



Tauākī Whakamaunga Atu

Statement of Intent

2023–2027

This Statement of Intent 2023–2027 is produced in accordance with section 139 of the Crown Entities Act 2004.

This document describes the strategic intentions and objectives of the Commerce Commission | Te Komihana Tauhokohoko.

As required under section 141 of the Crown Entities Act 2004, the Statement of Intent also outlines how the Commission will manage its operations, functions and organisational capability to meet those objectives.

We certify that the information contained in this Statement of Intent 2023–2027 is a fair and reasonable reflection of the Commission’s strategic and operating intentions.

Signed on behalf of the Board of the Commission:



A handwritten signature in black ink, appearing to read 'J Small'.

Dr John Small
Chair
22 June 2023



A handwritten signature in black ink, appearing to read 'S Begg'.

Sue Begg
Deputy Chair
22 June 2023

TŌ MĀTOU TIROHANGA ROA OUR VISION

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

TŌ MĀTOU TŪ OUR ROLE

We are an independent competition, fair trading, consumer credit and economic regulator.

NGĀ PUTANGA OUTCOMES

Kaitiaki Stewardship

New Zealanders, including Māori, have trust and confidence in the regulatory systems we implement and enforce.

Māketē whakataetae Competitive markets

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

Tauhokohoko tōkeke Fair trade

Consumers, including businesses, are informed, empowered and their interests are protected.

Ngā tino ratonga Essential services

Consumers get quality and value from reliable essential services.

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NGĀ IHIRANGI

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Tirohanga whānui

Overview

HE KUPU AUMIHI MAI I TE HEAMANA ME TE MANAHAUTŪ

WELCOME FROM THE CHAIR AND CHIEF EXECUTIVE

Tēnā koutou, tēnei Te Komihana Tauhokohoko e mihi ana ki a koutou katoa, tenā koutou, tēnā koutou, tēnā tātou katoa.

In publishing our Statement of Intent and what the Commission expects to deliver for New Zealanders over the next five years, it is important that we look back as much as we look forward. While we cannot predict exactly what future challenges might face Aotearoa New Zealand over the period of this Statement of Intent, we can learn from our current environment. We have aimed to set out a strategy that will ensure we are equipped and able to adapt and respond to new challenges as they arise and stay focused on delivering value for New Zealanders.

We are acutely aware that the economic environment has shifted materially relative to the prior five years. As Aotearoa New Zealand steps out of the shadow of the COVID-19 pandemic, we recognise that the economic environment remains uncertain and challenging. Inflation, higher interest rates, disrupted supply chains and prospects of weaker economic activity are putting more pressure on many businesses and Kiwi households. We are particularly conscious of the current cost-of-living pressures facing many in Aotearoa New Zealand – reinforcing the value of the long-term impact of our work in competition, fair trading, credit and the new regimes for fuel, retail payment systems – along with the expected addition of a Grocery Commissioner role.

Alongside that, our country is navigating the impacts from extreme weather in 2023, which have demonstrated the significant cost of these events that are forecast to become more frequent over the decades to come – with profound implications for key sectors of the economy and consequences for New Zealanders' lives and livelihoods. Even within the relatively short horizon of this Statement of Intent, we would expect to see more evidence of climate change further exposing the interdependency of different sets of infrastructure where we have regulatory oversight, along with impacts on vital roading networks and communities.

Given the reliance on infrastructure and the potential costs of adaptation, we see the need for a whole-of-system approach that delivers an appropriate level of resilience over the long term that is affordable and sustainable for Kiwi consumers. The Commerce Commission has a direct role in this regard with regulated monopolies across some of our country's vital strategic assets, airports and essential

services – electricity, gas and telecommunications – as they address the risks and opportunities of climate change adaptation and decarbonisation.

The mahi of the Commerce Commission is now much broader with the evolution of our roles and responsibilities and also very visible through areas like our market studies work and others that are fundamental to our economy such as the Dairy Industry Restructuring Act regulations that govern the domestic dairy sector. We welcome the increasing interest and the public expectations of the Commission as an independent Crown entity empowered by legislation to promote fair competition, and outcomes consistent with fair competition, for the long-term benefit of consumers. One of our key ambitions is to connect more New Zealanders with the work we do and why it matters.

