



Statement of Intent

Our Approach for 2020–2024





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Legislation enforced by the Commerce Commission

Commerce Act	Commerce Act 1986
CCCF Act	Credit Contracts and Consumer Finance Act 2003
DIR Act	Dairy Industry Restructuring Act 2001
Fair Trading Act	Fair Trading Act 1986
Telecommunications Act	Telecommunications Act 2001

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Presented to the House of Representatives pursuant to section 150(3) of the Crown Entities Act 2004.

Overview

Introduction

The Commerce Commission is New Zealand’s primary competition, consumer and economic regulatory agency. Our vision is that New Zealanders are better off. New Zealanders are better off when markets work well and consumers and businesses are confident market participants.

We work towards this vision by safeguarding the integrity of competitive markets, as well as preventing and tackling consumer harm resulting from unlawful business practices and irresponsible lending. We also help to ensure consumers are not disadvantaged by a lack of competition in industries that are essential to everyday life and the economy, such as telecommunications, electricity and gas networks, and airports. Continued confidence in government agencies like ours is an important part of the wider democratic system that underpins our system of government.

Purpose of statement of intent

Our statement of intent (SOI) is intended to provide insight into the overall direction of the Commission. It sets out our strategic objectives and details how we intend to contribute to our vision of making New Zealanders better off.

The SOI is complemented by our statement of performance expectations (SPE), which focuses on the current year and sets out our annual performance measures and forecast financial statements.

The SOI is a key product of the Commission’s strategic planning process. The image below shows our accountability documents and the relationship between them.



This SOI has been prepared in accordance with the Crown Entities Act 2004.

Anna Rawlings
Chair

Sue Begg
Deputy Chair

Welcome from the Chair and Chief Executive

Our strategic framework sets a direction for the next four years. It has a continued focus on strengthening markets and on helping to ensure that businesses and consumers confidently participate in them.

At the time of writing this SOI, there is much uncertainty about the full impact that COVID-19 will have on consumers and businesses and on markets across all industry sectors. However, we believe that our vision that all New Zealanders are better off is as important as ever. Our responsibilities as an independent Crown entity and the trust that New Zealanders place in us to promote and protect their interests remain front of mind as we apply our strategies to achieve the objectives that underpin our vision.

In the immediate response to the pandemic we focused our efforts on identifying and addressing issues faced by businesses and consumers that most urgently needed our attention. As we move into the four-year period covered by this SOI, we will focus on how our work can best contribute to New Zealand's ongoing economic recovery.

At the same time, we will work to implement new and recently acquired functions and powers across our competition, consumer credit, and fibre regulation work. We remain committed to a process of continual improvement throughout established work programmes.

In the period leading up to this SOI, our organisation has experienced considerable growth, transition, and change. We have acquired additional responsibilities, we have grown in size, and the ways we work have changed. We expect further change in our organisation and in our operating context during the next four years. As we respond to this changing context we remain committed to ensuring that we are fit for the future as an organisation.

Our work during the next four years remains directed towards delivering on our vision for all New Zealanders.



