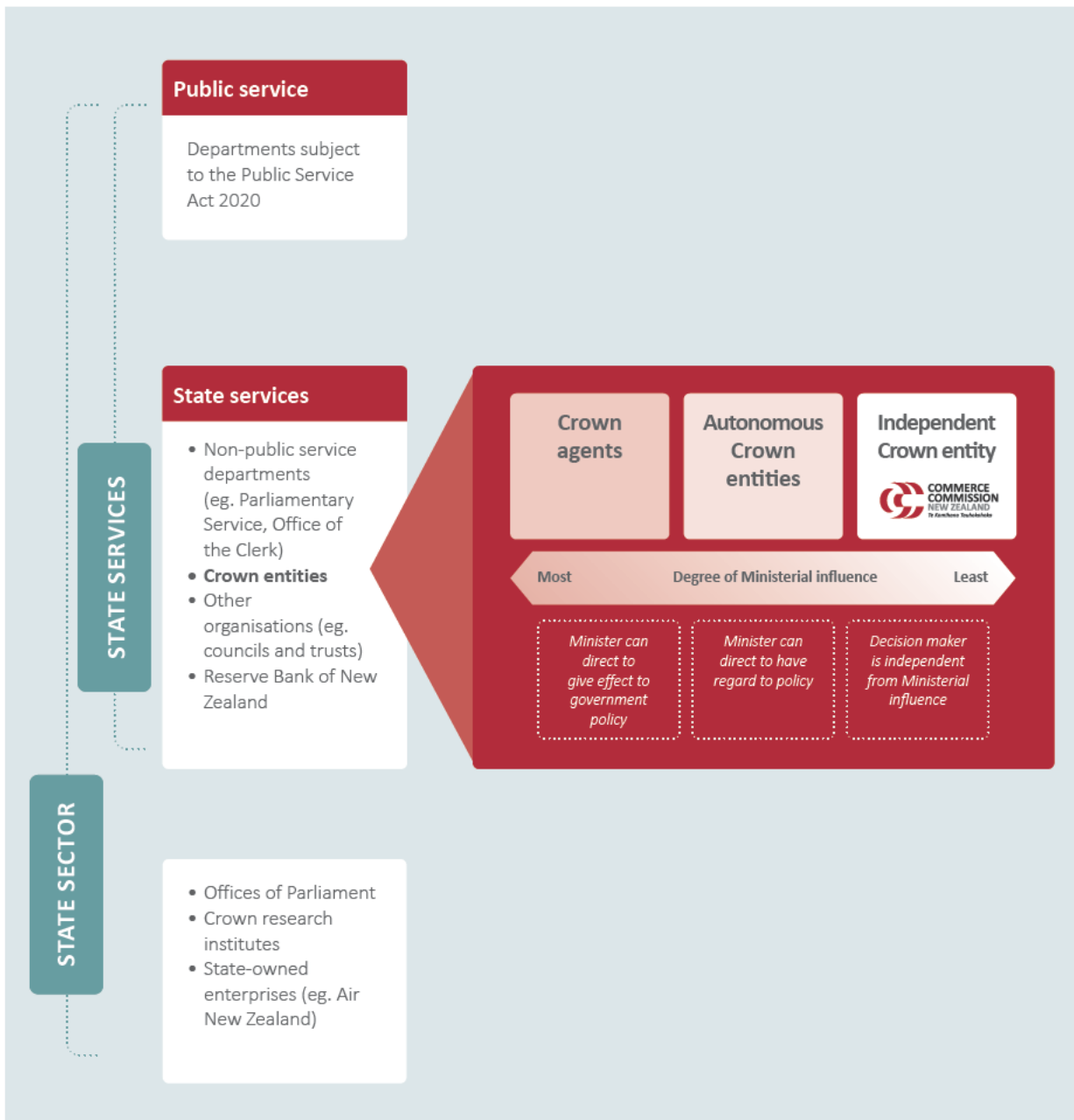
Ko mātou nei | Our place in the public sector

While we are part of the public sector, the independence of our decision making is important in allowing us to carry out our regulatory functions in an impartial and fair manner.

Like our international counterparts, we have a Commission structure, which means our Board members are also Commissioners (alongside our Associate Commissioners) involved in regulatory decision making. We are primarily accountable for our performance to the Minister of Commerce and Consumer Affairs and, in relation to telecommunications services, the Minister for Media and Communications.

The Ministry of Business, Innovation and Employment (MBIE) is our monitoring agency to whom we report.

The graphic below depicts how we fit within the wider state sector.

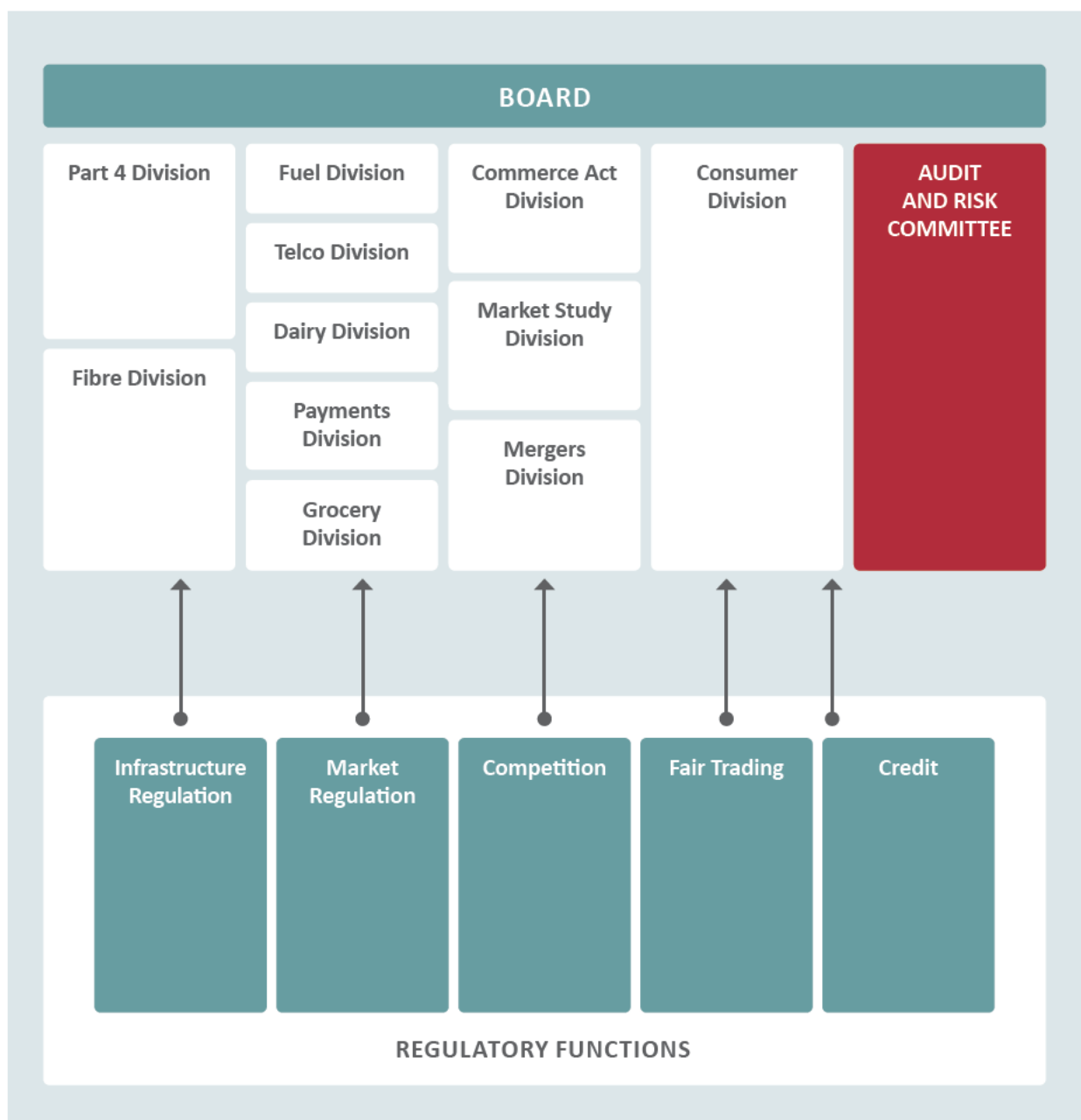


Tā mātou hanga kaitiakitanga | Our governance structure

Our governance structure, depicted in the graphic below, consists of a Board, divisions with specific regulatory roles and an independently chaired Audit and Risk Committee that reports to the Board.

Our Commissioners are the Board for the purposes of the Crown Entities Act 2004, and together with the Associate Commissioners, they exercise functions, powers and duties under various pieces of legislation.

The graphic below shows our current structure.



Ngā haepapatanga ā-ture me ngā tino mahi | Legislated responsibilities and essential functions

We are a multi-functional regulator of commercial trade with statutory responsibilities under the Acts of Parliament specified below.

Commerce Act 1986 (Parts 2, 3, 3A and 5)

- Prohibits anti-competitive behaviour and acquisitions that substantially lessen competition.
- Provides for a clearance and authorisation regime for mergers and restrictive trade practices and enables us to carry out competition (or market) studies.

Commerce Act 1986 (Part 4)

- Provides for information disclosure and the regulation of price and quality of goods and services in markets where there is little or no competition and little or no likelihood of a substantial increase in competition.
- Sectors that are currently subject to the provisions of Part 4 are electricity distribution and transmission, gas pipelines and selected airport services.

Fair Trading Act 1986

- Prohibits false and misleading behaviour by traders and a range of other unfair business practices.
- Requires that consumers are given specified information about certain products and promotes product safety.

Credit Contracts and Consumer Finance Act 2003³

- Protects the interests of consumers in relation to consumer credit contracts, consumer leases and buy-back transactions of land.
- It includes provisions relating to disclosure and unforeseen hardship and sets out rules about interest, payments, credit fees, responsible lending and lender certification.

Dairy Industry Restructuring Act 2001

- Promotes the efficient operation of dairy markets in Aotearoa New Zealand by regulating the activities of Fonterra to ensure New Zealand markets for dairy goods and services are contestable.

Fuel Industry Act 2020

- Promotes competition in engine fuel markets for the long-term benefit of fuel users.
- Establishes a wholesale pricing regime, rules governing wholesale contracts, an information disclosure regime and requirements for the display of price information at retail fuel sites.

Retail Payment System Act 2022

- Promotes competition and efficiency in the retail payment system for the long-term benefit of merchants and consumers.
- Establishes a monitoring regime for the sector, puts in place an initial pricing standard to regulate the interchange fees of Visa and Mastercard networks and provides a range of other tools to regulate fees, prices and access to networks.

Grocery Industry Competition Act 2023

- Establishes a monitoring and reporting regime for the grocery sector, provides for the making and enforcement of a Grocery Supply Code to promote fair conduct between grocery retailers and suppliers and includes a range of default and backstop regulatory tools to promote the availability of reliable and cost-effective wholesale supplies of groceries

Telecommunications Act 2001

- Regulates the supply of certain wholesale telecommunications services (including the price and quality of fibre networks) and the quality of retail services.

In addition to carrying out our responsibilities under these Acts (*described in Section Two: Outputs and Performance*), we contribute to the development and implementation of competition, fair trading, consumer credit and economic regulatory policy settings and laws.

We expect to continue to see further changes to legislation that affect our mandate and responsibilities. It is critical to our role that we remain able to quickly adapt to deliver on new expectations.

³ In January 2024 the Government announced reforms to the Credits Contracts and Consumer Finance Act 2003 (CCCF Act), including a single conduct regulator. The implications of these reforms will affect our future role under the CCCF Act. At the time of writing these changes were still under development and we maintain the function under this SPE.

