

Priorities 2022/23

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.

High inflation, rising interest rates, skill shortages and supply chain challenges are placing significant pressures on consumers and businesses. In addition, climate change and the need to rapidly decarbonise and adapt will be a long-term driver of change that will have significant impacts on New Zealanders' lives.

We have identified several priority areas to help focus our activity and resources on the areas where we can add the greatest value.



Enduring priorities

We will always prioritise areas of significant harm in the work that we do 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 unfair trading cases
- Cartel and anti-competitive conduct
- Mergers (including those that are not notified)
- Market studies.



Additionally, we will always prioritise the functions we are required to perform in critical sectors, such as telecommunications, energy networks, airports, and dairy. Promoting competition in markets that aren't delivering for consumers, such as retail payments systems, fuel and groceries continue to receive our attention.

These functions include:

- Helping ensure consumers have access to the information they need to make informed purchasing decisions
- Taking enforcement action as required – for example, in response to electricity networks that have failed to comply with the minimum standards for service reliability
- 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
- Setting maximum revenues, minimum standards, and incentives for service quality

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 2022/23 we have identified the following priority areas:

- **Completing the market study into residential building supplies** including identifying whether competition is working well and if not, what can be done to improve it
- **Continuing our work in the groceries sector through:**
 - work to consider potential compliance and enforcement action, including in relation to restrictive and exclusive covenants, and pricing and promotional practices
 - preparation work for our role as the groceries sector regulator, including work to support the development of legislation
- **Continuing to strengthen telecommunications regulation** by improving the quality of retail service quality to reflect consumer demand
- **Focusing on responsible lending investigations** including prioritising:
 - examining affordability and suitability assessments by lenders; and
 - ensuring lenders are dealing with borrowers reasonably and ethically when difficulties arise

- Using our **broader regulatory toolkit** to address issues that are causing or have the potential to cause the most harm to consumers and businesses, including **the new laws on unconscionable conduct and unfair business-to-business contract terms** and our continued work around **credence claims and unfair trading conduct**.
- Implementing the **Retail Payment Systems Act 2022**, including consulting on our approach to **monitoring and enforcing compliance** with the initial pricing standard which came into force in November 2022.
- **Progressing 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.
- Providing information to support better outcomes in our areas of responsibility, including publishing:
 - guidance on changes to the **Commerce Act** in relation to taking advantage of market power
 - guidance to **support competition analysis** in decision making by local and central government agencies
 - guidance on the **Consumer Information Standards (Origin of Food) Regulations** for frozen foods
 - a **borrower 'quick guide'** to increase consumers' understanding of their rights under the **Credit Contracts and Consumer Finance Act**
- Providing **expert assistance and practical guidance** about proposed legislative amendments and regulatory changes related to our areas of expertise.



Responding to a changing environment

We will continue to respond to a **fast-changing environment** by:

- Continuing 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. This includes, strengthening our engagement with Māori and bringing Māori perspectives and aspirations to our work
- Enhancing our approach to **better inform consumers and businesses** of the nature and impact of our work
- 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
- Continuing to **build constructive and productive relationships** with key stakeholders in the regulatory systems we work in
- **Strengthening our networks and working relationships** with our domestic and international counterparts for the benefit of New Zealand consumers and businesses
- Ensuring across our **infrastructure regulatory activities** we balance affordability concerns with the need to support investment, including to **meet climate change objectives** (decarbonisation, resilience, and adaptation)