Our Statement of Intent 2023–2027 provides a clear view of our strategic direction and, for the first time, a strategy that is articulated in an outcomes framework with four key outcomes that revolve around Kaitiaki/Stewardship, Māketē whakataetae/Competitive markets, Tauhokohoko tōkeke/Fair trade and Ngā tino ratonga/Essential services.

The outcomes framework, together with our values and our Rautaki Māori (Māori Strategy), will set the foundation for us to deliver on our core functions. This allows us to adapt and respond with agility to future opportunities and challenges. We will continue to review our progress towards our goals and ensure they remain fit for purpose.

As the Commission's multiple roles develop further and we respond to the rapid changes in commerce and markets, flexibility will be more important than ever. We must always be ready to reassess our priorities against new legislative requirements, high-risk areas and emerging issues and keep pace with public expectations.

The one constant, at the heart of our success, will be working together for the wellbeing of everyone – me mahi tahi tātou mō te ora o te katoa. Our focus is on promoting fair competition that is in the long-term interests of Kiwi consumers and Aotearoa New Zealand.



Dr John Small
Chair

22 June 2023



Vanessa Horne
Acting Chief Executive

22 June 2023

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

Our vision guides our mahi and informs how we promote and deliver it for all New Zealanders.

It is clearly grounded in our role in supporting markets to function and recognises that these markets must deliver long-term benefits for consumers – given all New Zealanders are consumers.

The concept of long-term benefits for consumers is embedded in the purpose of the Commerce Act and is a concept at the heart of most of the Acts we operate under.

How well 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 consumers.

Effective competition creates incentives for businesses to innovate, improve efficiency and produce products and services that are attractive to consumers. Consumers contribute directly to competition when they buy things and are better off when they have confidence to participate in markets. They should have access to accurate, truthful information that helps them make informed purchasing choices and feel that the system is working to protect their interests.

Businesses also need to be confident that the rules of trade are clear, that competitors are playing by them and that there is a reliable system for ensuring respect for the law.

Businesses and investors also need to have confidence that the regulatory regimes we are responsible for are predictable, so that they can continue to invest and innovate.

We will work towards our vision by targeting four outcomes – Kaitiaki/Stewardship, Māketē whakataetae/Competitive markets, Tauhokohoko tōkeke/Fair trade and Ngā tino ratonga/Essential services. These outcomes are described in detail later in this Statement of Intent.

Through our outcome Kaitiaki/Stewardship we note the unique importance of working collaboratively with Māori as the indigenous people of Aotearoa New Zealand; in the context of the te Tiriti o Waitangi/Treaty of Waitangi and building the capability to do so as reflected in our Rautaki Māori.