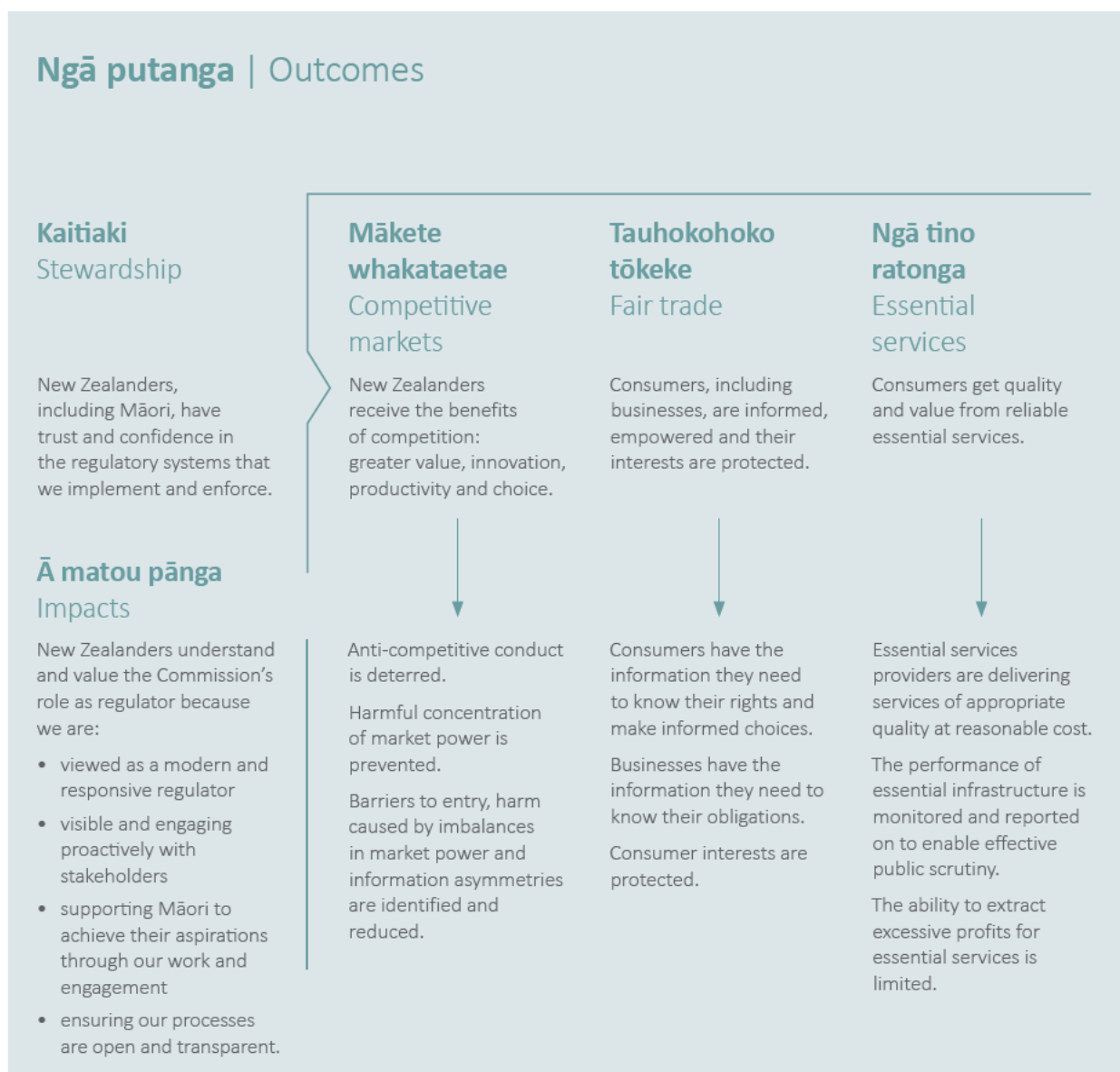
Tō mātou ahunga rautaki | Our strategic direction

Our vision, consistent with our statutory roles, aims to make New Zealanders better off by helping markets to work better and giving buyers and sellers reasons to be confident market participants.

Our outcomes framework, established in our 2023–2027 SOI and depicted below, describes what we are aiming to achieve and what we expect to deliver.

To matou tirohanga roa | Our vision

Making New Zealanders better off because markets work well and consumers and businesses are confident market participants.



Ā mātou pānga | Our impacts

In order to deliver on our strategic direction, we have identified ten short to mid-term impacts that will directly contribute to a particular outcome. The link from output to impact and outcome is demonstrated in the table here, as are the indicators we are using to demonstrate whether we are achieving our intent. Progress against these indicators is reported in our Annual Report.

Kaitiaki / Stewardship

‘New Zealanders, including Māori, have trust and confidence in the regulatory systems that we administer and enforce’

Māketē Whakataetae / Competitive Markets

‘New Zealanders receive the benefits of competition: greater value, innovation, productivity and choice’

Tauhokohoko Tūkeke / Fair Trade

‘Consumers, including businesses, are informed, empowered and their interests are protected’

Ngā Tino Ratenga / Essential Services

‘Consumers can rely on essential services and get value for money’

Our impacts

New Zealanders understand and value the Commerce Commission's role as regulator because we:

- are viewed as a modern and responsive regulator
- ensure our processes are open and transparent
- are visible and engage proactively with stakeholders
- support Māori to achieve their aspirations.

Impact indicators

Upward trend in reputation and perception of the Commission's role by public sector entities, the public, Māori and stakeholders demonstrated via surveys.

Supporting output classes

Competition
 Market / Competition Studies
 Consumer - Fair Trading & Credit
 Telecommunications (incl. Fibre)
 Grocery Sector Regulation
 Fuel
 Electricity Lines Services
 Gas Pipeline Services
 Specified Airport Services
 Dairy
 Part 4 - Input Methodologies (excl. 2024/25)
 Part 4 - Economic Regulation Inquiries
 Major Litigation
 Retail Payment System

- Anti-competitive conduct is deterred.
- Harmful concentration of market power is prevented.
- Barriers to entry, harm caused by imbalances in market power and information asymmetries are identified and reduced.
- For sectors we regulate, competition improves resulting in benefits to New Zealanders.

- Business understanding of anti-competitive conduct increases measured by survey.
- Case studies on two of our interventions annually (a deterrence and a specific focus) demonstrate the effectiveness of the intervention.
- Ex post merger reviews conducted every two years demonstrate lessons learned are adopted by the Commission.
- Annual market case studies demonstrate a reduction in barriers to market entry, harm caused by imbalances in market power and information asymmetry.

Competition
 Market / Competition Studies
 Major Litigation
 Grocery sector regulation*
 Retail Payment System*
 Telecommunications (incl. Fibre) *
 Fuel *

** indicates the inclusion in the output class of an annualised measure and target to indicate how well competition is delivering for consumers based on an assessment of structure, performance and conduct. Refer output class 'how we measure our performance' for detail.*

- Consumers have the information they need to know their rights and make informed choices.
- Businesses have the information they need to know their obligations.
- Consumer interests are protected.

- Consumer understanding increasing over time demonstrated via annual survey.
- Annual survey of businesses demonstrates an understanding of obligations gained by information provided by the Commission.
- (CCCF Act only) - Percentage of certified lenders attending seminars conducted by the Commission into CCCFA compliance increases.
- Consumer confidence in our enforcement approach and business understanding of the consequences of non-compliance increases as measured via annual survey.

Consumer - Fair Trading & Credit
 Major Litigation
 Grocery sector regulation
 Retail Payment System

- Essential service providers are delivering services of appropriate quality at reasonable cost.
- The performance of essential services is monitored and reported on to enable effective public scrutiny.
- The ability to extract excessive profits for essential infrastructure is limited.

- Reliability measures (refer detail descriptions in SOI 2023-27) are maintained.
- Number of unique users accessing increases as reported through Commission dashboards and monitoring reports related to essential services.
- Publicly disclosed information analysed by the Commission shows weighted average industry return ratios are within reasonable bounds.

Telecommunications (incl. Fibre)
 Fuel
 Electricity Lines Services
 Gas Pipeline Services
 Specified Airport Services
 Part 4 - Input Methodologies (exc. 24/25)
 Part 4 - Economic Regulation Inquiries
 Major Litigation

Ngā mātāpono | Our values

Our strategic direction, the impacts we seek to make and the work we do are about people and making a difference. Our values framework, depicted below, is the anchor that describes the qualities we choose to embody to guide our actions, the sort of organisation we want to be, the way we treat ourselves and others, and our interaction with the world around us. They provide the general guidelines for conduct of our people.

In December 2023, we rolled out our new values framework. This framework is designed with each part supporting the other, based on te ao Māori concepts. Our kaupapa, our values and te ao Māori concepts work together to guide our actions and help us in our approach to our work to deliver for Aotearoa New Zealand.

He Kawa Tauhokohoko | Our values framework

Our Kaupapa

Manaakitanga

We enhance the mana of others through expressions of generosity, hospitality, respect and care

Kotahitanga

We work together to achieve common goals

Whanaungatanga

We have a sense of belonging through our shared experience of working together

Kaitiakitanga

We are aware of responsibilities as stewards of commerce

Our Values

He toa takitini

Strength in the collective



Rukuhia te wāhi ngaro

Curious, future-focused and courageous



Ma te huruhuru ka rere

Protect, empower and inform



Mauria te pono

Belief in ourselves, our kaupapa, our impact



Te Ao Māori concepts

Tika

To be right or correct to our practice and the way we work

Pono

True or genuine to our tikanga

Aroha

Respect, friendship, concern. Every person respects the rights of others

Tō mātou taiao mahi | Our operating environment

We are an independent competition, fair trading, consumer credit and economic regulator. Our primary responsibilities are set out in the legislation we implement. The common thread through this legislation is a focus on the long-term interests of the people of Aotearoa New Zealand, the promotion of competition where that is feasible, the regulation of commerce where it is not and enabling/promoting investments and innovation that lead to a stronger, more resilient economy. This is why we maintain a focus on making New Zealanders better off across all our responsibilities.

Our operating context is shaped by environmental challenges and opportunities. For the 2024/25 year, we recognise the following material changes.

A changing regulatory environment

The scope of our work continues to evolve with the following changes:

- In January 2024, the Government announced the transfer of functions relating to the CCCF Act to the Financial Markets Authority. This work is happening in parallel with a review of the CCCF Act. The transition is currently anticipated in mid-2025 depending on the passage of enabling legislation. The timing and impact of this transfer has the potential to affect delivery of our stated performance measures under the related output class.
- On 17 February 2024, the Water Services Entities Act 2022 was repealed by section 8 of the Water Services Acts Repeal Act 2024 (2024 No 2 Water). We remain engaged with MBIE and the Minister of Commerce and Consumer Affairs to understand how we can support future water reforms.
- Improving competition in the grocery sector to help address cost-of-living challenges continues to be a focus area. We will work with MBIE and the Minister of Commerce and Consumer Affairs to explore options for strengthening the powers of the Grocery Commissioner under the Grocery Industry Competition Act 2023.

Focusing on our data and analytical capability

As our economy becomes increasingly digitalised and as new platforms emerge and advances in artificial intelligence become more widely used by businesses, the risk of harm to businesses and consumers also increases. By focusing on our data and analytics capability, we can leverage opportunities to gain fresh insights into business and consumer behaviour and prioritise the issues that cause the most harm. Evidence-based inputs into policy and legislative changes are critical to help shape and support digital and technological competition across the regulatory systems we are responsible for.

Electricity transmission and distribution infrastructure

Electricity transmission and distribution businesses need to ensure there is sufficient capacity to support increased renewable electricity generation and increased electrification. At the same time, there is a need for more system flexibility and increased risk from severe weather events for all regulated infrastructure businesses.

Resilient infrastructure is critical to minimising disruptions that cause economic and wellbeing challenges. We will use the full range of our regulatory tools under Part 4 of the Commerce Act 1986 to support efficient investment.

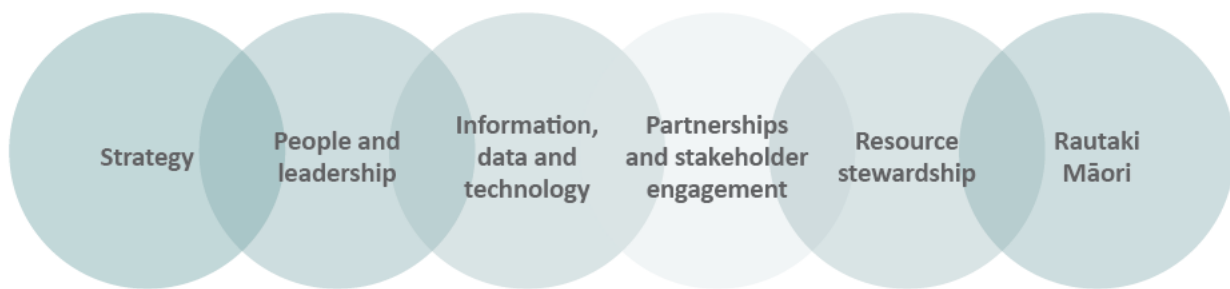
Continuing to lift and improve our partnerships and stakeholder engagement

To deliver the outcomes we are aiming for, our regulatory effectiveness is tied to how well we work with our partners and engage with our stakeholders. Our partners and stakeholders are critical sources of information, learning and dialogue over regulatory trade-offs that help to shape policy that makes New Zealanders better off. We continue to improve our internal capability to engage with Māori on regulatory issues of concern. We are also improving how we engage across various sectors to better understand current and emerging issues that affect consumers and business.

Tō mātou rautaki tāngata | Our organisational capability and health

The outcomes we seek and the work we deliver are supported by our strategic enablers. These allow us to put in place the capabilities, capacities and resources that contribute to the effectiveness of our strategy.

These strategic enablers are:



Strategy

Our strategies provide the frameworks we need as a modern, responsive regulator to support how we determine our priorities and choose the tools that best respond to the issues we see impacting markets and the long-term interest of consumers. They provide the link between our SOI, our strategic enablers and the policies and processes that enable us to deliver our functions effectively and efficiently.