Anna Rawlings
Chair



Adrienne Meikle
Chief Executive

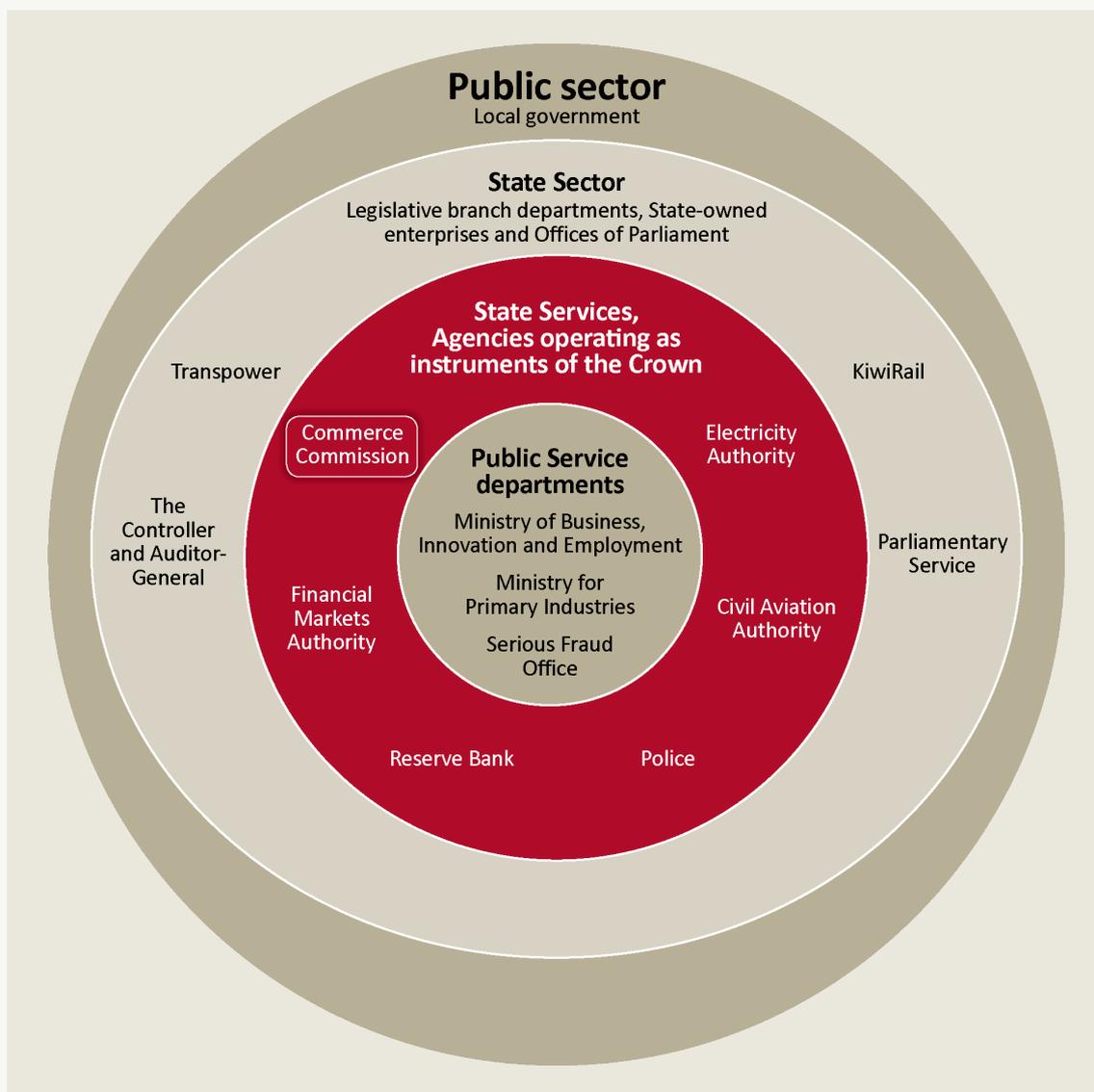


Our operating context

Who we are

Part of the public sector that serves New Zealanders

As an independent Crown entity, the Commission is part of New Zealand's state services which sits within the wider public sector as shown in the diagram below.