The Commission is an independent crown entity

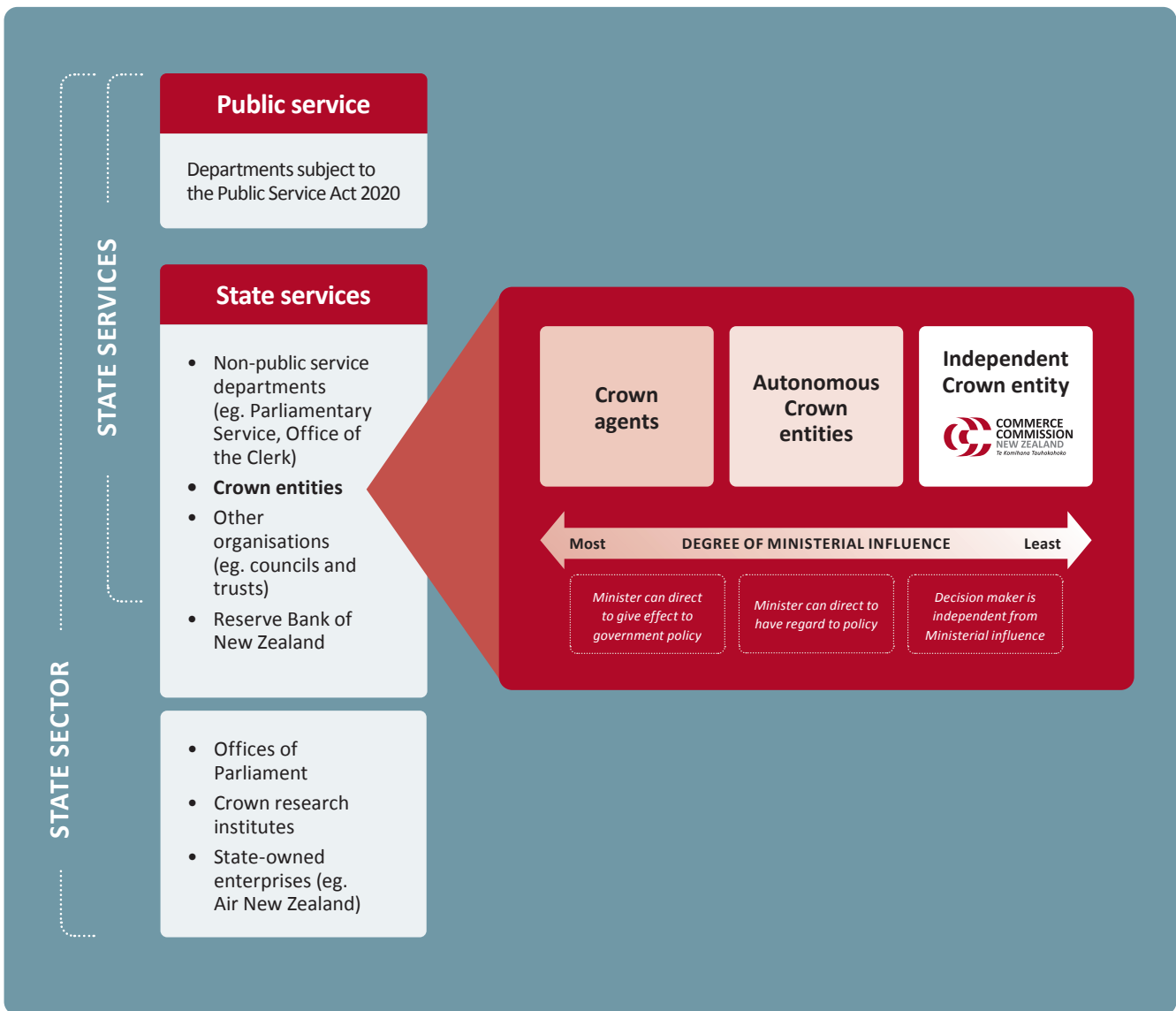
While we are part of the public sector, the independence of our decision making is important in allowing the Commission to carry out its regulatory functions in an impartial and fair manner.

While there is a need to have an awareness of and regard to government policy, the government cannot direct us to carry out particular enforcement and regulatory activities.

We have a Commission structure, which means our Board members are also 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 the Digital Economy and Communications.¹

The Ministry of Business, Innovation and Employment is our monitoring agency. The graphic below depicts where the Commission, as an independent Crown entity, fits within the wider state sector.