In 2024/25, we will:

- integrate our 2023–2027 outcomes framework through an organisational performance map that will connect our outputs to our outcomes
- embed our updated enforcement response guidelines to provide consistency in operational practice and guidance for stakeholders.

How we will measure progress

We will measure progress through the introduction of internal and external performance measures that demonstrate consistent application of our regulatory toolkit and a focus on the areas that reduce harm and deliver competition benefits to consumers.

People and leadership

Our people are central to achieving our vision and outcomes. We foster a connected and collaborative environment that is inclusive, diverse, safe and healthy with excellent people leadership and management to attract, develop and retain our people. While these core goals are enduring, we annually update our people and leadership focus areas to ensure we build on our success.

In 2024/25, we will:

- support the delivery of our strategic priorities by resetting our people strategy and embedding our new values into people practices
- continue to implement offerings to support leadership growth and impact, high performance and accountability, and to foster positive employee experience
- refine our approach to talent acquisition to recruit capable, diverse people
- continue to develop and upskill our people to enable them to perform at their best
- continue to foster diversity, equity, inclusion, safety and wellbeing to enable our people to feel safe, valued and supported.

How we will measure progress

We will measure progress through responses to our quarterly workplace surveys on employee engagement, overall employee experience and employee suggestions for initiatives that will help strengthen organisational culture. These surveys will inform how we refine and respond to the issues raised.

Information, data and technology

Technology is part of the fabric that enables us to operate effectively. We want to empower everyone to accomplish their goals by providing them with the right technology, tools and support. We will enhance capabilities in data governance and information management maturity to ensure our data assets are managed in the best way possible and streamline the way we work to generate cost savings and efficiencies.

In 2024/25, we will:

- deliver projects that align with our Information Services Strategic Plan that support integrated, collaborative working across the Commission
- refine our data governance processes to provide robust quality assurance and management over our data and meet our legal obligations
- review data quality and privacy frameworks to deliver trusted insights for decision makers and stakeholders
- enhance our cyber security maturity and information management practices to safeguard our systems and data.

How we will measure progress

We will measure progress against our data and information objectives through the adoption of business processes that align with the data governance policy. We will measure progress against our technology objectives through the successful delivery and operationalisation of our IT projects.

Partnerships and stakeholder engagement

Strengthening our stakeholder engagement through timely and relevant engagement is key to understanding the issues that are important to our stakeholders. Perceptions about the effectiveness of consumer and competition law is an important part of our work. We are committed to improving and maturing our relationships with Māori and key stakeholders so we can deliver meaningful outcomes that build trust and confidence in our decision making. Part of our service delivery work is to communicate in a timely and relevant way that ensures we help businesses and consumers understand the laws that affect them. Delivering services that demonstrate regulatory effectiveness provides opportunities for us to reach more consumers and businesses with information that directly impacts them.

In 2024/25, we will:

- implement our communications and engagement strategy that aims to enhance our reputation and confidence as a modern and responsive economic regulator by:
 - ensuring our staff see their work in the context of making New Zealanders better off
 - increasing our connectedness and visibility with stakeholders and influencers
 - continuing to focus on developing strong high-value relationships with media to maximise consumer visibility and public impact
 - making it easy for our audiences to get the information they need using the channels they are most active on
- continue to collaborate with national and international partners to explore opportunities for improved regulatory efficiencies.

How we will measure progress

We will measure reputational value and our engagement success through three external surveys and our internal engagement survey. We report on these survey results in our Annual Report.

Resource stewardship

The ability to innovate, deliver value and respond rapidly to changes in our regulatory environment, as well as deliver our vision and outcomes while managing funding pressures, depends on how we manage our resources. To ensure that we manage our resources sustainably, we will continue to improve our processes to ensure we are operating cost effectively and using our resources for greatest effect.

In 2024/25, we will:

- continue to develop our organisational maturity in risk management, including explicit linkages between strategy and risk, and the conscious consideration of risk appetite
- align with best practice to improve how we measure and report on our emissions to meet our sustainability goals
- continuously improve our processes to ensure we are operating cost-effectively
- evolve our business planning processes to ensure our funding is prioritised to support the most important organisational and regulatory initiatives.

How we will measure progress

We will measure our resource stewardship through effective utilisation of resources to achieve organisational performance measures and management of our risk environment.

Rautaki Māori | Māori Strategy

Our Rautaki Māori provides a framework that supports us to take intentional steps to ensure Māori benefit from our mahi. It focuses on taking steps that improve services and outcomes for Māori and support the Māori-Crown relationship through effective engagement. The focus of our Rautaki Māori on ensuring Māori benefit from our work contributes to our overarching vision: that New Zealanders are better off because markets work well and consumers and businesses are confident market participants.

In 2024/25, we will:

- implement an engagement framework for working with Māori
- increase engagement and build relationships with key Māori partners by securing national level and mana whenua relationship agreements
- provide strategic advice relating to our regulatory functions, including identifying opportunities for improvements in policies, processes and outputs to ensure our work benefits Māori
- support a lift in our cultural capability so we are better positioned to support improvements in outcomes for Māori.

How we will measure progress

Successful delivery of at least two mana whenua relationship agreements by 30 June 2025.

Increase in confidence of our staff to engage effectively with Māori as measured by our annual capability survey.

Opportunities to support the consideration of Māori perspectives across relevant work demonstrated.

Measuring our performance

Performance against the measures in our SPE and SOI are assessed and reported quarterly to our Board, senior leadership team and Crown monitoring agency MBIE.

An assessment of our performance against our outputs and outcomes is reported annually in our Annual Report.

We publish our SPE, SOI, Annual Report and quarterly snapshots on our website.

02

Ngā hua me ngā tutukinga Outputs and performance

This section describes the outputs (goods and services) that we are funded to provide, the results we seek for each and how we will assess our performance.

Output measures and financial information

We will achieve our vision of making New Zealanders better off because markets work well and consumers and businesses are confident market participants by implementing our strategy and carrying out our functions across our output classes.

Our work is primarily funded through a variety of annual and multi-year appropriations⁴ under Vote Business, Science and Innovation.⁵

The largest contribution to our revenue is from the Crown, which is sourced through a combination of general taxes and industry levies (for instance, to pay for the regulation of electricity lines services). Other sources of revenue include interest on cash we hold, court cost awards from litigation and application fees paid by businesses seeking clearances and other determinations.

Judgements applied in the selection of performance measures (PBE FRS48)

Our measures represent the activities we will monitor to ensure we stay on track in delivering our short to medium-term goals. In selecting, measuring and grouping the mix of performance measures for the 2024/25 financial year, we have considered the Public Benefit Entity Financial Reporting Standard 48 – *Service Performance Reporting* (PBE FRS 48). We consider the information provided and the related disclosures we have presented reflect our core business activities and describe the value we deliver and are the most appropriate and meaningful to users.

Presentation of information

We have presented our service performance information by output class. How these output classes contribute (directly or indirectly) to the strategic performance indicators outlined in our Statement of Intent 2023–2027 is reflected in *Our impacts* on pages 8–9.

The information contained in this section covers what the output class intends to achieve and the purpose of the measures and financial information related to each appropriation.

Disclosures on any changes to the measures are provided in *Appendix 1: Disclosure of judgement regarding changes to output class performance measures*.

⁴ Please refer to Treasury Technical Guide [Estimates, Supplementary Estimates and their Supporting Information](#) (January 2024) for further information
⁵ The Commission's appropriations are included in Vote Business, Science and Innovation, which is administered by our monitoring agency MBIE.

Tirohanga whakataetae, māketē hoki, kiritaki | Competition, market studies, consumer

This section outlines our output measures, expected revenue and proposed expenditure relating to our role under the:

-
- **Commerce Act 1986 (Parts 2, 3, 3A and 5)**
 - **Fair Trading Act 1986**
 - **Credit Contracts and Consumer Finance Act 2003.**
-

Whakataetae | Competition

This output class is intended to achieve the education, prevention, identification and remediation of trader behaviour that is anti-competitive.

It includes our work with MBIE and other government agencies in policy development and regulatory initiatives, understanding the impact on markets and educating industry about its obligations under competition law.

Why this is important

The way that markets function affects the affordability of goods and services, the incentives that businesses have to innovate and improve efficiency and the speed with which the economy recovers from external shocks. These issues all have a real impact on New Zealanders as business owners and consumers.

Cartel conduct harms consumers by preventing them from getting quality services at fair prices, and it harms businesses that are trying to compete fairly.

Anti-competitive arrangements and misuse of market power can create barriers to entry into a market and harm to our markets and consumers.

The effective control of mergers is a vital tool in preserving competition in our economy. The effects of mergers are permanent, and an acquisition that substantially lessens competition can cost consumers and businesses for many years. The regime helps us to approve transactions that are unlikely to materially harm competition and prevent those that can harm competition.

What we do

Under Parts 2, 3 and 5 of the Commerce Act 1986, we do the following:

- Detect and investigate anti-competitive conduct.
- Authorise or grant clearance to restrictive trade practices or collaborative activities and mergers.
- Take enforcement action in the courts against breaches of the Act.
- Educate businesses and government agencies on the benefits of competition and compliance with the Act.

What we want to achieve

We aim to protect and enhance competition in markets by reducing impediments to competition, deterring anti-competitive conduct and reducing harm caused by misuse of market power.

How we will measure our performance

		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
1. Competition output class measures				
1.1	Percentage of merger clearance decisions made within 40 working days when no statement of issues is published	75%	82%	75%
1.2	Average number of working days from date of decision to date of publication of reasons for declined merger clearance applications ⁶	10 days	N/A	10 days
1.3	Number of Commerce Act 1986 matters ⁷ completed	5-20	15 ⁸	5-20
1.4	Percentage of competition investigations decided within 18 months of the investigation being opened	75%	80%	75%
1.5	Percentage of investigations involving a court action, statutory undertaking or negotiated settlement response, meeting our internal process quality standards ⁹	100%	100%	100%

How much this will cost

We receive funding through the multi-category appropriation *Vote Business, Science and Innovation: Commerce and Consumer Affairs: Enforcement of General Market Regulation – Enforcement of Competition Regulation*.

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
Operating revenue			
Revenue – Crown	12,507	12,075	11,651
Other revenue	296	491	280
Total operating revenue	12,803	12,566	11,931
Total operating expense	12,803	12,722	11,931
Surplus/(deficit)	-	(156)	-

⁶ Applies to merger clearance applications that are made directly to us and excludes merger clearance applications that were not made to us and where we decide to investigate.

⁷ The Commission describes matters as 'a mixture of investigations and litigation'.

⁸ This included 7 cartel matters and 8 competition matters.

⁹ The type of information we receive (such as complaints, leniency applications relating to cartels, intelligence, media, information received from other agencies or through other work we undertake) may lead to an investigation.

Tirohanga māketē | Market studies (also known as competition studies)

This output class is intended to achieve improved market performance and outcomes through detailed research into a particular market or markets where there are concerns the market could be functioning suboptimally.

Why this is important

When markets work well, businesses are motivated to innovate, new businesses can easily enter the marketplace, customers can get the information they need to make informed decisions and they can switch easily between rival businesses.

Sometimes business and customer behaviour limit the effectiveness of competition in a market. Regulatory conditions can also have an effect by deterring new businesses from entering the market or inhibiting the sustainable expansion of existing players.

When competition is not working effectively, it is usually due to some combination of three main groups of factors: structural, regulatory, or strategic (conduct). Market studies look closely at the way firms interact, indicators of the strength of competition and whether changes to structural, regulatory or conduct rules could improve competition for the benefit of New Zealanders.

What we do

We carry out market (competition) studies. This work under Part 3A of the Commerce Act 1986 includes the following steps:

- Conduct a market study and prepare a competition report, either self-initiated or at the direction of the Minister of Commerce and Consumer Affairs.
- Prepare draft findings from the study¹⁰ and consult on these with stakeholders.
- Send the final competition report to the Minister.
- Publish the final competition report clearly outlining the Commission's findings and any recommendations.

What we want to achieve

We inquire into markets to deeply understand the competitive dynamics – including regulatory, strategic or behavioural impediments – of the markets or sectors that we examine. We want to communicate this information in our reports.

We aim to identify measures that, if implemented by the government or industry, we would expect to result in meaningful improvements to competition.

We aim to promote awareness of the benefits of competition for consumers and the economy.

¹⁰ Where we consider it appropriate, we make recommendations to improve competition. We are not required to do so.

How we will measure our performance

2. Market studies (competition studies) output class measure		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
2.1	All competition studies undertaken are completed within agreed timeframes ¹¹	Achieved	On track	Achieved

How much this will cost

We receive funding through the multi-category appropriation *Vote Business, Science and Innovation: Commerce and Consumer Affairs: Competition Studies*.