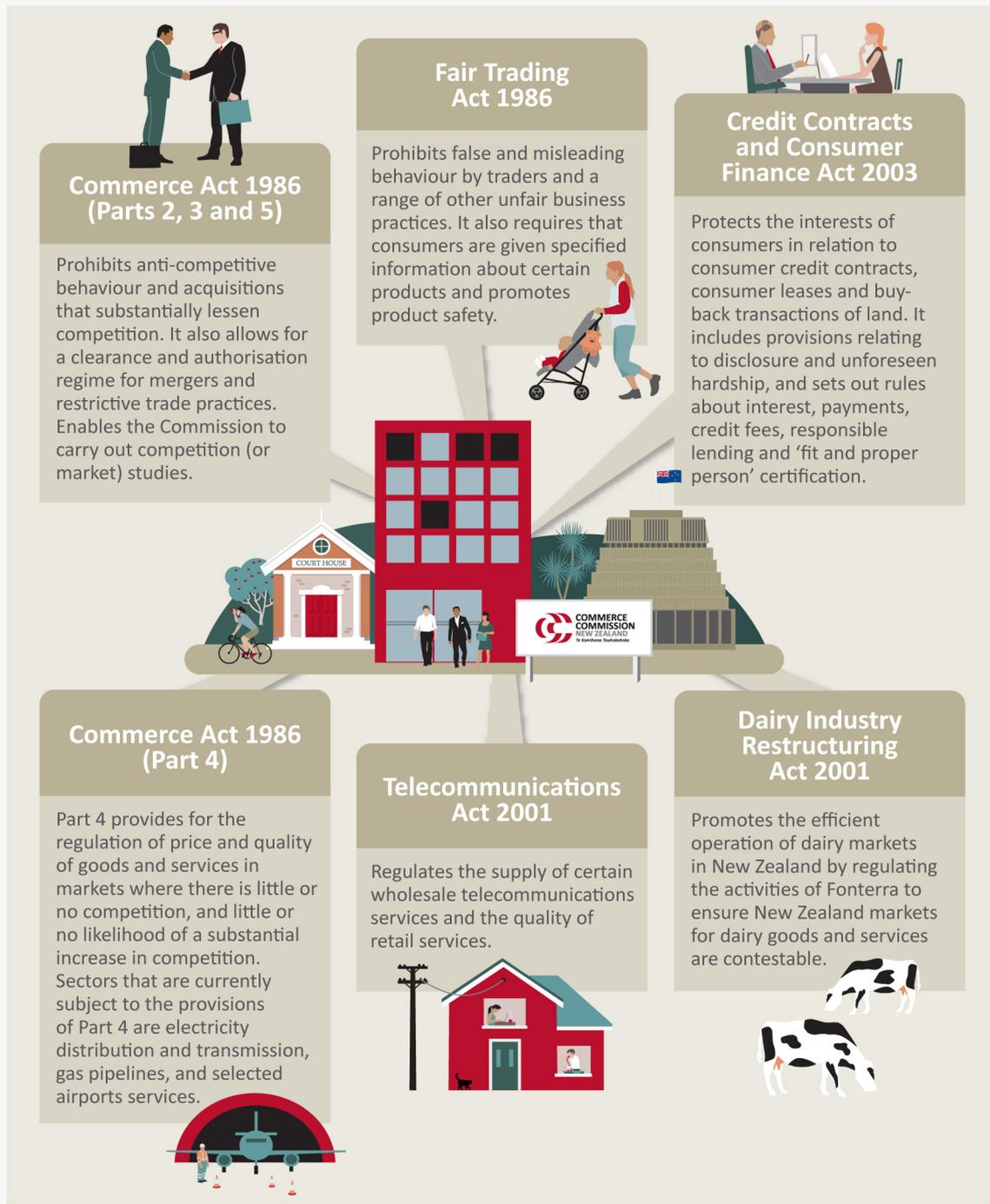


The public sector is made up of many different types of organisations with the power to carry out the work of the Government. Regardless of the type of organisation, members of the public sector are expected to act with a spirit of service to the community and meet high standards of integrity and conduct consistent with the State Service Code of Conduct. Fairness, impartiality, responsibility and trust are all vital aspects of who the Commission is and the work that it undertakes on behalf of all New Zealanders.

While the Commission is part of the wider public sector, the independence of our decision making is important and is further reinforced by our status as an independent Crown entity. We are not subject to direction from the Government in carrying out our enforcement and regulatory activities, and we are required to be an impartial promoter and enforcer of the law. We are primarily accountable to the Minister of Commerce and Consumer Affairs and the Minister of Broadcasting, Communications and Digital Media for our performance.

Legislated responsibilities and key functions

The key laws we are responsible for administering and enforcing are outlined in the graphic below.



Every piece of legislation that we are responsible for has been amended or reviewed in recent years. For example, the Credit Contracts and Consumer Finance Act has been amended twice in the past six years to address some lending practices, particularly those affecting vulnerable consumers. Changes have been made to the Telecommunications Act to address retail service quality and introduce a new regulatory regime for fibre broadband. We have also been given the powers to undertake market studies to improve understanding about how markets are working and to identify areas where competition could be improved.

Our funding

The Commission is primarily funded through a variety of multi-year and annual appropriations under Vote Business, Science and Innovation.

The largest contribution to our revenue is from the Crown, through a combination of general taxes and industry levies (for instance to pay for the regulation of electricity lines companies). 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.

Who we work with

While the Commission is independent, we are not alone in our work to make New Zealanders better off.

We work with a range of organisations including consumer and user groups, consumer advocacy and advice agencies, other government entities, as well as the Ministers and ministries which oversee policy across our competition, consumer protection and regulatory workstreams.

An overview of the key stakeholder groups we work with are outlined below.

Our key relationships



Within New Zealand we have a key relationship with the Ministry of Business, Innovation and Employment (MBIE), which has a major role in monitoring our performance. We also work closely with the Electricity Authority (EA), the Financial Markets Authority (FMA) and Serious Fraud Office (SFO), to ensure we collectively deliver better outcomes for consumers without duplication or inconsistency.

We are also a member of a number of multi-agency networks which help to ensure consistency and knowledge sharing across the public sector. These include the Council of Financial Regulators, Council of Energy Regulators, Government Regulatory Practice Initiative and the Consumer Protection Partnership Forum.

Internationally, we are part of a global network of competition law enforcement and regulatory agencies. This includes the International Competition Network and the International Consumer Protection and Enforcement Network.

We participate in the work of the Organisation for Economic Co-operation and Development's (OECD) Competition Committee.

We have formal agreements with several regulatory or competition bodies. In particular, we have a strong relationship with our Australian counterparts. This includes the Australian Competition and Consumer Commission (ACCC), with whom we carry out competition training throughout the ASEAN region via the Competition Law Implementation Programme, the Consumer Affairs Australia and New Zealand forum (CAANZ), the Australasian Utility Regulators Forum, and Australian Securities and Investments Commission (ASIC).



The context for our work during the next four years

The context for our work has been changing. Most recently, the COVID-19 pandemic and its after effects have brought greater uncertainty to the future shape of markets. These changes raise a number of competition, consumer and regulatory issues.