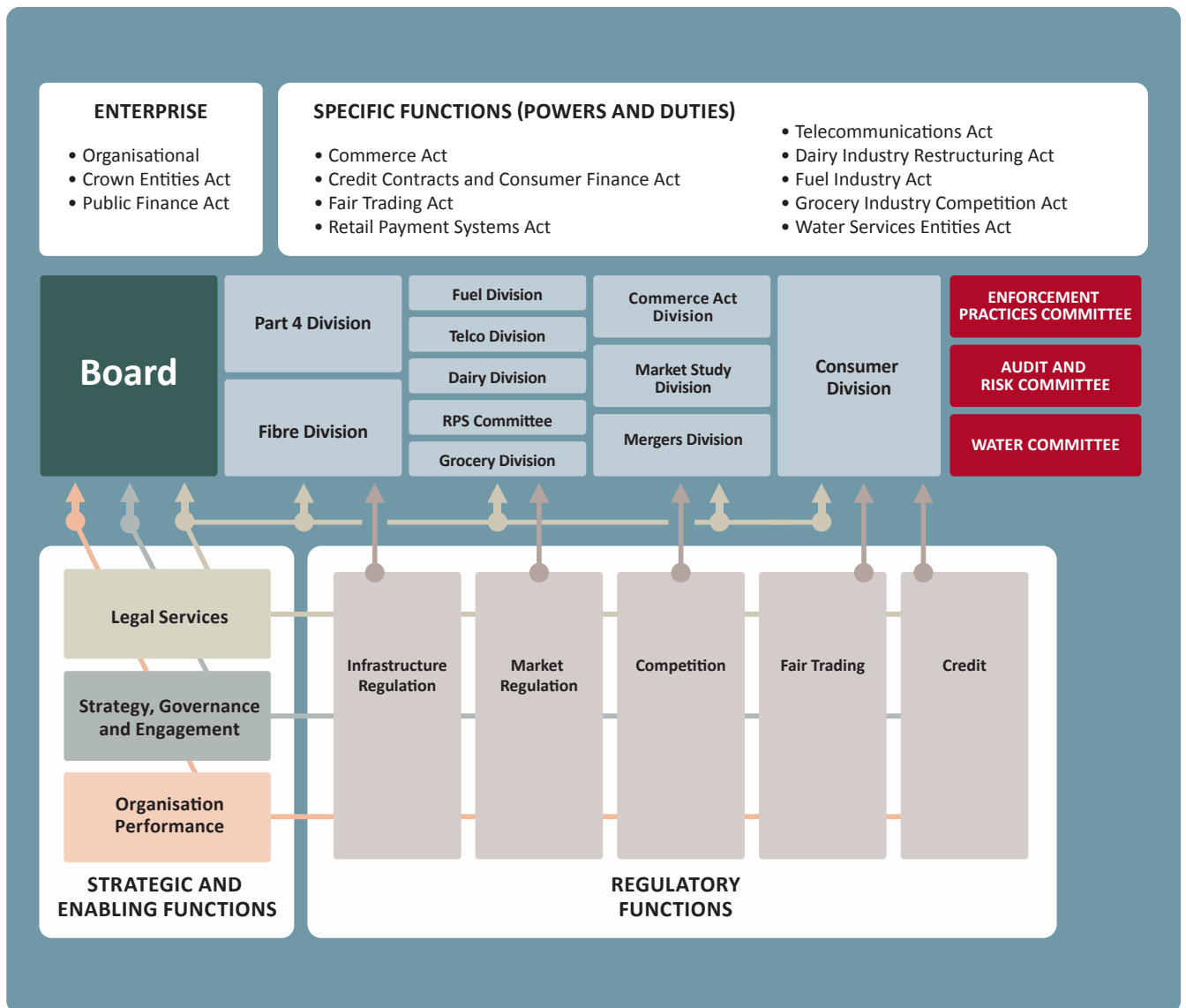
¹ This Statement of Intent complies with section 141(2)(b) of the Crown Entities Act in that it explains throughout pages 10-15 how we propose to manage our functions and operations to meet our strategic intentions.

The expectations of New Zealanders and government have increased in recent years, leading to an increase in regulatory responsibilities.

The growth in our functions, powers and duties has seen us move from a small to a medium-sized organisation in a relatively short period of time with an operating budget of over \$100m per annum.

Our Commissioners are the Commission’s Board under 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 the Commission’s current structure.



We foster relationships with other public sector organisations within Aotearoa New Zealand and with our counterpart agencies around the world. These relationships enable us to draw upon the expertise of others, share our knowledge and experience and work with others to support the efficient functioning of the overall regulatory systems within which we operate.

The Ministry of Business, Innovation and Employment and other agencies provide Ministers with policy advice that impacts the laws that we implement and enforce. We provide insights and advice within our areas of expertise to assist these agencies with this task as well as submitting on the development of legislation that is relevant to our work.

We also work alongside other domestic public sector organisations both directly and through various groups and forums focused on sector-specific issues. For example, we participate in and promote the Government Regulatory Practice Initiative, and we are a member of the Council of Financial Regulators and the Council of Energy Regulators.

Some of our relationships are formalised through memoranda of understanding that govern how we work together for example with Land Information New Zealand and the Reserve Bank of New Zealand.

Aotearoa New Zealand is a small, open economy, with many multi-national businesses operating. As such, it is essential the Commission is connected to its international counterparts.