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
Operating revenue			
Revenue – Crown	3,465	3,466	2,587
Other revenue	62	71	37
Total operating revenue	3,527	3,537	2,624
Total operating expense	3,527	3,537	2,624
Surplus/(deficit)	-	-	-

¹¹ Terms of reference may be amended to, among other things, change the final report due date (Commerce Act 1986 sections 50(4) and 51(5)).

Kiritaki (tauhokohoko tika) | Consumer (fair trading)

Fair trading is an output under the consumer output class.

This output class is intended to achieve the prevention, identification, investigation and remediation of market behaviour that is harmful for consumers.

Why this is important

Buying and selling goods and services are a critical part of everyday life in New Zealand so it should be safe, fair and competitive. When consumers experience unfair conduct, inaccurate or misleading information, or unsafe goods, they can suffer significant financial or physical harm.

Businesses can operate confidently if they know their obligations, they understand the consequences if they do not comply and they have confidence that other businesses are doing the right thing.

What we do

Under the Fair Trading Act 1986, we do the following:

- Protect consumers and the trading environment by regulating products subject to safety and consumer information standards.
- Promote the rights of consumers and obligations of businesses through advice, education, guidance and communication.
- Detect actual and potential harm by monitoring the trading environment and the behaviour of participants.
- Investigate and take enforcement action against unfair, non-compliant and illegal behaviour.

What we want to achieve

We aim to ensure that New Zealand businesses participate confidently, operate fairly and are held to account for unsafe, misleading or unfair business practices. We want consumers to participate confidently, knowing their rights and being able to make informed choices.

How we will measure our performance

3. Consumer (fair trading) output class measures		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
3.1	Number of product safety and consumer information standards matters completed ¹²	At least 75	100	At least 75
3.2	Number of Fair Trading Act 1986 matters completed ¹³	At least 175	175	At least 175
3.3	Percentage of Fair Trading Act 1986 investigations decided within 12 months of the investigation being opened ¹⁴	95%	96%	95%
3.4	Percentage of investigations involving a court action, statutory undertaking or negotiated settlement response, meeting our internal process quality standards ¹⁵	100%	100%	100%

How much this will cost

Please see the funding table under Kiritaki | Consumer (credit) for the combined cost of fair trading and credit outputs in the consumer output class.

¹² Matters completed concerning product safety standards and consumer information standards within the relevant financial year. Each 'matter' indicates an interaction with a trader about conduct that may breach the provisions of the Fair Trading Act 1986 that relate to product safety standards or consumer information standards.

¹³ Each 'matter' is a piece of work relating to an alleged compliance issue. This covers work from providing educative information through to investigating and potential enforcement outcomes (such as compliance advice, a warning, negotiated resolution, civil proceedings, or prosecutions). It is also possible that a 'matter' may conclude with no further action.

¹⁴ This timeliness measure measures the number of product safety and consumer information standards and Fair Trading Act 1986 matters completed within a 12-month period. It recognises the need for timely interventions while considering natural justice considerations for those being investigated.

¹⁵ This measure assesses whether matters that result in a court action, a statutory undertaking or a negotiated settlement response have been through appropriate quality assurance processes.

Kiritaki (moni taurewa) | Consumer (credit)

Credit is an output under the consumer output class.

This output class is intended to achieve the education, prevention, identification, investigation and remediation of trader behaviour that is harmful for consumers.

Why this is important

Businesses providing consumer credit such as personal loans, mortgages and credit cards need to be confident that the borrower is making an informed choice about entering into the credit contract and that the credit is suitable and affordable to them. Safe, affordable credit reduces the risk of the economic hardship that can negatively affect a borrower's ability to take part in New Zealand's economy.

What we do

The purpose of the CCCF Act is to protect consumers' interests in relation to consumer credit contracts, consumer leases and buy-back transactions of land.

Under the CCCF Act, we do the following:

- Certify that lenders and mobile traders are fit and proper persons to hold their positions.
- Produce guidance to help lenders understand their obligations and consumers know their rights.
- Partner with organisations such as consumer advisory groups and use insights and intelligence to inform our work.
- Monitor trade practices in credit markets to understand levels of compliance.
- Deter traders from acting in breach of the Act.
- Set legal precedents to better inform traders of their obligations and the consequences of non-compliance with the Act.
- Receive notifications about potential breaches of the Act.
- Investigate lenders for potential breaches of the Act, for example, failing to assess that a loan is affordable to the borrower or failing to give borrowers key information about their loan.
- Take enforcement action where non-compliance is identified, including criminal or civil proceedings.

What we want to achieve

We aim to promote fair, efficient and transparent credit markets that allow consumers and businesses to confidently enter into credit agreements. We want credit markets that are safe, transparent and fair.

Note: The transfer of the credit function to the Financial Markets Authority as discussed in *Our operating context* may affect delivery of the following performance measures.

How we will measure our performance

4. Consumer (credit) output class measures		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
4.1	Number of CCCF Act matters completed ¹⁶	At least 50	50	At least 50
4.2	Percentage of CCCF Act investigations decided within 18 months of the investigation being opened ¹⁷	95%	88%	95%
4.3	Percentage of investigations involving a court action, statutory undertaking or negotiated settlement response, meeting our internal process quality standards ¹⁸	100%	100%	100%
4.4	Percentage of fit and proper person applications processed under the CCCF Act within 60 working days where all information has been received and no conditions have been imposed ¹⁹	95%	100%	95%

How much this will cost

We receive funding through the multi-category appropriation *Vote Business, Science and Innovation: Commerce and Consumer Affairs: Enforcement of General Market Regulation — Enforcement of Consumer Regulation*.

Expected revenue and proposed expenditure	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
	\$000	\$000	\$000
Operating revenue			
Revenue – Crown	21,145	20,892	20,211
Other revenue	873	916	715
Total operating revenue	22,018	21,808	20,926
Total operating expense	21,955	22,586	20,926
Surplus/(deficit)	63	(778)	(68)

¹⁶ Each ‘matter’ is a piece of work relating to an alleged compliance issue. This covers work from providing educative information through to investigating and potential enforcement outcomes (such as compliance advice, a warning, negotiated resolution, civil proceedings, or prosecutions). It is also possible that a ‘matter’ may conclude with no further action.

¹⁷ This measure assesses whether we efficiently investigate credit-related complaints and reach decisions in respect of those investigations in a timely way. We also conduct three-monthly, six-monthly, and nine-monthly reviews (which are essentially an investigation life cycle check-in) to assess whether these investigations are moving at the right pace (based on complexity and other factors).

¹⁸ This measure assesses whether matters that result in court action, statutory undertaking, or a negotiated settlement response have been through appropriate quality assurance processes.

¹⁹ This measure assesses whether we are efficiently certifying those lenders that ought to be certified on the basis that their directors and senior managers are fit and proper persons to hold their positions.

Ngā ture ohaoha | Economic regulation

This section outlines our output measures, expected revenue and proposed expenditure relating to our role under the:

-
- **Grocery Industry Competition Act 2023**

 - **Telecommunications Act 2001**

 - **Fuel Industry Act 2020**

 - **Retail Payment System Act 2022**

 - **Commerce Act 1986 (Part 4)**
 - Specified Airport Services
 - Electrical Line Services
 - Gas Pipeline Services
 - Part 4 inquires.

 - **Dairy Industry Restructuring Act 2001.**

Our targets for economic regulation often fluctuate year to year due to the phasing of the regulatory cycle.

Ture rāngai hoko kai | Grocery sector regulation

This output is intended to promote competition and efficiency in the grocery industry for the long-term benefit of consumers.

Why this is important

Groceries are an essential purchase and a major expense for most households.

In 2022, we completed a market study that found that competition in the grocery sector was not working well. New Zealand grocery prices appeared high by international standards, the large supermarket chains were transferring costs, risks and uncertainty onto suppliers and the scale and pace of innovation in the sector appeared lower than expected.

In response to our market study, Parliament passed the Grocery Industry Competition Act 2023, which introduced a new regulatory regime for the grocery sector that seeks to ensure a greater level of competition so all New Zealanders can benefit from better prices, more choice and more convenient shopping.

What we do

Under the Grocery Industry Competition Act 2023 we do the following:

- Monitor compliance with the Grocery Supply Code.
- Review the Grocery Supply Code within legislative timeframes.
- Prepare and publish an annual report on the grocery industry by analysing information disclosed by regulated grocery retailers.
- Assess how well the big supermarkets are providing other retailers with wholesale products.
- Review and report on grocery wholesaler frameworks and make the case to access further legislative backstop powers if market conditions warrant them.
- Carry out inquiries, reviews and studies and issue guidelines for the grocery industry.
- Take enforcement action when the Act is likely to be breached.
- Enforce compliance with the unit pricing regulations.
- Build awareness and understanding of the regime across both the grocery sector and the public while cooperating with agencies that have a role in the grocery industry.

What we want to achieve

We will use the new regime to promote competition and efficiency in the grocery industry for the long-term benefit of consumers in New Zealand. In the short term, we are developing and monitoring the implementation of a wide range of interventions to improve the conditions for stronger competition in the grocery sector. For example, this includes ensuring that:

- supermarkets publish unit prices so consumers can more effectively compare prices and that advertised prices properly reflect prices at the checkout
- large supermarkets comply with the new Grocery Supply Code and the new prohibitions on unfair contracts so there is fair conduct, transparency and certainty in their dealings with suppliers
- there is a reliable and cost-effective supply of groceries at wholesale so rival retailers can better compete to sell groceries to retail customers
- land is freed up for possible development by competing grocery retailers.

We are also developing our first review of competition, which we will publish annually to assess changes in the state of competition over time.

In the longer term, we expect to achieve improved competition in the grocery sector with:

- New Zealand consumers able to buy a good range of groceries from a wider range of outlets and retailers at competitive prices
- the market combined share of the incumbent large supermarket chains falling
- suppliers more confidently competing and innovating
- consumers confident that the grocery sector is delivering the benefits of effective competition to them.

How we will measure our performance

		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
5. Grocery sector regulation output class measures				
5.1	Number of assessments completed as a part of the Commission's obligations under section 65 of the Grocery Industry Competition Act 2023	New measure	New measure	At least 2
5.2	Number of reports completed as a part of the Commission's obligations under the Grocery Industry Competition Act 2023 including but not limited to: <ul style="list-style-type: none"> Annual report on the state of competition in the grocery industry (section 175) 	New measure	New measure	At least 1
Grocery sector regulation impact measure towards competitive markets			2023/24 Target	2024/25 Target
<i>Our impacts – Pages 8–9</i>				
The national retail grocery market share concentration of regulated grocery retailers reduces over time when measured against the 2023/24 Annual Competition Review baseline. ²⁰		New measure		Establish baseline

How much this will cost

We receive funding through the multi-category appropriation *Vote: Business, Science and Innovation: Commerce and Consumer Affairs: Enforcement of General Market Regulation – Grocery Industry Monitoring and Enforcement*.

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
Operating revenue			
Revenue – Crown	7,286	7,286	7,286
Other revenue	145	166	119
Total operating revenue	7,431	7,452	7,405
Total operating expense	7,431	7,442	7,405
Surplus/(deficit)	-	10	-

²⁰ The baseline will be measured against the national Herfindahl-Hirschman index (HHI) for regulated grocery retailers and will be based on the result obtained from the first annual grocery report. A market with an HHI of less than 1,500 is considered a competitive marketplace. The 2023/24 Annual Competition Review is due to be published in the first quarter of 2024/25.

Torotoro waea | Telecommunications (including fibre)

This output class is intended to promote competition in the telecommunications market by monitoring the performance and development of the market and regulating the supply, price and quality of key services.²¹

Why this is important

Telecommunications businesses provide the connectivity that is part of modern life in New Zealand. As the industry evolves, strong legislation and an efficient regulatory system help to ensure infrastructure resilience and promote fair competition in the industry.

What we do

Under the Telecommunications Act 2001, we do the following:

- Assess the asset management plans and expenditure of Chorus.
- Set price-quality paths for Chorus.
- Publish an annual monitoring report on the telecommunications market in New Zealand.
- Produce resources to help consumers make the right choices.
- Ensure compliance with our regulations and take enforcement action where necessary.
- Measure broadband performance across New Zealand through our Measuring Broadband New Zealand programme.
- Review regulations periodically to ensure they remain necessary and beneficial.

What we want to achieve

We want to make sure consumers have access to helpful, independent information to support their purchasing and switching decisions and that businesses have the necessary incentives to innovate and invest, improve efficiency and limit excessive profits. A stable regulatory regime is a necessary condition for a telecommunications infrastructure to be reliable, resilient and adaptable and so that new businesses can enter, expand and compete without undue barriers.

²¹ Intent statement edited from prior years to reflect activity of Commission under this output with the inclusion of fibre.

