

# Priorities 2021/22

## AT A GLANCE



## Introduction

Our vision is to make New Zealanders better off.

New Zealanders are better off when markets work well and consumers and businesses are confident market participants. Each year we identify a number of priority areas to help focus our activity and resources on the areas where we can add the greatest value.



## Enduring priorities

There are a number of areas the Commission will always prioritise due to their potentially significant impact on consumers, businesses and markets in New Zealand, or because work in these areas is a core part of our statutory role.

These areas include:

- Credit issues
- Product safety and construction cases
- Cartel and anti-competitive conduct
- Mergers (including those that are not notified)
- Market studies.

In addition, we will always prioritise the functions we are required to perform in critical infrastructure industries, such as telecommunications and energy networks.

These functions include:

- Setting maximum revenues, minimum standards and incentives for service quality
- Seeking to better understand markets and key aspects of supplier performance (such as asset management in the electricity distribution sector) and sharing that knowledge with consumers and other industry stakeholders
- Taking enforcement action as required – for example, in response to electricity networks that have failed to comply with the minimum standards for service reliability.

There is more information about our enduring priorities in our Statement of Intent 2020 – 2024.

## Focus areas

Each year we focus our resources on areas within our remit that are important to everyday life and the economy.

For 2021/22 we have identified the following priority focus areas:



- **Completing the market study into the supply and acquisition of retail groceries** including publishing our final report identifying whether competition is working well and if not, what can be done to improve it.
- Completing the implementation of the foundation components of the **fibre networks' regulatory regime**.
- Supporting **responsible lending** by:
  - **certifying the fitness and propriety of directors and senior managers of lenders** who provide consumer credit, and some mobile traders
  - prioritising **education and enforcement of the new consumer credit laws** that set out how lenders must assess suitability and affordability before entering into a loan.
- **Cartels** – by delivering guidance about **changes to the Commerce Act** including changes to the test for misuse of market power and criminalisation of cartel conduct, enforcement and continuing surveillance of anti-competitive conduct.
- Implementing the Fuel Industry Act 2020, including the new February 2022 rules which will **make fuel pricing more transparent for motorists**, and enable us to monitor competition in fuel markets.



- Continuing to **strengthen telecommunications regulation** by improving the quality of retail service to reflect customer demand
- Setting and **reviewing regulatory rules for essential infrastructure services** (under Part 4 of the Commerce Act) by:
  - completing the **periodic reset of the price-quality paths** that set maximum revenues and minimum standards for the quality for gas pipeline businesses
  - starting the **seven-yearly statutory review of the underlying regulatory rules and processes** (called input methodologies, or IMs) for [electricity](#) lines companies, gas pipeline businesses, and the three major international airports. This work will take account of the **impact of the Government's climate change** mitigation commitments, such as Net Zero 2050, where relevant.
- Contributing to **law reform and implementing new legislative responsibilities** such as those relating to Country of Origin labelling for some foods, prohibitions against unconscionable conduct, and unfair terms for business-to-business standard form contracts.



## Growing organisational capability

We will continue our work to grow our organisational capability, in 2021/22 we are focusing on:

- Understanding how to **embrace a te ao Māori perspective** by focusing on our role in relation to Te Tiriti o Waitangi, Māori/Crown relations, and iwi engagement
- Continuing to **build constructive and productive relationships** with key stakeholders in the regulatory systems that we work in
- Continuing to **gain and share knowledge of best practice** (what we have learnt from the impacts of COVID-19) by strengthening our networks and working relationships with our domestic and international counterparts
- **Improving and enhancing our surveillance and intelligence capability, processes and data**, so we can target our efforts to the areas where we can have the greatest impact.

## Supporting economic recovery and growth

All our work supports economic recovery because New Zealanders are better off when markets work well, and consumers and businesses are confident market participants. We recognise that the COVID-19 pandemic continues to provide uncertainty and challenges for businesses and New Zealanders. The Commission continues to do what it can to support businesses and New Zealanders during the pandemic, the rebuild and the longer term economic recovery.



In 2021/22, the Commission will continue to contribute to Aotearoa New Zealand's public sector efforts to address the impacts of COVID-19.

Our work will help ensure **businesses are incentivised to innovate** and **make efficient use of resources**, including those in the energy and telecommunications sectors which are critical to enabling decarbonisation of the economy.

We will:

- provide **expert assistance and practical guidance** about proposed legislative amendments and regulatory changes related to our areas of expertise
- continue to **support businesses to grow and thrive** by:
  - providing guidance so they understand and abide by the laws we enforce
  - supporting them to have a voice in our regulatory decision-making processes
  - enabling them to benefit from our work, in their role as consumers
- continue to identify areas which cause the most harm to New Zealanders, and use our educative, compliance and enforcement functions to prevent and address harm.