Given Aotearoa New Zealand's close ties and connections with Australia, we have strong working relationships with the Australian Competition and Consumer Commission (ACCC). This includes the appointment of two Associate Commissioners as Cross Appointees from the ACCC. Dr Derek Johnston is an Associate Commissioner Cross-Appointee to the ACCC.

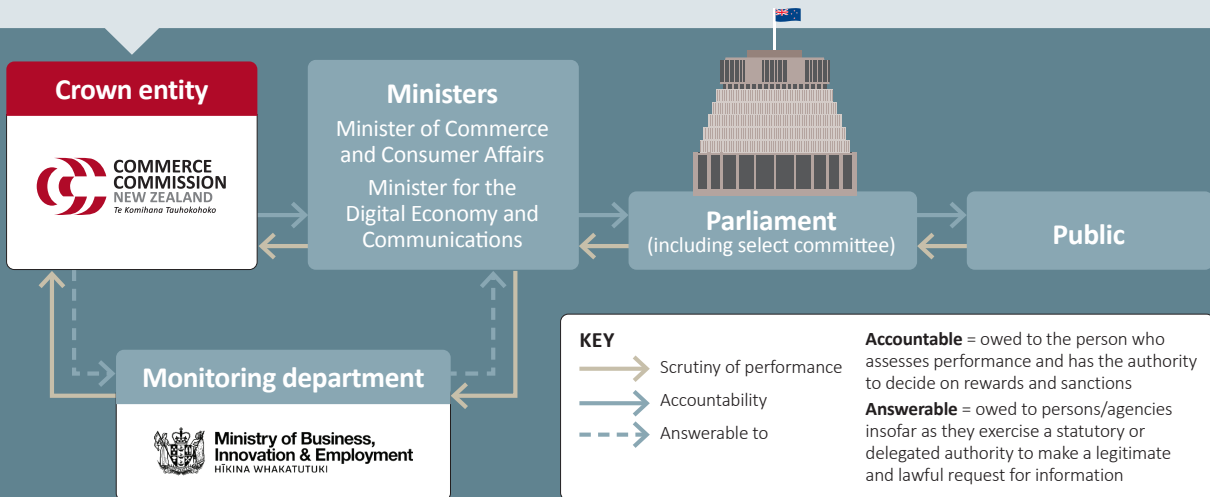
We are well connected with the United States Federal Trade Commission and Department of Justice Antitrust Division, the Competition Bureau Canada and the United Kingdom Competition and Markets Authority. We also work with competition agencies in the Asia-Pacific region through our work with the ASEAN Competition Law Implementation Programme, the APEC Competition Policy and Law Group and the East Asian Top Officials Programme.

We also work with wider global counterparts, including through our Multilateral Mutual Assistance and Cooperation Framework. We participate in international groups and networks such as the International Competition Network, the International Consumer Protection and Enforcement Network, the OECD's Competition Committee and the Australian Utility Regulators Forum.

The graphic to the right depicts our wider operating environment, including key stakeholders we engage with.

- ### Domestic
- Consumers, community agencies and industry
 - Businesses, including regulated industries and representative organisations
 - Ministry of Business, Innovation and Employment
 - Ministry for Primary Industries
 - Department of the Prime Minister and Cabinet
 - Department of Internal Affairs
 - Treasury
 - Financial Markets Authority
 - Reserve Bank
 - Taumata Arowai
 - Serious Fraud Office
 - Council of Financial Regulators
 - Electricity Authority
 - Infrastructure Commission
 - Energy Efficiency and Conservation Authority
 - Council of Financial Regulators
 - Council of Energy Regulators

- ### International
- Australian Competition and Consumer Commission
 - Australian Securities and Investments Commission
 - Competition Bureau Canada
 - International Competition Network
 - International Consumer Protection and Enforcement Network
 - Multilateral Mutual Assistance and Cooperation Framework for Competition Authorities
 - Organisation for Economic Co-operation and Development (OECD)
 - United Kingdom Competition and Markets Authority
 - United States Federal Trade Commission
 - Utility Regulators Forum
 - OECD Network of Economic Regulators
 - RETA (Regulatory Energy Transition Accelerator)
 - Competition and Consumer Commission of Singapore (CCS)
 - Competition and Consumer Protection Commission of Ireland
 - Federal Economic Competition Commission of Mexico
 - Hong Kong Competition Commission



Te Komihana Tauhokohoko | The Commerce Commission is a multi-functional regulator of commercial trade with statutory responsibilities under the Acts of Parliament shown on the following page.