How we will measure our performance

		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
Telecommunications output class measures				
6.1	Number of determinations (includes determinations, clarifications, reviews, codes and amendments): <ul style="list-style-type: none"> • Seven fibre determinations • At least four telecommunications determinations, including but not limited to: <ul style="list-style-type: none"> – Specified Fibre Area (SFA) assessment – Telecommunications Development Levy (TDL) determination – Telecommunications Dispute Resolution scheme review (at least once every three years) – Mobile Termination Access Services Review (MTAS) 	At least 7	11	At least 11
6.2	Percentage of Telecommunications Act 2001 determinations completed by statutory deadlines	100%	100%	100%
6.3	Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to: <ul style="list-style-type: none"> • Fibre report • At least seven telecommunications reports including but not limited to: <ul style="list-style-type: none"> – Annual Monitoring Report (AMR) – Measuring Broadband NZ (MBNZ) reports – Two Retail Service Quality (RSQ) reports 	At least 7	8	At least 8
6.4	Quality assurance processes for determinations and code amendments are in place and applied ²²	100%	100%	100%
Telecommunications impact measure towards competitive markets				
<i>Our impacts – Pages 8–9</i>			2023/24 Target	2024/25 Target
Herfindahl-Hirschman Index (for broadband and mobile sectors of the telecommunications market) reduces over time ²³			New measure	Broadband – HHI between 1,500 and 2,500 (moderate concentration) Mobile – HHI between 3,000 and 4,000 (high concentration)

How much this will cost

Our telecommunications work is funded through *Vote Business, Science and Innovation: Communications: Regulation of Telecommunications Services 2022-2025*.

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
Operating revenue			
Revenue – Crown	15,811	17,759	16,271
Other revenue	292	341	238
Total operating revenue	16,103	18,100	16,509
Total operating expense	16,103	18,100	16,509
Surplus/(deficit)	-	-	-

²² This measure demonstrates that quality assurance processes are in place and applies to determinations/codes completed during the financial year. These assurance processes and checks underpin our rule-setting.

²³ Measures of market shares and market concentration, and in particular changes in these measures over time, can indicate the extent to which regulated suppliers in a market are subject to competitive constraints.

This output class is intended to promote competition in engine fuel markets for the long-term benefit of New Zealand consumers.

Why this is important

The retail fuel market plays a large role in the domestic economy, with prices at the pump directly affecting all New Zealanders.

Our 2019 market study into the retail fuel market found that many fuel companies had been making persistently higher profits than would have been expected in a workably competitive market. For consumers, this meant that they had been paying higher pump prices than could be expected. We found that the core problem was the lack of an active wholesale market for fuel in New Zealand.

Our monitoring and enforcement activities support active competition in wholesale and retail fuel markets.

What we do

Under the Fuel Industry Act 2020, we do the following:

- Monitor and analyse information disclosed by fuel companies and provide public reports on the results.
- Take enforcement action if fuel companies do not comply with the requirements of the Act for information disclosure, wholesale supply, fixed wholesale contract terms or signage at retail fuel sites.
- Regulate, under certain circumstances, terminal gate prices for fuel wholesale companies.

What we want to achieve

We aim to improve competition in both the wholesale and retail fuel markets for the long-term benefit of consumers. The information we collect, analyse and publish shines a light on how the market is performing and encourages industry participants to act in a way that supports competition and consumer outcomes.

How we will measure our performance

		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
7. Fuel output class measure				
7.1	Number of monitoring, summary and analysis reports completed as a part of the Commission's obligations under Part 2, Subpart 4 of the Fuel Industry Act 2020. ²⁴	At least 4	5	At least 4
Fuel impact measure towards competitive markets			2023/24 Target	2024/25 Target
<i>Our impacts – Pages 8–9</i>				
The percentage of wholesale volume that is multi-sourced. ²⁵			New measure	At least 70% ²⁶

How much this will cost

We receive funding through the multi-category appropriation *Vote Business, Science and Innovation: Commerce and Consumer Affairs: Enforcement of General Market Regulation – Liquid Fuels Monitoring and Enforcement*.

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
Operating revenue			
Revenue – Crown	5,090	5,775	3,064
Other revenue	95	109	49
Total operating revenue	5,185	5,884	3,113
Total operating expense	5,185	5,089	3,113
Surplus/(deficit)	-	795	-

²⁴ Disclosure: The phasing of the regulatory cycle and planning decisions around the related fuel work programme will influence the number of reports generated. Methodology: We summarise and analyse information disclosed by fuel companies and publish reports that include our summary and analysis. These reports may look at the performance of the market as a whole or focus on a particular aspect of the wholesale or retail fuel market.

²⁵ Competition between suppliers often provides the buyer with more bargaining power. Multi-sourcing (where a wholesale buyer purchases fuel from more than one supplier) is a useful thing to measure because it indicates that resellers are availing themselves of wholesale contract requirements designed to support them to shop around for better wholesale prices.

²⁶ Multisourced percentages for 30 June 2022 (52.6%) and for 30 June 2023 (72.3%).

Pūnaha utu hokohoko | Retail payment system

This output is intended to achieve the promotion of competition and efficiency in the retail payment system for the long-term benefit of consumers.

Why this is important

Making a payment is the most used financial service in New Zealand. When someone buys a product or service, gets paid, uses an ATM or transfers money, they are using the retail payment system.

The retail payment system is a critical part of the economy because it enables the transfer of money between businesses, government and consumers. Every year, more than a trillion dollars of transactions are completed over the payment networks in New Zealand, and higher than necessary costs or charges for processing those transactions impose a burden across the economy.

New technology, business models, participants and even new forms of money have the potential to transform the retail payment system, forcing it to grow and adapt.

What we do

- Under the Retail Payment System Act 2022, we do the following:
- Monitor and report on competition and efficiency in the retail payment system.
- Enforce and monitor the constraint on interchange fees in the Visa and Mastercard networks.
- Look for ways to ensure any surcharges are cost-reflective.
- Set rules and standards for any payment networks designated under the Act.
- Conduct inquiries, reviews and studies into ways to promote competition and efficiency in the retail payment system.
- Liaise with counterpart agencies internationally and complementary agencies in New Zealand.

What we want to achieve

We aim to promote competition and efficiency in the retail payment system for the long-term benefit of merchants and consumers. In 2024/25, we will be deciding whether we should recommend designation of the interbank network to promote/enable the next generation of payment services.

How we will measure our performance

		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
8. Retail payment system output class measure				
8.1	Number of reports completed as part of the Commission's obligations under the Retail Payment System Act 2022 including but not limited to: <ul style="list-style-type: none"> report on competition and efficiency issues in the retail payment system analysis report on the performance of designated networks/networks of interest²⁷ 	At least 2	2	2
Retail payment system impact measure towards competitive markets <i>Our impacts – Pages 8–9</i>			2023/24 Target	2024/25 Target
Transparency, comparability and competitiveness of merchant fees improves over time for businesses ²⁸			New measure	Establish baseline

How much this will cost

We receive funding through the multi-category appropriation *Vote Business, Science and Innovation: Commerce and Consumer Affairs: Enforcement of General Market Regulation – Retail Payment Systems Administration and Enforcement*.

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
Operating revenue			
Revenue – Crown	5,111	5,111	4,576
Other revenue	97	110	71
Total operating revenue	5,208	5,221	4,647
Total operating expense	5,208	5,146	4,647
Surplus/(deficit)	-	75	-

²⁷ Our regulatory reports are the key to giving effect to many of our powers and functions under section 6 and Parts 2 and 3 of the Retail Payment System Act 2022, including those that result from:

- Summarising and analysing information on the performance of the payment networks and system
- assessing where industry could deliver more efficient outcomes through improved competition, and identifying options to intervene where necessary
- taking action to intervene, including setting standards or rules
- taking enforcement action where specified participants do not comply with standards or rules.

²⁸ Transparent pricing information that is easy to understand is important so that businesses can assess the cost of the payment services they receive. Greater comparability of pricing information provides businesses with more meaningful choice of payment services. When businesses 'shop around' for offerings that work for them, this competitive process helps to promote more efficient outcomes that benefit businesses and consumers such as, reducing costs and supporting greater innovation. This measure is a qualitative assessment based on three components that we expect to be able to assess, including merchant awareness of what services they are receiving and what they are paying for, the average cost for these services, and the ability to understand and compare other service options. We expect to survey the merchant community every two years to inform these results.

Ratonga tauranga rererangi | Specified airport services

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

Why this is important

Millions of passengers and large volumes of cargo move through New Zealand's three major airports every year. By requiring airports to disclose their pricing and spending decisions, we help to provide the certainty and predictability needed to attract infrastructure investment and serve the long-term interests of consumers.

What we do

Under Part 4 of the Commerce Act 1986, we do the following:

- Require the disclosure of information about profits, investment, pricing and service levels.
- Publish reviews of the airports' price-setting information disclosures.
- Take compliance and enforcement action when there are breaches of the information disclosure requirements.
- Monitor the effectiveness of this regulatory regime.

Part 4 of the Act allows additional regulation to be imposed following a formal inquiry, either at our initiative or at the direction of the Minister of Commerce and Consumer Affairs.

What we want to achieve

Airports are subject to a relatively low-cost form of regulation that aims to promote understanding of their performance by interested parties, including the public.

How we will measure our performance

9. Specified airport services output class measures		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
9.1	Number of determinations (includes determinations, clarifications, reviews, codes and amendments ²⁹)	At least 2	3	At least 2
9.2	Percentage of Part 4 of the Commerce Act 1986 determinations completed by statutory deadlines	100%	100%	100%
9.3	Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to: <ul style="list-style-type: none"> • Summary and analysis reports for Auckland International Airport's Fourth Price Setting Event • Wellington International Airport's Fifth Price Setting Event 	At least 1	2	At least 3
9.4	Quality assurance processes for determinations and code amendments are in place and applied	100%	100%	100%

How much this will cost

We receive funding through the multi-year appropriation *Vote Business Science and Innovation: Commerce and Consumer Affairs: Regulation of Specified Airport Services*.

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
Operating revenue			
Revenue – Crown	974	1,041	1,000
Other revenue	16	18	15
Total operating revenue	990	1,059	1,015
Total operating expense	990	1,059	1,015
Surplus/(deficit)	-	-	-

²⁹ A determination is formal and binding decision under the legislation we administer.

Ratonga waea hiko | Electricity lines services

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

Why this is important

Electricity networks connect power generators to homes and businesses across New Zealand. Reliability of supply is critical, and as climate events over the last year have shown, resilience of essential infrastructure is an increasing focus.

Our role is to ensure monopolies have incentives to deliver reliable and resilient essential services to consumers at the lowest cost. We help support electrification and ensure network resilience, support the move to a low-carbon economy, encourage innovation and help provide the certainty and predictability needed to enable efficient investment.

What we do

We work alongside the Electricity Authority³⁰ as the primary regulators of the electricity system. Under Part 4 of the Commerce Act 1986 we do the following:

- Determine the revenue some electricity lines businesses, including Transpower, can earn or the maximum average prices they can charge and set a minimum standard of quality they must meet.
- Require the annual disclosure of prices, measures of quality, financial information and forecasts of future expenditure.
- Assess major capital investment proposals from Transpower.
- Take enforcement action when regulated businesses breach the price-quality regulation or information disclosure requirements.

What we want to achieve

We want to make sure consumers have a reliable, value-for-money electricity network that meets consumer demand now and into the future. We aim to provide incentives to invest efficiently while also limiting excessive profits. We also want electricity lines businesses and Transpower to have incentives to be innovative, including by enabling grid-edge competition.

³⁰ The Electricity Authority is responsible for promoting competition in the electricity industry, including in generation and retail markets.

How we will measure our performance

		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
10. Electricity lines services output class measures				
10.1	Number of determinations (includes determinations, clarifications, reviews, codes and amendments) including but not limited to: <ul style="list-style-type: none"> Electricity Distribution Businesses default price-quality path from 1 April 2025 Transpower individual price quality-path for 2025-2030 Information Disclosure amendment for Electricity Distribution Businesses Electricity Distribution Businesses price-quality path reopener 	At least 4	8	At least 7
10.2	Percentage of Part 4 of the Commerce Act 1986 determinations completed by statutory deadlines	100%	100%	100%
10.3	Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to: <ul style="list-style-type: none"> Performance summaries for Electricity Distribution Businesses Transpower database update Aurora Energy Factsheet for year 3 	At least 4	10	At least 5
10.4	Quality assurance processes for determinations and code amendments are in place and applied	100%	100%	100%

Electricity sector regulation impact measures towards reliable essential services <i>Our impacts – Pages 8–9</i>		2023/24 Target	2024/25 Target
Reliability Measures:		410.60	reliability measures are maintained over time
• Electricity distribution unplanned SAIDI (System Average Interruption Duration Index (minutes))			
• Electricity distribution unplanned SAIFI (System Average Interruption Frequency Index) (number of outages)		1.98	
• Electricity transmission (Transpower) – unplanned HVAC (High-Voltage Alternating Current) circuit unavailability (%)		0.49	
• Electricity transmission (Transpower) – unplanned HVDC, High-Voltage Direct Current) bi-pole unavailability (%).		0.50	
<p>The Commission receives reliability data from all lines companies annually and produces summary and analysis of this information to help inform the public of network performance. For lines companies subject to additional price-quality regulation (Transpower and 16 local lines companies), the Commission sets limits on the duration and frequency of network outages. Assessment against these limits is undertaken annually, with the possibility of financial penalties for exceeding them.</p> <p>The 2023/24 actual for these measures is based on the aggregate disclosures for the year ended 31 March 2023 for all EDBs and the year ending 30 June 2023 for Transpower. In our Annual Report, we will provide further contextual information on network performance and reliability. Short-term fluctuations in these measures are not necessarily conclusive that reliability is changing.</p>			

How much this will cost

We receive funding through the multi-year appropriation *Vote Business Science and Innovation: Commerce and Consumer Affairs: Regulation of Electricity Lines Services*.