The Treasury forecasts that a large number of businesses will face financial hardship, and the impact may be particularly acute for small and medium sized enterprises. These businesses play an important role in competitive markets by driving innovation and challenging larger incumbents. Changed circumstances for some businesses may lead to long-term changes to the structure of some markets and increase the likelihood of anti-competitive conduct such as cartels.

Ensuring that all businesses, large and small, properly understand and abide by competition laws will help to deliver the best possible outcomes in markets during the pandemic, the rebuild phase, and longer-term economic recovery.

The Treasury's forecasts also highlight that the financial hardship faced by businesses will translate into an increase in the number of consumers that are unemployed and potentially vulnerable to anti-competitive or misleading business practices and irresponsible lending. Some people may need credit for the first time. Others may need additional credit, or variations to existing credit facilities that increase their indebtedness.

Our existing responsibilities in the credit sector will be more significant than ever for borrowers and lenders in this context. New consumer credit protections will complement them. Our fair trading work will also be important, including in relation to evolving online markets.

Infrastructure markets with limited competition are not immune from a changing operating context either. Local government and community trusts have significant ownership interests in electricity networks, airports, water infrastructure and ports. Many of these assets require substantial ongoing investment and revenues have dropped due to falls in demand and increases in bad debt. Their owners may face difficulties providing funding for the investment that will be needed in these businesses over the medium term. Similar challenges are faced in other infrastructure markets with different ownership arrangements. Over the next four years these issues may create risks for consumers and have implications for our work within our regulatory remit.

We also expect significant interest across the regulatory system, and from the public, in the operation of markets that are an integral part of everyday life and the economy, and therefore affect the long-term interests of consumers. We are able to study these markets and provide advice on potential improvements to competition where appropriate. Monitoring other evolving market dynamics of broader relevance to our work will continue to be a priority, including markets most impacted by digital and other technology developments.



A significant programme of legislative reform affecting aspects of our competition, consumer protection and industry regulation work has been underway for some time. We expect to continue to contribute to that process in our areas of expertise by providing advice on the workability of any future legislative amendments or regulatory changes.

The expectation that public sector organisations such as ours work collectively and collaboratively with others to improve living standards for New Zealanders has been growing for some time. Part of the motivation for the recent reform of the State Sector Act, for example, was to make the public sector more citizen-focused. This area of emphasis was also echoed in the findings of the Electricity Price Review in relation to the way we engage with consumers and the people that are impacted by our work.

We will continue to engage with the needs of New Zealanders in light of the potential market impacts resulting from COVID-19, and the evolving operating context that pre-dates it. In this way we can contribute best to the lives of all New Zealanders.

Our contribution to New Zealanders

Vision

Our vision is that New Zealanders are better off. New Zealanders are better off when markets work well and consumers and businesses are confident market participants.



The ability for consumers and businesses to participate with confidence in well-functioning markets will play an important role in improving the living standards of New Zealanders in the coming years. How well markets perform 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 the COVID-19 pandemic.

Strategic objectives

Strategic objective 1: Markets work well

Supporting an environment that enables markets in New Zealand to function well is the cornerstone of this strategic objective.

Whether markets work well (including markets with limited competition) is not solely dependent on the work we do. The New Zealand economy is affected by wider circumstances such as global economic conditions, government policy, programmes related to competition, and New Zealand being a small and geographically isolated economy.

Our role in encouraging markets to work well is to provide that:

- businesses understand and operate according to the rules
- there is effective competition between businesses
- competition is not undermined by anti-competitive arrangements
- market power is not misused
- mergers do not substantially lessen competition
- regulated sectors are incentivised to perform efficiently
- accurate information is available to both consumers and businesses.

How we will assess our performance

We use the performance indicators outlined below, as well as case studies in our Annual Reports, to illustrate the state of competition in New Zealand markets and assess the Commission's contribution to markets that work well.

Strategic objective performance indicators	Source of information	Baseline (year)	Target
State of competition in New Zealand markets	World Economic Forum Annual Global Competitiveness Report New Zealand's extent of market dominance score	52.7 out of 100 points (in 2019)	Maintain or increase
	World Economic Forum Annual Global Competitiveness Report New Zealand's competition in services score	73.1 out of 100 points (in 2019)	Maintain or increase
Regulated suppliers provide strong and sustainable infrastructure that benefits New Zealanders	Commerce Commission's analysis An assessment by the Commission based on analysis of a range of metrics relating to the performance of regulated suppliers such as profitability and quality of services.	Achieved (in 2019)	Achieved

Strategic objective 2: Consumers and businesses are confident market participants

New Zealanders are better off when they are confident market participants. Well-functioning markets build consumer and business confidence by empowering participants to take part in the economy. This is not about how confident consumers and businesses are in the economy and their ability to spend money, but their confidence to participate in markets, regardless of economic performance.