We have acquired new powers under the Dairy Industry Restructuring Act and expect to take on new regulatory functions in relation to the groceries market and the water sector in the coming years.

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

The graphic to the right outlines the legislation we implement and enforce, and the sectors influenced by our work.

Commerce Act 1986 (Parts 2, 3 and 5)

Prohibits anti-competitive behaviour and acquisitions that substantially lessen competition.

It also provides for a clearance and authorisation regime for mergers and restrictive trade practices and enables the Commission to carry out competition (or market) studies.

Commerce Act 1986 (Part 4)

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.

Retail Payment System Act 2022

Promotes competition and efficiency in the retail payment system for the long-term benefit of merchants and consumers.

It 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.

Credit Contracts and Consumer Finance Act 2003

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.

Water Services Entities Act 2022²

Establishes water services entities and provides the Commission functions to scrutinise entity initial asset management and funding and pricing plans.

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.

Fuel Industry Act 2020

Promotes competition in engine fuel markets for the long-term benefit of fuel users.

It 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.

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.

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.

Fair Trading Act 1986

Prohibits false and misleading behaviour by traders and a range of other unfair business practices.

It also requires that consumers are given specified information about certain products and promotes product safety.

² More substantive regulatory functions for the Commission in relation to water services are anticipated under the Water Services Economic Efficiency and Consumer Protection Bill currently before Parliament.

Te aronga ki ngā tutukitanga

Focus on
performance

TŌ MĀTOU TAIAO MAHI OUR OPERATING ENVIRONMENT

Our role

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 and efficient and the regulation of commerce where it is not.

This is why we maintain a focus on making New Zealanders better off across all our responsibilities.

Paying attention to our environment

The wider environment creates both opportunities and challenges and is influenced by unpredictable and/or uncontrollable events. Ultimately, these events can have an impact on our ability to deliver against our strategy.

We are paying particular attention to climate change and technological evolution to ensure we understand the general impacts these two forces may have on our work and ultimately on the lives of New Zealanders.

With respect to climate change, we have recently conducted an organisation-wide stocktake of the extent to which climate change will impact on the role of the Commission and the ways in which the Commission can support efforts to mitigate and adapt to the effects of climate change.

Technological evolution can take many forms – from the rise of artificial intelligence to the various ways in which market interaction can impact businesses and consumers.

This evolution is often led from international markets – as we have seen from how businesses portray website offerings to New Zealanders and how content produced by Aotearoa New Zealand businesses is used and paid for by global tech companies.

In both of these examples, the Commission has a role to play to ensure markets work well for New Zealanders. We will pay attention to key events like these so that we are prepared to adapt and continue to deliver on our strategic intentions, despite wider changes that are happening.

Evolving as an organisation

In 2021/22, we undertook an organisational redesign process to ensure we were equipped to deliver new and extended powers, duties and functions. In recent years, our regulatory responsibilities have grown as each piece of legislation we are responsible for has been amended or additional legislation enacted.

Our redesign has created regulatory branches with end-to-end accountability for regulatory systems in which we operate, being the areas of competition, fair trading, consumer credit, infrastructure regulation and market regulation.

The organisation is also supported by three strategic and enabling branches providing legal services, strategy, governance and engagement, and organisation performance.

The final phase of this transformation programme was completed in 2023 through bringing together our economics capability in a single function within our Strategy, Governance and Engagement branch.

While this mahi moves the Commission forward, we will continue to monitor its effectiveness and evolve as required to respond to further changes in our environment.

Our vision is consistent with our statutory roles, which are focused on the long-term benefit of consumers. This is further supported in areas of our work where we have a focus on ensuring minimum standards are complied with and the interests of consumers are protected.

We have developed an outcomes framework to describe the value we will provide to New Zealanders.

The outcomes framework describes what we are aiming to achieve, what we expect to deliver and how we will measure success.

The framework consists of:

- outcomes – desired changes over the medium to long term that are driven by
- impacts – demonstration of positive effects in the short to medium term that are achieved through
- outputs – operational deliverables in the short term. These are found in our annual Statement of Performance Expectations.