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
Operating revenue			
Revenue - Crown	11,872	13,092	11,406
Other revenue	215	241	426
Total operating revenue	12,087	13,333	11,832
Total operating expense	12,087	13,333	11,832
Surplus/(deficit)	-	-	-

Ratonga kapuni | Gas pipeline services

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

Why this is important

Gas networks are an important part of the energy sector. There are four regulated gas pipeline businesses in New Zealand. Firstgas has transmission and distribution pipelines, while Powerco, Vector and GasNet are distributors only. Reliable supply is important for New Zealand consumers and businesses.

In our work, we support New Zealand's transition to a low-carbon economy, encourage innovation and help to provide the certainty and predictability needed to encourage efficient investment.

What we do

We regulate the transmission and distribution businesses that own and operate New Zealand's gas pipeline infrastructure. Our role is to ensure monopolies have incentives to invest efficiently and deliver reliable and resilient essential services to consumers at the lowest cost.

Under Part 4 of the Commerce Act 1986, we do the following:

- Determine the revenue businesses can earn or the maximum average prices they can charge and require them to deliver services at a minimum level of quality.
- Require the disclosure of prices, measures of quality, financial information and forecasts of future expenditure.
- Take enforcement action when regulated businesses breach the price-quality regulation or information disclosure requirements.

What we want to achieve

We want to ensure that consumers have reliable, value-for-money gas networks that meet their demand now and into the future.

How we will measure our performance

11. Gas pipeline services output class measures		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
11.1	Number of determinations (includes determinations, clarifications, reviews, codes and amendments ³¹)	At least 2	2	At least 2
11.2	Percentage of Part 4 of the Commerce Act 1986 determinations completed by statutory deadlines	100%	100%	100%
11.3	Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to: <ul style="list-style-type: none"> • performance summaries for gas distributors • trends in gas pipeline businesses • information disclosure by gas pipeline businesses 	At least 3	3	At least 4
11.4	Quality assurance processes for determinations and code amendments are in place and applied	100%	100%	100%

How much this will cost

We receive funding through the multi-year appropriation *Vote: Business Science and Innovation: Commerce and Consumer Affairs: Regulation of Gas Pipelines Services*.

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
Operating revenue			
Revenue – Crown	3,638	3,261	3,617
Other revenue	60	67	61
Total operating revenue	3,698	3,328	3,678
Total operating expense	3,698	3,328	3,678
Surplus/(deficit)	-	-	-

³¹ A determination is formal and binding decision under the legislation we administer.

Uiuinga wāhanga | Part 4 inquiries

This output class is intended to achieve better long-term outcomes for consumers by completing economic regulation inquiries (if required) under Part 4 of the Commerce Act 1986 in markets where there is little or no competition and little or no likelihood of a substantial increase in competition.

Why this is important

New Zealanders want to receive value for money when they buy goods and services that are essential to everyday life and the economy. In most industries, competition between businesses generally ensures that people can get a good deal, that excessive profits are limited in the long term and that businesses have incentives to innovate, invest and act efficiently.

Part 4 of the Commerce Act 1986 gives us the power to monitor and investigate markets that have limited competition and assess whether regulation of goods and services may be needed.

What we do

We can launch a Part 4 inquiry at our own initiative or at the direction of the Minister of Commerce and Consumer Affairs. When deciding whether to hold an inquiry, we assess the following:

- Level of competition in a market – both current and future.
- Scope for suppliers to exercise market power.
- Effectiveness of any existing regulation of that market.

We only proceed to a Part 4 inquiry where we consider it sufficiently likely that the inquiry would result in us recommending regulation.

If we do decide to hold an inquiry, we will assess competition and power in that market and whether the benefits of regulation under Part 4 would be greater than the costs. After we have completed our inquiry, we must make a recommendation to the Minister. The Minister will then decide whether to regulate and, if so, which type of regulation should be imposed.

What we want to achieve

We want to achieve better long-term outcomes for consumers by providing recommendations to the Minister and the public about whether the regulation of goods and services under Part 4 of the Commerce Act 1986 may be needed in other markets where there is little or no competition.

How we will measure our performance

12. Part 4 output class measure		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
12.1	Part 4 inquiries will be completed as required ³²	Achieved	N/A ³³	Achieved

How much this will cost

We have not budgeted for Part 4 inquiries for the 2024/25 financial year as no inquiries have been approved for consideration.

³² We have not completed a Part 4 inquiry since the function was introduced in 2008 (when Part 4 was introduced to the Commerce Act 1986). While we have undertaken several preliminary assessments (involving domestic milk markets, Eastland Port and gas metering services), these did not lead to a formal inquiry.

³³ There were no Part 4 inquiries in 2023/24.

Mahi miraka kau | Dairy

This output class is intended to motivate Fonterra to operate efficiently and to ensure contestability in the market for the purchase of milk from farmers.

Why this is important

Fonterra has a large share of the market for milk supplied by New Zealand's farmers. The price Fonterra pays farmers for milk determines the minimum price that other dairy processors pay to farmers and sets the price Fonterra charges for milk in the secondary milk market.

What we do

Under the Dairy Industry Restructuring Act 2001, we do the following:

- Review Fonterra's milk price manual and calculation.
- Give directions on components of the base milk price where appropriate.
- Monitor Fonterra's compliance with requirements under the Act, including by analysing information, complaints, statements or reports supplied to us.
- Ensure Fonterra discloses non-sensitive information as required by the Act, including making directions for disclosures where appropriate.
- Take enforcement action where necessary.
- Determine disputes.

At the start of each season, we review Fonterra's methodology for calculating this price as set out in its milk price manual, and at the end of each season we review its base milk price calculation. We publish reports following these reviews.

What we want to achieve

We want to ensure that Fonterra sets a base milk price that allows efficient processors to compete in the market for milk from farmers and creates incentives for Fonterra to operate efficiently.

When we do this, we give stakeholders, such as farmers and independent processors confidence in the process of setting the milk price.

How we will measure our performance

		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
13. Dairy output class measures				
13.1	Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to: <ul style="list-style-type: none"> Annual review of Fonterra's milk price manual Annual review of Fonterra's base milk price calculation 	At least 2	At least 2	At least 2

How much this will cost

We receive funding through *Vote Business Science and Innovation: Commerce and Consumer Affairs: Enforcement of Dairy Sector Regulation and Monitoring of Milk Price Setting*.

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
Operating revenue			
Revenue – Crown	1,690	1,673	1,360
Other revenue	32	36	22
Total operating revenue	1,722	1,709	1,382
Total operating expense	1,722	1,709	1,382
Surplus/(deficit)	-	-	-

Ngā take ture | Major litigation

This output is intended to achieve the best possible outcomes for New Zealanders in competitive and regulated markets by enabling the Commerce Commission to take on major or complex litigation.

Why this is important

Litigation is our most powerful constraint on commercial conduct that breaches the laws we administer. We want our litigation stance to deter firms from acting illegally.

What we do

We will use our major litigation budget to ensure the best possible outcomes for New Zealanders in the competitive and regulated markets where we have responsibilities. This includes:

- bringing court proceedings against individual traders and groups of traders, seeking the imposition of fines or civil penalties or other orders, and the evolution or clarification of the law
- responding to challenges, through appeal or judicial review, of regulatory decisions and secondary legislation that we make.

Our litigation activities are driven by our enforcement priorities and arise from our regulatory and oversight functions. We have a strong track record against major corporates, and we are not afraid of losing cases because we are testing the boundaries of the law.

What we want to achieve

We want to fully utilise our major litigation budget to address the harm caused by, and to deter, anti-competitive conduct or other unfair trading practices and to enforce or defend the rules that we set for regulated entities so that consumers' interests are protected and to remedy harm to affected parties. To be a responsive regulator, we need to take on major legal action when required to set legal precedents for the future.

How we will measure our performance

		2023/24 Target	2023/24 Estimated Actual	2024/25 Target
14. Major litigation output class measure				
14.1	Litigation funds are used in accordance with the Litigation Fund criteria ³⁴	Achieved	Achieved	Achieved

How much this will cost

We receive funding through the multi-category appropriation *Vote Business, Science and Innovation: Commerce Commission Litigation Funds*

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
<i>Internally-Sourced Litigation</i>			
Operating revenue			
Revenue – Crown	6,087	6,099	6,105
Other revenue	138	168	104
Total operating revenue	6,225	6,267	6,209
Total operating expense	6,225	6,267	6,209
Surplus/(deficit)	-	-	-
<i>Externally-Sourced Litigation</i>			
Operating revenue			
Revenue – Crown	6,500	6,450	6,500
Other revenue	-	-	-
Total operating revenue	6,500	6,450	6,500
Total operating expense	6,500	6,450	6,500
Surplus/(deficit)	-	-	-

³⁴ The specific criteria used to access funding for major or complex litigation remains unchanged and are determined by MBIE.

Ngā wāhanga hua kua keremutua | Discontinued output classes

Huarahi kōkūhanga | Input methodologies

We received time limited funding to review input methodologies for economic regulation under Part 4 of the Commerce Act 1986. This funding finished in the 2023/24 financial year.

How much this cost

We received funding through the multi-year appropriation *Vote Business, Science and Innovation: Commerce and Consumer Affairs: Review of Commerce Act Input Methodologies for Economic Regulation for the Period 2021-2024*.

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
Operating revenue			
Revenue – Crown	1,911	2,528	-
Other revenue	31	53	-
Total operating revenue	1,942	2,581	-
Total operating expense	1,942	2,581	-
Surplus/(deficit)	-	-	-

Nga wai | Water services

We received time limited funding to implement the Three Waters economic and consumer protection regulation regime under the now repealed Water Services Entities Act 2022. This funding finished in the 2023/24 financial year.

How much this cost

We received funding through the multi-category appropriation *Vote Business, Science and Innovation: Commerce and Consumer Affairs: Enforcement of General Market Regulation — Transition and Implementation of Economic Regulation and Consumer Protection Regime of Three Waters*.

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
Expected revenue and expenditure	\$000	\$000	\$000
Operating revenue			
Revenue – Crown	2,687	2,687	-
Other revenue	76	84	-
Total operating revenue	2,763	2,771	-
Total operating expense	4,542	3,439	-
Surplus/(deficit)	(1,779)	(668)	-

03

Tauākī pūtea

Financial statements

Ā mātou pūtea āmua | Our prospective finances

Tauāki whakapae matua | Statement of significant underlying financial assumptions

The prospective financial statements are presented on pages 52–57 based on government priorities and in consultation with our monitoring agency, the Ministry of Business, Innovation and Employment. There are several assumptions used in preparing the prospective financial statements. The prospective financial statements should be read with these assumptions in mind.

We have made the following significant underlying assumptions in preparing the prospective financial statements:

- Our functions will remain broadly the same as the 2023/24 year.
- Application fee revenue for the fit and proper person certification regime is broadly consistent with the forecast developed at the start of the five-year cycle. Surpluses and deficits for this function are held in a separate reserve.
- Revenue from the Crown received by the Commission is similar to the 2024/25 Estimates of Appropriations and the anticipated Supplementary Estimates of Appropriations.
- 2023/24 Estimated Actual is based on a financial forecast completed in November 2023.
- We have based our expected expenditure on major litigation activities on our estimate of the timing and extent of court hearings for existing and expected litigation cases. If delays, settlements, or significant other litigation matters arise from Commission cases, expenditure on major litigation will change, favourably or unfavourably, for the year.
- A significant portion of our work is reactive based on investigations or regulatory enforcement and on complaints we receive. In preparing the prospective financial statements, we have assumed that some activity (particularly in our competition and consumer work) will occur at a level in line with historical activity.

The Commission has adopted these assumptions as at 26 June 2024.