Consumers are confident market participants

Consumer confidence in markets is built on trust. Consumers, and businesses who are major consumers of goods and services themselves, want to be able to trust they are not being misled, whether about pricing, quality, or terms and conditions. They also want to trust that New Zealand's essential regulated infrastructure is reliable and efficient. Where that trust is breached, they want to feel assured we can, and do, take action.

Consumers have confidence to participate in markets when they have access to information that helps them to make informed purchasing decisions, they can assess whether businesses are trading fairly, and they feel that the system is working to protect their rights.

Our role in contributing to consumer confidence is to:

- help educate New Zealanders about consumer laws, so they are empowered about their rights and how to exercise them
- help ensure consumers have access to information, so they can make informed purchasing decisions
- monitor terms and conditions related to the purchase of goods and services to ensure they are fair and able to be easily understood
- help ensure consumers are not misled about the price, characteristics and quality of goods and services and credit terms
- help ensure consumers benefit from dependable and efficient regulated services
- help ensure consumers have access to innovative products and services
- promote compliance with the law, prosecute violations of the law and deter wrongful behaviour.



How we will assess our performance

We use the following performance indicators, as well as case studies in our Annual Reports, to assess the Commission’s contribution to consumers being confident market participants.

Strategic objective performance indicators	Source of information	Baseline (year)	Target
Consumers are confident that competition and consumer laws are being appropriately enforced	New Zealand Consumer Survey This survey is conducted every two years by Consumer Protection (part of MBIE). The next survey will be conducted in 2020/21.	30% (in 2019)	Maintain or increase
Regulated suppliers provide strong and sustainable infrastructure that benefits New Zealanders	New Zealand Consumer Survey This survey is conducted every two years by Consumer Protection (part of MBIE). The next survey will be conducted in 2020/21.	83% (in 2019)	Maintain or increase
Consumers are confident that regulated suppliers are providing services at an appropriate price and quality	Annual Telecommunications Survey Consumer NZ conducts this survey every year.	Fixed line: 78% Mobile: 82% (in 2019)	Maintain or increase
	Consumer Survey – switching and perceptions of electricity retailers This survey is conducted by the Electricity Authority every two years. The next survey will be conducted in 2020/21.	73% (in 2019)	



Businesses are confident market participants

Businesses are confident market participants when they know other businesses are following the rules and if not, appropriate action is taken.

When regulated businesses are confident market participants, they will continue to invest to ensure the essential services they provide remain reliable, sustainable and fit-for-purpose.

However, business confidence and investment are affected by economic and market conditions, as well as factors specific to each company, such as the ability to access finance.

Our role in improving business confidence is to:

- enhance business understanding of the legislation we are responsible for enforcing so they do not unintentionally break the rules
- ensure the rules and regulations in relation to regulated businesses are applied equally and impartially
- minimise anti-competitive or misleading conduct by competitors
- provide a predictable regulatory regime to regulated suppliers.

How we will assess our performance

We use the performance indicators outlined below, as well as case studies in our Annual Reports, to assess the Commission's contribution to businesses being confident market participants.

Strategic objective performance indicators	Source of information	Baseline (year)	Target
Businesses are confident other businesses are complying with competition and consumer laws	Commerce Commission Business Survey This is a survey of businesses conducted by Colmar Brunton on behalf of the Commission every two years. The next survey will be conducted during the 2020/21 financial year.	63% (in 2019)	Maintain or increase
Businesses understand their responsibilities under competition and consumer laws	Commerce Commission Business Survey This is a survey of businesses conducted by Colmar Brunton on behalf of the Commission every two years. The next survey will be conducted during the 2020/21 financial year.	68% (in 2019)	Maintain or increase
Regulated suppliers are confident to invest in regulated assets	Commerce Commission's summary and analysis information High level assessment of aggregate level of investment (and/or major transactions involving regulated assets).	Achieved	Achieved

How we achieve our vision

Consistent with our strategies, our decisions about what to prioritise are informed by our understanding of our operating environment to ensure we seize the opportunities to have the greatest impact. In this section we outline the actions that we will take to protect, inform and empower consumers and businesses across each of our main areas of our work.

The three main areas of work that the Commission undertakes in collaboration with many other parts of the public sector are:

- Tackling consumer harm including from unfair trade practices and irresponsible lending
- Safeguarding the integrity of competitive markets throughout the economy
- Influencing monopoly infrastructure performance for better essential services.

In some parts of the economy, we undertake multiple functions at the same time. For example, in essential service industries like electricity and telecommunications, we often use our consumer protection powers to address unfair trading practices by retailers, as well as using our industry-specific regulatory regimes to influence the performance of monopoly network infrastructure.

Tackling consumer harm from unfair trade practices and irresponsible lending

An integral part of our role is to protect consumers from harm caused when traders and lenders breach consumer and credit laws. Our intelligence function plays a key role in gathering information from a wide range of sources both locally and internationally to develop a solid understanding of the areas that are causing, or are likely to cause, the most harm. This helps us to prioritise our resources to have the greatest impact.