Ō MĀTOU PUTANGA, PĀNGA HONOHOHO

OUR CONNECTED OUTCOMES, IMPACTS AND OUTPUTS

TŌ MĀTOU TIROHANGA ROA
OUR VISION

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

TŌ MĀTOU TŪ
OUR ROLE

We are an independent competition, fair trading, consumer credit and economic regulator.

NGĀ PUTANGA
OUTCOMES

Kaitiaki
Stewardship

New Zealanders, including Māori, have trust and confidence in the regulatory systems that we implement and enforce.

Ā MATOU PĀNGA
IMPACTS

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

- viewed as a modern and responsive regulator
- visible and engaging proactively with stakeholders
- supporting Māori to achieve their aspirations through our work and engagement
- ensuring our processes are open and transparent.

Māketē whakataetae
Competitive markets

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

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.

Tauhokohoko tōkeke
Fair trade

Consumers, including businesses, are informed, empowered and their interests are protected.

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.

Ngā tino ratonga
Essential services

Consumers get quality and value from reliable essential services.

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

Output classes and outputs feature in the **Statement of Performance Expectations**.

Ā mātou tino mahi ā-ture
Our core regulatory activities

Competition	Retail payment system	Electricity lines services	Water services
Market/competition studies	Dairy	Gas pipeline services	Part 4 inquiries
Consumer (including fair trading and credit)	Grocery sector regulation	Specified airport services	Major litigation
Fuel	Telecommunications (including fibre)	Input methodologies	

Ngā mātāpono
Our values

Excellence
Respect

Integrity
Good judgement

Accountability

NGĀ PUTANGA OUR OUTCOMES

Ō mātou whāinga hei whakatutuki mō ngā tāngata o Aotearoa What we seek to achieve for New Zealanders

Kaitiaki Stewardship

New Zealanders, including Māori, have trust and confidence in the regulatory systems we implement and enforce.

Key aspects of this outcome

- We are a joint kaitiaki of Aotearoa New Zealand's economic system. Our work touches the lives of all New Zealanders, including Māori. New Zealanders expect us to operate effectively and efficiently within our statutory mandate and as kaitiaki of the resources we are given. To do our job well, we need the trust and confidence of all New Zealanders.
- We work together with others (such as consumers, businesses and the government) to ensure competition is working well. We adopt a whole-of-system view and a proactive, collaborative approach to our work within regulatory systems.
- As a multi-functional regulator, it is important we operate with integrity and transparency, utilising the full range of tools within our regulatory frameworks. We need to be clear about our regulatory priorities and the problems that we see impacting the long-term interest of consumers. We will make our work and impacts more relevant to more people.
- We intend to build stronger links with Māori as Māori play a significant role in commerce through established organisations and entrepreneurship and as consumers. Strong linkages help us to understand our work from an te ao Māori perspective, enabling us to apply a different lens and think differently about concepts like competition and fair trading, which supports our evolution as an organisation.

Māketē whakataetae Competitive markets

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

Key aspects of this outcome

- We work to promote competitive markets across the economy primarily through our responsibilities under the Commerce Act and our fair trading work, which helps to facilitate fair competition. We also have more specific responsibilities under other legislation to promote competition in particular sectors where competition may not be working as well as it can be such as fuel, telecommunications services, the retail payment system, groceries and the dairy sector.
- The purpose of the Commerce Act is to promote competition in markets for the long-term benefit of consumers. Our roles under the Commerce Act include economy-wide responsibilities, such as preventing mergers that harm competition and preventing and enforcing against cartel conduct arrangements and unilateral misuse of market power. We also carry out market studies and advocacy work to identify where competition is not working well and can be improved.
- There are similar purposes for the other sector-specific legislation we enforce. Under our sector-specific legislative regimes, we promote competition through a range of tools, including through monitoring and analysis, regulation of price and access and other measures to promote fair and competitive conduct.

Tauhokohoko tōkeke Fair trade

Consumers, including businesses, are informed, empowered and their interests are protected.