Tauākī moni puta, utu āmua hoki | Statement of prospective comprehensive revenue and expense

for the year ending 30 June 2025

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
	\$000	\$000	\$000
Operating revenue			
<i>Revenue from non-exchange transactions</i>			
Revenue – Crown	105,774	109,196	95,634
Court cost awards	50	50	-
Total revenue from non-exchange transactions	105,824	109,246	95,634
<i>Revenue from exchange transactions</i>			
Fees and recoveries	413	413	711
Interest	1,965	2,218	1,426
Other revenue	-	189	-
Total revenue from exchange transactions	2,378	2,820	2,137
Total operating revenue	108,202	112,066	97,771
Operating expenses			
Members and personnel	76,444	78,497	70,611
Legal and other professional fees	22,533	23,047	15,809
Computer information and information technology	3,711	3,917	4,238
Occupancy	2,852	2,939	3,106
Depreciation and amortisation	1,817	1,264	1,714
Other expenditure	2,561	3,124	2,361
Total operating expenses	109,918	112,788	97,839
Deficit	(1,716)	(722)	(68)
Total comprehensive revenue and expense for the year	(1,716)	(722)	(68)

Tauākī panoni ōritetanga āmua | Statement of prospective changes in equity

for the year ending 30 June 2025

	2023/24 Budget	2023/24 Estimated Actual	2024/25 Budget
	\$000	\$000	\$000
Balance at 1 July	18,232	18,885	15,163
Comprehensive revenue and expense			
Deficit	(1,716)	(722)	(68)
Total comprehensive revenue and expense	(1,716)	(722)	(68)
Less repayment of reserves	-	(3,000)	-
Balance at 30 June	16,516	15,163	15,095

Tauākī tūranga ā-pūtea āmua | Statement of prospective financial position

for the year ending 30 June 2025

	2023/24 Budget \$000	2023/24 Estimated Actual \$000	2024/25 Budget \$000
Equity			
General funds*	13,578	12,552	12,552
Registry function reserve	(62)	(389)	(457)
Litigation costs reserve	3,000	3,000	3,000
Total equity	16,516	15,163	15,095
Current assets			
Cash and cash equivalents	5,504	10,894	8,653
Fees and recoveries receivable	198	313	218
Short-term investments	14,000	16,000	12,000
Prepayments	1,579	1,673	1,757
Total current assets	21,281	28,880	22,628
Non-current assets			
Property plant and equipment	4,431	2,435	3,080
Intangibles	24	24	-
Total non-current assets	4,455	2,459	3,080
Total assets	25,736	31,339	25,708
Current liabilities			
Creditors and other payables	2,353	2,335	2,244
Accrued expenses	1,011	1,011	1,062
Lease incentive	229	229	180
Penalties and cost awards held in trust	50	-	-
Provisions	-	1,215	-
Crown funding repayable**	29	5,398	1,144
Employee entitlements	5,198	5,638	5,813
Total current liabilities	8,870	15,826	10,443
Non-current liabilities			
Lease incentives	350	350	170
Total non-current liabilities	350	350	170
Total liabilities	9,220	16,176	10,613
Net assets	16,516	15,163	15,095

*General funds are held in both cash and non-cash forms. The projected balance (\$12.552 million) at 30 June 2025 includes \$3.080 million of fixed assets (which includes costs associated with a very moderate upgrade of our meeting rooms in order to reduce travel costs and ensure appropriate sound proofing for enforcement interviews). The remaining balance is cash (\$9.472 million). This figure will also reduce in 2024/25 as we call on cash reserves in order to meet the following items:

- Litigation costs that might exceed our litigation funding.
- Transition costs for transferring the Credit function.

The above items are not included in the 2024/25 budget due to uncertainties and will result in a call on cash reserves in 2024/25. These items are likely to significantly reduce the Commission's cash reserves balance.

**Crown funding repayable includes a one off return of \$3.0 million of reserves repayable to the Crown, as part of the Government's Budget 2024 baseline savings initiative.

Tauākī kapewhiti āmua | Statement of prospective cash flows

for the year ending 30 June 2025

	2023/24 Budget \$000	2023/24 Estimated Actual \$000	2024/25 Budget \$000
Cash flow from operating activities			
Crown funding received	105,803	111,594	96,778
Fees and recoveries received	463	651	672
Receipt of payment of penalties (net)	-	-	-
Interest received	1,970	2,257	1,566
Member and employee payments	(75,320)	(76,607)	(71,709)
Supplier payments	(31,790)	(33,204)	(25,776)
Repayment of Crown funding	(10,859)	(13,651)	(2,398)
Goods and services tax (net)	146	268	(39)
Net cash (outflow)/inflow from operating activities	(9,587)	(8,692)	(906)
Cash flow from investing activities			
Interest receipts/(deposits)	9,949	18,000	4,000
Property, plant and equipment purchases	(3,833)	(707)	(2,336)
Receipts from sale of property, plant and equipment	-	-	1
Net cash inflow from investing activities	6,116	17,293	1,665
Cash flow from financing activities			
Repayment of reserves	-	-	(3,000)
Net cash outflow from financing activities	-	-	(3,000)
Net (decrease)/increase in cash and cash equivalents	(3,471)	8,601	(2,241)
Opening cash and cash equivalents	8,975	2,293	10,894
Closing cash and cash equivalents	5,504	10,894	8,653

The goods and services tax (net) component of operating activities reflects the net GST paid and received from the Inland Revenue Department. We have presented the GST (net) component on a net basis as the gross amounts do not provide meaningful information for financial statement purposes.

Penalty receipts and payment and cost awards are shown net because we hold these funds in trust in accordance with agreements.

Reporting entity

The Commerce Commission is an independent Crown entity (defined by the Crown Entities Act 2004) established under the Commerce Act 1986 and operating solely within New Zealand. The ultimate parent of the Commission is the New Zealand Crown.

Our main objective is to provide services to the New Zealand public instead of making a financial return. We provide public services to meet our responsibilities under the Commerce Act 1986, the Fair Trading Act 1986, the Dairy Industry Restructuring Act 2001, the Telecommunications Act 2001, the Credit Contracts and Consumer Finance Act 2003, the Fuel Industry Act 2020, the Retail Payment System Act 2022 and the Grocery Industry Competition Act 2023.

We are a public sector public benefit entity (PBE) for the Accounting Standards Framework issued by the New Zealand External Reporting Board because we are a public entity defined in the Public Audit Act 2001.

Measurement base and statement of compliance

We have prepared these prospective financial statements to comply with the requirements of the Crown Entities Act 2004. We prepared these financial statements on a historical cost basis for a going concern to comply with New Zealand generally accepted accounting practice (GAAP), which includes the PBE accounting standards that apply to a public sector PBE. We authorised the financial statements for issue on 26 June 2024.

The prospective financial statements comply with PBE FRS 42 – *Prospective Financial Statements*. We are required to prepare a Statement of Performance Expectations, including prospective financial statements, at or before the start of each financial year to promote public accountability. The prospective financial statements may not be appropriate for any other purposes.

We have prepared the prospective financial statements based on the best estimates and assumptions about future events that we expect to occur. As the financial statements are prospective, actual results will vary from the information presented. We will disclose and explain all material variations in the subsequent Annual Report.

Functional and presentation currency

Our functional currency is the New Zealand dollar, so we have presented these financial statements in New Zealand dollars (rounded to the nearest thousand).

Significant accounting policies

We have applied the significant accounting policies that significantly affect the measurement of comprehensive revenue and expenditure, financial position and cash flows consistently for all reporting periods covered by these financial statements, including the comparative (prior-year budget and estimated actual) information. The following are the significant accounting policies.

Revenue – Revenue is measured at the fair value of the consideration (for example, money) received or receivable. We earn revenue from providing specific services (known as outputs) for the Crown, services to other third parties, court cost award recoveries and interest income.

Revenue – Crown – We receive funding via appropriations from the Crown. Revenue from the Crown is a form of non-exchange transaction because there is no direct relationship between the services we provide (funded through taxation and levies) and the general public we ultimately provide the services to. Our appropriations are restricted in their use to meet our objectives and the scope of the relevant appropriations. Revenue from the Crown we receive but do not spend is refunded to the Crown after year end for all output classes except those funded by *Vote Business, Science and Innovation: Commerce and Consumer Affairs: Enforcement of General Market Regulation*, which we are allowed to retain as reserves. Also, we may retain specific ring-fenced revenue provided to build up our ability to meet the cost of adverse cost awards.

Revenue from the Crown is initially recognised as a liability when received and then as revenue when we have provided services that entitle us to the funding.

Expenditure – All expenditure we incur in providing services for the Crown or to other third parties is recognised in the statement of comprehensive revenue and expense when an obligation to pay arises on an accruals basis.

Foreign currency transactions – Transactions in foreign currencies are converted into our functional currency (New Zealand dollars) at exchange rates on the transaction date. Monetary liabilities in foreign currencies at the reporting date are converted to New Zealand dollars at the exchange rate on that date.

Leases – We are a party to various operating leases as a lessee. As the lessors retain all of the risk and rewards of ownership of the leased property, plant and equipment substantially, the operating lease payments are recognised as expenses only in the period in which they arise. Any lease incentives received or obligations to reinstate the condition of leased premises are recognised in the statement of comprehensive revenue and expense over the term of the lease. Any unamortised lease incentive and outstanding obligation for reinstatement are recognised as a liability at the balance date.

Depreciation and impairment – Depreciation and amortisation for intangible assets are provided on a straight-line basis on all assets to allocate the asset's cost (less any estimated residual value) over its useful life. The residual values and remaining useful lives of property, plant and equipment components are reviewed at least annually. All items of property, plant and equipment are subject to an annual test of impairment to test the recoverable amount. Any impairment losses are recorded as an expense in the statement of comprehensive revenue and expense in the period in which they are first identified.

Estimated useful lives of the major asset classes

Computer and office equipment	Up to 5 years
Furniture and fittings	Up to 5 years
Leasehold improvements	For the period of the lease
Motor vehicles	Up to 5 years
Software and other intangible assets	Up to 5 years

Taxation – We are exempt from income tax under section CW 38 of the Income Tax Act 2007.

Cost allocation – Direct costs are charged directly to outputs. Personnel costs are allocated to outputs based on time records. The indirect costs of support groups and corporate overhead costs are charged to outputs based on each output's budgeted relative time records.

Goods and services tax – All items in the financial statements are presented exclusive of GST, except for receivables and payables and unearned revenue – Crown received in advance, which are presented on a GST-inclusive basis. Where we cannot claim a portion of GST, we recognise the GST portion as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or creditors in the statement of financial position and classified as an operating cash flow in the statement of cash flows.

Equity – Equity is the Crown’s ownership interest in the Commission and is measured as the difference between total assets and total liabilities. We have classified equity into components and disclosed these separately to allow clearer recognition of the specified uses that we have for our equity.

Cash and cash equivalents – Cash and cash equivalents are our cash on hand, transactional cash balances in bank accounts and some term deposits with maturities of less than 90 days held with New Zealand registered banks.

Investments – Investments are term deposits issued by New Zealand registered banks with maturities of more than 90 days. Term deposits are initially measured at fair value plus any transaction costs. After initial recognition, investments are remeasured at amortised cost using the effective interest rate method.

Property, plant and equipment – All items of property, plant and equipment owned are recorded at historical cost of purchase, less accumulated depreciation and any impairment losses. An item of property, plant and equipment acquired in stages is not depreciated until the item of property, plant and equipment is in its final state and ready for its intended use. Any later expenditure that extends the useful life or enhances the service potential of an existing item of property, plant and equipment is also capitalised and depreciated.

All other costs we incur in maintaining the useful life or service potential of an existing item of property, plant and equipment are recognised as expenditure when incurred. Any gain or loss arising from the sale or disposal of an item of property, plant and equipment is recognised in the period in which the item is sold or disposed of.

Intangible assets – Computer software that is not integral to the operation of the hardware is recorded as an intangible asset, less accumulated amortisation. Configuration and customisation costs incurred in implementing software-as-a-service (SaaS) arrangements are generally expensed unless the criteria for recognising a separate asset are met. This is because, in most cases, it is the SaaS provider who controls the software being configured and/or customised rather than us (due to the software being run on the SaaS provider’s cloud infrastructure) and therefore not meeting the criteria for control in order to capitalise these costs.

Employee entitlements – Employee entitlements are unpaid salaries, bonuses and annual leave that we owe to our personnel. At balance date, we recognise any unpaid employee entitlements as a liability and charged as an expense. Entitlements are calculated on an actual entitlement basis using current salary rates.

Contingencies – As we are a quasi-judicial body, we are engaged in litigation activity, resulting in costs being ordered against or in favour of the Commission. The outcome of an order for costs may not be certain until all appeal processes are completed. Therefore, the possibility of a costs award being incurred or received is first disclosed as either a contingent liability or a contingent asset. An award for costs, whether for or against us, is only recognised in the statement of comprehensive revenue and expense when it is probable that there will be a payment or receipt of resources (for example, cash) and we can measure the amount reliably.