The consumer laws we enforce are designed to protect consumers. These laws increase consumer confidence by ensuring that businesses are held accountable when they break the rules. They also contribute to effective markets by preventing businesses who are not playing by the rules from disadvantaging those who are.

The consumer laws that we enforce are the Credit Contracts and Consumer Finance Act (CCCF Act) and the Fair Trading Act.

Our work under the CCCF Act protects New Zealanders when they borrow money or buy goods on credit. Our guidance and enforcement action contributes to making the lending system safe, transparent and fair. We always prioritise this work as most New Zealanders will have some form of credit contract such as a mortgage, credit card or short or long-term loan. Ensuring they have the right information to make borrowing decisions and that lenders are following the rules when setting fees, providing information and offering products helps individuals and communities with their financial wellbeing. We recognise that some irresponsible lending practices may have disproportionate effects on consumers and look to understand where our work can be most effective.

We are currently working to implement changes to the CCCF Act which include the establishment of a requirement for us to certify that directors and senior managers of lenders and mobile traders are fit and proper people to hold their respective positions. Certification is a new function for the Commission and we have built a new team and designed a system to manage the certification process.

Our work under the Fair Trading Act includes investigations and enforcement action in relation to unsubstantiated representations, misleading and deceptive conduct, and unfair contract terms. We also enforce product safety and consumer information standards relating to a range of products including children’s toys and used motor vehicles.

We use a range of tools to enforce consumer protection laws. This includes producing a wide range of information to empower consumers to know their rights and how to exercise them. This also includes engaging with vulnerable communities at a grassroots level through citizen media and social media engagement.

We also educate traders on their legal obligations to improve compliance, and work with consumer agencies to help them identify and report illegal conduct. At the other end of the spectrum, we leverage prosecutions to drive behaviour changes across sectors and take cases to set precedents where the law is unclear.

Safeguarding the integrity of competitive markets throughout the economy

We have specific powers to safeguard the integrity of competitive markets throughout the economy. We also work alongside other agencies that help to promote competition in specific markets, such as the Electricity Authority.

We have powers under the Commerce Act to tackle cartel arrangements which reduce or remove competition in markets, through activities such as price fixing, output restrictions and market allocation.



Recent amendments to the Commerce Act will help with this by introducing a criminal offence for engaging in cartel conduct carrying a maximum penalty of seven years imprisonment. This change comes into effect in April 2021 and we are investing in processes to manage this work, as well as educating businesses about the changes. Proposed changes to section 36 of the Commerce Act would strengthen our powers to stop businesses from misusing their market power. These will be important in light of increased market concentration if businesses consolidate or exit due to changes in the economy.

The Commerce Act also empowers us to safeguard competition by reviewing merger and acquisition activity. Many transactions enable businesses to compete more effectively, through innovation, efficiency or scale. However, these transactions can also harm competition. Left unchecked, a merger or acquisition can create an uncontested monopoly.

Our merger approval regime is voluntary and enables us to approve the right transactions while stopping those that can harm competition. Our surveillance programme also allows us to consider the impact of a merger where businesses do not seek approval. If we believe a merger harms competition, we can take action to unwind it.

We will continue to use our new market study powers to examine markets that are not working well for New Zealanders.

Meanwhile, in some markets with limited competition, we have powers to promote increased competition between businesses. This includes in telecommunications markets and in the regulation of Fonterra's activities to promote the efficiency and contestability of dairy markets. We also expect to have a role in a proposed monitoring regime for retail fuel markets, arising from our market study into the sector.

Our other functions also help to safeguard competitive markets throughout the economy. In particular, tackling consumer harm arising from unfair trade practices and irresponsible lending helps to safeguard competition by ensuring all businesses play by the same rules. Influencing the profitability of monopoly infrastructure providers ensures they do not have an unfair financial advantage in competitive markets.

Influencing monopoly infrastructure performance for better essential services

In some essential industries, including electricity and gas networks, we have additional powers to ensure consumers are not disadvantaged by a lack of competition. For example, in the electricity industry we are responsible for regulating monopoly networks to ensure consumers receive reliable and resilient services at a reasonable price.

We focus on ensuring that critical national infrastructure is appropriately managed. These services are critical to New Zealanders' everyday lives and poor asset management can result in the lights going out or consumers not being able to communicate via phone and broadband networks.

We have two key mechanisms to influence the performance of monopoly infrastructure providers.

First, under our information disclosure powers, we shine a light on the performance of regulated providers in energy networks and airports to help consumers and stakeholders improve their understanding of performance. We try to make this information accessible and digestible to consumers, stakeholders and the media. This transparency also incentivises providers to further improve their performance.

The second way we influence performance of monopoly infrastructure, including electricity grid operator Transpower and electricity lines companies, is by setting maximum revenues that they can recover from consumers and minimum quality standards they must meet.

A particular challenge we face, as highlighted in the Government's Electricity Price Review, is engaging with everyday consumers as part of our work. This is partly due to consumers not having a direct relationship with regulated suppliers as their services are bundled up by retailers. We are working on initiatives to strengthen the voices of consumers and small businesses in our decision making to ensure we account for their interests. We are also continuing to work on ways to make it easier for consumers to engage with us.



We are also able to review the performance of other markets that have little or no competition in the economy. As a result of any inquiry, we are able to make recommendations about whether further regulation is required.

Making New Zealanders better off in the telecommunications industry

Telecommunications have rapidly become an essential part of New Zealanders daily lives, including as a result of the COVID-19 pandemic. Our role in the telecommunications industry illustrates the way in which we use a variety of different powers to make New Zealanders better off.

Under the Commerce Act we are responsible for safeguarding competition by protecting against anti-competitive conduct by telecommunications companies, while under the Fair Trading Act we tackle consumer harm from unfair business practices.

Meanwhile, under the Telecommunications Act we have industry-specific powers to promote competition. We produce monitoring reports that allow us to report on trends in the market and assess whether consumers are benefiting from competition. We also release information through our independent testing partner SamKnows to improve broadband performance.

As a result of recent amendments to the Telecommunications Act, we are also responsible for designing and implementing a new regulatory regime to support the Government's roll out of fibre broadband networks. This regime will see Chorus subject to price and quality controls, and all fibre providers subject to information disclosure requirements. We will also establish an enforceable code that includes the minimum consumer protections set out in the Act that need to be met before Chorus can stop providing copper phone and broadband services. The new code will help ensure a smoother transition between networks.

The amendments to the Act have also given us new powers to monitor aspects of retail service quality including performance, speed and availability, customer service, billing, and installation issues. We will provide information to consumers to help them make better purchasing decisions. Shining a light on retail service quality will also encourage providers to improve their performance. The new provisions allow us to create retail service quality codes if industry-led codes are inadequate. We are also empowered to periodically review the Telecommunications Dispute Resolution scheme.

Enduring priorities

Each year we publish an annual priorities document that helps us to focus our activity and resources on the areas where we can have the greatest impact.

In addition, there are areas that we will always prioritise because of their potentially significant impact on New Zealanders, or because they are core to our statutory role. Our enduring priorities are detailed below.

Significant harm to consumers – We prioritise cases that involve, or have the potential to involve, significant harm to consumers. This includes product safety and credit issues because they have a disproportionate impact on those affected.

Cartel and anti-competitive conduct – We prioritise cartel and anti-competitive conduct where it has the potential to have a significant impact on consumers and markets.

Merger clearance and authorisation applications – These are a large part of our competition work which we prioritise when we receive applications. We also prioritise investigations into mergers that could substantially lessen competition, where an application for clearance or authorisation has not been made.

Critical infrastructure – We will always prioritise functions we are required to perform in critical infrastructure industries like telecommunications, energy networks and airports. 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.



Our Organisational Health and Capability

Over the past few years, changes to the Commission's functions, powers and duties have seen us grow from a small to a medium-sized organisation. We now have around 250 staff, up from 180 five years ago and we expect that to grow further as we manage and support new functions, powers and duties.

In response to changes, we have launched a piece of work called Fit for the Future. It looks at how well the Commission is positioned to deliver on our vision and meet future challenges. We need to ensure that we have the infrastructure to operate as a medium-sized and more complex organisation, as well as positioning ourselves to deliver our functions, powers and duties in an ever-changing world.

To meet our needs as a larger and more complex organisation, we will strengthen our corporate services and capabilities to appropriate levels. This includes enhancing our systems, structures and processes to ensure the organisation's support needs and the expectations of our stakeholders are met.

We continue to build a modern, mobile, and resilient organisation, that remains efficient and effective.



Values

Our values provide a strong foundation for our work. They guide the way that we operate and our vision and strategy should be considered with them in mind.

EXCELLENCE



- › We produce excellent work that stands up to scrutiny.
- › We continually look for ways to improve.
- › We recruit and retain excellent people and support their development.

INTEGRITY



- › Our independence inspires the trust and confidence of New Zealanders.
- › We are fair, honest and impartial.

ACCOUNTABILITY



- › We answer to New Zealanders for the work we do and the money we spend.
- › We take individual responsibility to deliver what we say we will.

RESPECT



- › We work together, support and respect each other.
- › We value the diversity of people and their opinions.

GOOD JUDGEMENT



- › We understand the environment in which we operate and the impact of our actions.
- › What we do is relevant and useful.
- › We are proactive and flexible and look for common sense solutions.

How we organise ourselves

Our Board and Senior Leadership team lead our organisation.