Comparatives – To ensure consistency with the current year, all comparative information including the prior-year budget has been restated or reclassified where appropriate. The budget comparatives are those approved by the Commission at the beginning of the prior year for inclusion as prospective financial statements in our last Statement of Performance Expectations. The estimated actual is our current expectation of the financial year’s outcome prior to the budget presented in this Statement of Performance Expectations. We prepared the budget to comply with GAAP and used accounting policies consistent with what we have used to prepare these financial statements.

Changes in accounting policies

The accounting policies adopted are consistent with the previous year.

Kuputaka mō ngā tauākī pūtea | Financial statements glossary

The following table provides definitions of some terms used in our financial statements. Please note that these definitions are only provided as an aid to readers and are not part of the financial statements or necessarily reflect the way that we interpret and apply accounting standards.

Accounts payable	Debts owed to somebody (for example, a company) for goods or services provided to us that we have not yet paid at balance date.
Accounts receivable	Debts owed to us by somebody (for example, a company) for a service we have provided where we have not been paid at balance date.
Amortisation	Amortisation is basically the same as depreciation (see below) except that it is applied to intangible assets (for example, software).
Asset	An asset is something we own, expect to receive in the future or control.
Balance date	The date at which a set of accounts is prepared. For the Commission, that date is 30 June of each year.
Cash equivalents	Cash equivalents are assets like term deposits that share most of the characteristics of cash. They are cash equivalent because we can quickly turn them into cash, but they are technically not cash in a bank account or in the hand.
Comprehensive revenue and expense	Comprehensive revenue and expense is a broader concept of revenue that includes a surplus (or loss) from an entity's operations and movements in parts of equity that aren't the result of surpluses or owner transactions. An example is a revaluation gain on the value of assets, which increases equity by increasing the value of an asset revaluation reserve.
Current asset (or liability)	A current asset is an asset that can be converted into cash or used to pay a liability within 12 months. A current liability is a liability that we expect to repay within 12 months.
Depreciation	Depreciation is the charge of an asset's cost over a certain time period. Depreciation recognises that assets decline in their value and usefulness over time.
Equity	Equity represents the value of an entity to its owners and is the amount left over after deducting all liabilities from all assets. It is also known as net assets.
Exchange transactions	Exchange transactions are transactions where goods or services are received in exchange for payment of approximately equal value. The vast majority of transactions in everyday life are exchange transactions.
Financial instruments	Financial instruments are assets or liabilities that are tradable in some way such as cash, shares or loans. Other financial instruments include derivatives, which are traded securities that get their value from an underlying asset (for example, a future oil shipment or a future foreign currency purchase).
Generally accepted accounting practice (GAAP)	GAAP is the series of standards, interpretations and concepts that are followed by accountants. NZ GAAP is defined by law to include standards issued by the External Reporting Board and, where that (or a specific law) does not cover a matter, accounting policies considered authoritative by the accounting profession in New Zealand.

Going concern	An assumption made by an entity that it will continue to operate into the foreseeable future. If this is incorrect, the entity has to prepare its accounts as if it is being wound up.
Intangible assets	Intangible assets are assets that do not have a physical substance and are not cash.
Liability	A liability is something we owe, expect to pay in the future or may have to pay in the future.
Monetary assets	Monetary assets are assets that are cash or will become cash in a short timeframe (for example, bank account balances, term deposits and accounts receivable).
Monetary liabilities	Monetary liabilities are debts owed to another party such as accounts payable, loans or unpaid salaries.
Non-current asset (or liability)	A non-current asset is an asset we cannot ordinarily turn into cash within 12 months. A non-current liability is a liability we would not ordinarily have to repay within 12 months.
Output class	An output class is a grouping of similar outputs or activities with similar objectives. The Commission's output classes are primarily funded by appropriations from the Crown via the Ministry of Business, Innovation and Employment.
Provision	An estimate of an amount that an entity may (or will) have to pay as a result of an obligation the entity has to another party.
Public benefit entity (PBE)	An entity that aims to provide goods or services to the general public to meet a specific need rather than to make a profit for its owners.
Related party	Another person or entity that is related to us because of, for example, a common owner or person in a position of authority (for example, a director or senior management).
Statement of cash flows	A statement that shows how much cash we have received from various sources (for example, investments, operating activities and cash injections received from the Crown) and cash payments we have made (for example, expenses, salaries and repayment of money to the Crown).
Statement of comprehensive revenue and expense	A statement that shows our surplus or deficit from our operating activities plus or less any movements in non-owner equity items. This is the public sector equivalent of a statement of comprehensive income, which we used to prepare.
Statement of financial position	A statement that shows what assets we own or control, what liabilities we have and the remainder (equity) at the balance date.

Ngā kupu waiwai | Commonly used terms

Appropriation	A parliamentary authorisation for Ministers of the Crown or an Office of Parliament to incur expenses or capital expenditure.
Authorisation	Under the Commerce Act 1986, certain agreements and mergers are prohibited as they can lead to anti-competitive outcomes such as increased prices or lower-quality goods or services. However, the Commerce Act recognises that, in some circumstances, an anti-competitive transaction may lead to sufficient public benefits that would outweigh the competitive harm. In this case, the Commission can grant an authorisation for the agreement or merger to proceed.
Clearance	Under the Commerce Act 1986, the Commission can grant a clearance for a proposed merger if we are satisfied that it is not likely to substantially lessen competition in a market. We compare the likely state of competition if the merger proceeds with the likely state of competition if the merger does not proceed.
Determination	A formal and binding decision made by the Commission under the legislation it administers.
Information disclosure	Under Part 4 of the Commerce Act 1986 (subpart 4), sufficient information is to be readily available to interested persons so that they can assess whether the purpose of Part 4 is being met. Under the Telecommunications Act 2001, regulated telecommunication services are required to make reliable and timely information prescribed by the Commission publicly available so that a wide range of people are informed about their operation and behaviour.
Merger	An amalgamation of two or more business enterprises into a single enterprise. Colloquially, mergers also include business acquisitions that involve the acquisition of assets or shares of a business.
Output class	A grouping of outputs or activities with similar objectives. A reportable class of outputs is a class of outputs the Crown entity proposes to supply in the financial year that is directly funded (in whole or in part) by the Crown. The Commission's output classes are primarily funded by appropriations from the Crown via the Ministry of Business, Innovation and Employment.
Outputs	Goods or services provided by the Commission.
Part 4	Part 4 of the Commerce Act 1986. Under Part 4 of the Act, the Commission has a role regulating the price and quality of goods or services in markets where there is little or no competition and little prospect of future competition. This includes electricity, gas and airport sectors.
Product safety and consumer information standards cases	Product safety and consumer information standards cases include investigations of products such as bikes, cots, cigarette lighters, baby walkers, children's sleepwear and children's toys to which certain safety standards apply, as well as the incorrect labelling of footwear and clothing and failure to display required information on motor vehicles offered for sale.
Substantially lessen competition	A reduction in competition that is real or of substance, which will be reflected in higher prices or lower-quality goods or services.
Vote	A grouping of one or more appropriations that are the responsibility of one or more Ministers of the Crown and are administered by one department.

04

Ngā tāpiritanga
Appendices

Appendix 1: Disclosure of judgement regarding changes to output class performance measures

This table lists the changes to output performance measures since last year’s Statement of Performance Expectations, and the reasons for those changes.

Output class	SPE 2023/24 measure	SPE 2024/25 measure	Comment
Grocery Sector Regulation	<p>Output</p> <p>Number of determinations (includes determinations, clarifications, reviews, codes and amendments)</p> <ul style="list-style-type: none"> • Percentage of grocery determinations completed by statutory deadlines • Quality assurance processes for determinations and code amendments are in place and applied • Number of reports completed • Percentage of grocery reports completed by statutory deadlines • Number of Compliance Assessments completed 	<p>Output</p> <ul style="list-style-type: none"> • Number of assessments completed as part of the Commission’s obligations under Section 65 of the Grocery Industry Competition Act 2023 • Number of reports completed as a part of the Commission’s obligations under the Grocery Industry Competition Act 2023 including but not limited to: <ul style="list-style-type: none"> – Annual report on the state of competition in the grocery industry (section 175) 	New measures demonstrate clarity of Commission role and intent under Act
	<p>Impact</p> <p>N/A</p>	<p>Impact</p> <p>The national retail grocery market share concentration of regulated grocery retailers reduces over time when measured against the 2023/24 Annual Competition Review baseline.</p>	New impact indicator introduced to demonstrate relationship to outcomes stated in 2023-27 Statement of Intent.

Output class	SPE 2023/24 measure	SPE 2024/25 measure	Comment
Telecommunications (incl Fibre)	<p>Output</p> <ul style="list-style-type: none"> Number of determinations (includes determinations, clarifications, reviews, codes and amendments) Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) 	<p>Output</p> <p>Number of determinations (includes determinations, clarifications, reviews, codes and amendments) including:</p> <ul style="list-style-type: none"> Seven fibre determinations At least four telecommunications determinations including but not limited to: <ul style="list-style-type: none"> Specified Fibre Area (SFA) assessment Telecommunications Development Levy (TDL) determination Telecommunications Dispute Resolution scheme review (at least once every three years) Mobile Termination Access Services Review (MTAS) <p>Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to:</p> <ul style="list-style-type: none"> Fibre report At least seven telecommunications reports including but not limited to: <ul style="list-style-type: none"> Annual Monitoring Report (AMR) Measuring Broadband NZ (MBNZ) reports Two Retail Service Quality (RSQ) reports. 	<p>Change:</p> <p>No change to measure intent. Highlight denotes additional context.</p>
	<p>Impact</p> <p>N/A</p>	<p>Impact</p> <p>Herfindahl-Hirschman Index (for broadband and mobile sectors of the telecommunications market) reduces over time.</p>	<p>New impact indicator introduced to demonstrate relationship to outcomes stated in 2023-27 Statement of Intent.</p>
Fuel	<p>Output: No change</p> <p>Impact</p> <p>N/A</p>	<p>Impact</p> <p>The percentage of wholesale volume that is multi-sourced.</p>	<p>New impact indicator introduced to demonstrate relationship to outcomes stated in 2023-27 Statement of Intent.</p>

Output class	SPE 2023/24 measure	SPE 2024/25 measure	Comment
Retail payment system	Output Number of Retail Payment System Act 2022 reports completed	Output Number of reports completed as part of the Commission’s obligations under the Retail Payment System Act 2022 including but not limited to: <ul style="list-style-type: none"> • report on competition and efficiency issues in the retail payment system • analysis report on the performance of designated networks / networks of interest 	Change: No change to measure intent. Highlight denotes additional context.
	Impact N/A	Impact Transparency, comparability, and competitiveness of merchant fees improves over time for businesses.	New impact indicator introduced to demonstrate relationship to outcomes stated in 2023-27 Statement of Intent.
Specified airport services	Output Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports)	Output Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to: <ul style="list-style-type: none"> • Summary and analysis reports for Auckland International Airport’s Fourth Price Setting Event • Wellington International Airport’s Fifth Price Setting Event 	Change: No change to measure intent. Highlight denotes additional context.

Output class	SPE 2023/24 measure	SPE 2024/25 measure	Comment
Electricity lines services	Output <ul style="list-style-type: none"> Number of determinations (includes determinations, clarifications, reviews, codes and amendments) Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) 	Output <p>Number of determinations (includes determinations, clarifications, reviews, codes and amendments) (see Note 1 & 2) including but not limited to:</p> <ul style="list-style-type: none"> Electricity Distribution Businesses default price-quality path from 1/04/2025 Transpower individual price quality-path for 2025-2030 Information Disclosure amendment for Electricity Distribution Businesses Electricity Distribution Businesses price-quality path reopener. <p>Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) (see note 2) including but not limited to:</p> <ul style="list-style-type: none"> Performance summaries for Electricity Distribution Businesses Transpower database update Aurora Energy Factsheet for year 3 	Change: <p>No change to measure intent. Highlight denotes additional context.</p>
	Impact N/A	Reliability Measures: <ul style="list-style-type: none"> Electricity distribution unplanned SAIDI (System Average Interruption Duration Index (minutes)) Electricity distribution unplanned SAIFI (System Average Interruption Frequency Index) (number of outages) Electricity transmission (Transpower) – unplanned HVAC (High-Voltage Alternating Current) circuit unavailability (%) Electricity transmission (Transpower) – unplanned HVDC, High-Voltage Direct Current) bi-pole unavailability (%). 	New impact indicator <p>introduced to demonstrate relationship to outcomes stated in 2023-27 Statement of Intent.</p>
Gas pipeline services	Output <p>Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports)</p>	Output <p>Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to:</p> <ul style="list-style-type: none"> performance summaries for gas distributors trends in gas pipeline businesses information disclosure by gas pipeline businesses 	Change: <p>No change to measure intent. Highlight denotes additional context.</p>
Dairy	Output <p>Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports)</p>	Output <p>Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to:</p> <ul style="list-style-type: none"> Annual review of Fonterra's milk price manual Annual review of Fonterra's base milk price calculation 	Change: <p>No change to measure intent. Highlight denotes additional context.</p>

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