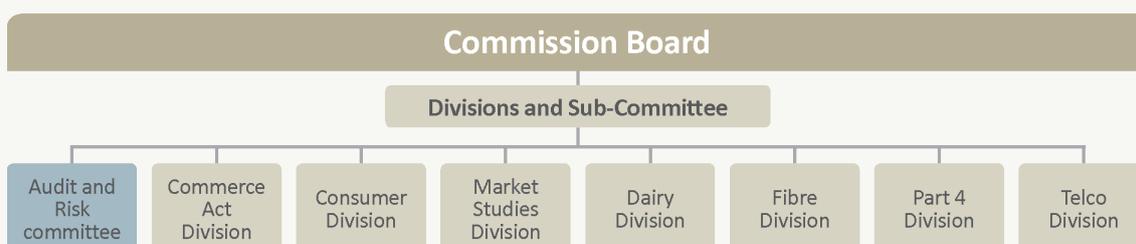
The Board is the governing body of the Commission with authority to exercise the Commission's powers and perform the Commission's functions. All decisions relating to the Commission's operations must be made by the Board, or under its authority.

The role of the Commission Board is a little different to most boards. While it performs a traditional governance role in monitoring performance, ensuring compliance and providing oversight, it also has a statutory decision-making role outlined under each piece of legislation we enforce.

Our Board is made up of Commission Members, appointed by the Governor-General on the recommendation of the Minister of Commerce and Consumer Affairs. The Telecommunications Commissioner is appointed on the recommendation of the Minister of Broadcasting, Communications and Digital Media. Board members are appointed for their knowledge of, and experience in, areas relevant to the Commission's work.

Our Chair establishes sub-groups called Divisions to administer and enforce the laws under our specific responsibility. The Commission currently has seven standing divisions and one standing committee.

The Commission's governance structure is shown in the diagram below.



The Board delegates the day-to-day management of the Commission to the Chief Executive. Our Chief Executive, with support of the senior leadership team, is the key point of accountability between the Board and the organisation.

More information on each of the Commissioners and senior leadership team is available on our website.

Information Services Strategy

The Commission focuses on five key information systems themes for ensuring that New Zealanders are better off.

The five themes are:

1. **Mobility:** Support for an increasingly mobile workforce able to access the right information at the right place and time
2. **Data and analytics:** Support for data-driven decision making and information awareness and ownership
3. **Productivity and efficiency:** Information systems and services support workforce efficiency and productivity
4. **Security:** Information systems are reliable, and the data and information we hold is appropriately secured
5. **Digital channel:** Enabling the organisation to engage with Commission staff and New Zealanders through appropriate digital channels.

People Strategy

Our staff are key to achieving the Commission’s vision and strategy and our people strategy ensures alignment with it.

As part of our people strategy, we have identified six strategic goals which we will use to guide our people focus over the next four years.



How we evaluate our health and capability

We will continue to implement and review several initiatives to assess our progress in advancing an organisational culture that is aligned to the Commission's values, desired behaviours and strategic goals.

Activities include:

- reviewing progress in implementing our diversity and inclusion work programme
- continuing to progress our health, safety and wellness framework
- collating, analysing and responding to employee feedback through our new employee experience and engagement platform.

Enabling our employees to collaborate with colleagues and pool their diverse knowledge and skills creates a more rounded, skilled, satisfied and engaged workforce producing successful outcomes. Employee collaboration improves engagement through a feeling of value and inclusiveness and enables a greater understanding of what the Commission does and how. This naturally cultivates a sense of community. In turn, this motivates employees to go beyond the expectations of their role and drive the organisation forward with informed and sound decisions.

Our focused initiatives will include continuing to:

- develop and maintain processes, practices and behaviours to encourage connection and collaboration with each other across the Commission and externally
- build 'one-organisation' with a clear line of sight to how our employees' work aligns with the Commission's strategy, business plan, and deliverables
- provide flexible and collaborative workspaces and mobility tools to allow our people to work from different locations.

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, 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, 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.
Information disclosure	Under Part 4 of the Commerce Act, 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, 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 businesses into a single enterprise. Colloquially, mergers also include business acquisitions that involve the acquisition of assets or shares of a business.
Part 4	Part 4 of the Commerce Act. Under Part 4, the Commission has a role in regulating the price and quality of goods or services in markets where there is little or no competition and little prospect of future competition.
Product safety and consumer information standards cases	Investigations of products such as bikes, cots and children's toys that might be unsafe, as well as the incorrect labelling of footwear and clothing, and failure to display required information on motor vehicles offered for sale.
Regulated supplier	A supplier of goods or services regulated under either the Commerce Act or the Telecommunications Act.
Strategic objective	A broadly defined objective that an organisation must achieve to make its strategy succeed.
Substantially lessen competition	A reduction in competition which 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.

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