Key aspects of this outcome

- We empower consumers to make informed choices through our engagement and education work and by producing and promoting information and resources. Informed consumers promote competition through their buying decisions.
- We engage with businesses to ensure they understand and comply with their obligations. Engaging before breaches occur ensures that we minimise possible harm to consumers rather than reacting after the harm has occurred.
- We investigate and take appropriate enforcement action when required, with our enforcement response ranging from education through to taking civil or criminal court proceedings. Consumers who are in vulnerable positions are likely to experience greater harm from breaches of the legislation we enforce. We prioritise preventing harm from occurring to these groups and take consumer vulnerability into account when deciding what enforcement action to take when we are aware that harm has already occurred.

Ngā Tino Ratonga Essential Services

Consumers get quality and value from reliable essential services.

Key aspects of this outcome

- Our role is more extensive in certain industries that are essential to everyday life, and where competition is not feasible. This includes electricity lines, gas pipelines, fibre and specified airport services.
- We work to ensure consumers are not disadvantaged by a lack of competition, and the approach we take depends on our specific powers and the characteristics of each market. The context of each is also important such as the increasing role of electricity and reduced demand for fossil fuels.
- Depending on the sector, this can include requiring regulated businesses to disclose information about their performance, scrutinising and publicly commenting on this information, setting maximum allowable revenues and determining and enforcing minimum quality standards.

Ā MĀTOU PĀNGA – NGĀ HUA KA PUTA

OUR IMPACTS – THE DIFFERENCE WE MAKE

Our Vision describes what we are working towards through our mahi. In order to deliver on this, we have identified the four mid to long-term outcomes described on the previous pages.

Within each of these outcomes we have identified 10 short to mid-term impacts that will directly contribute to a particular outcome.

- 1 New Zealanders understand and value the Commission's role as regulator because we are:
 - > viewed as a modern and responsive regulator
 - > visible and engaging proactively with stakeholders
 - > supporting Māori to achieve their aspirations through our work and engagement
 - > ensuring our processes are open and transparent.
- 2 Anti-competitive conduct is deterred.
- 3 Harmful concentration of market power is prevented.
- 4 Barriers to entry, harm caused by imbalances in market power and information asymmetries³ are identified and reduced.
- 5 Consumers have the information they need to know their rights and make informed choices.
- 6 Businesses have the information they need to know their obligations.
- 7 Consumer interests are protected.
- 8 Essential services providers are delivering services of appropriate quality at reasonable cost.
- 9 The performance of essential services is monitored and reported on to enable effective public scrutiny.
- 10 The ability to extract excessive profits for essential services is limited.

These impacts will directly inform how we prioritise our mahi.

³ Asymmetries in this context mean imbalances in market power contributed to or caused by information and knowledge inequality.

TE AROTURUKI I NGĀ MAHI MONITORING PERFORMANCE

To understand our success in delivering on our vision and outcomes, we monitor our performance through impact indicators and operational level output measures (described in our Statement of Performance Expectations).

The impact indicators monitor our progress over time and indicate the effectiveness of our interventions.

Our 10 impacts, associated impact indicators, examples of key interventions and the trends we are looking to achieve are described in Annex 1.

ĀHEINGA RAUTAKI STRATEGIC ENABLERS

The outcomes we seek and the mahi 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.

This includes our Rautaki Māori (Māori Strategy) referred on page 26, in addition to our enforcement response guidelines and regulatory strategies. The strategic enablers also form part of our key functional support areas of People, Finance, Systems, Data and Information. We will continue to develop and publish new strategic enablers over the period covered by this Statement of Intent, given their importance in delivering more specific strategies and capabilities in certain areas.

Our people, including who we are and how we work, are especially key to the Commission and its future performance. More detail on our People Strategy is outlined on pages 31–32.

NGĀ MĀTĀPONO

OUR VALUES

Our strategic direction and the work we do are about people and making a difference.

Our current values describe who we are, what we stand for and the behaviours we expect of each other.⁴

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.

⁴ These values are expected to be updated in 2024. The Commission will then seek to amend the Statement of Intent to include the new refreshed values.

Aligned with the mahi of Te Komihana Tauhokohoko, Māori have always understood the importance of exchanging goods, services or something of value. Commerce and trade are integral to te ao Māori.

This historical foundation aligns well with Te Komihana Tauhokohoko commitment to improving how we work with and for Māori. To deliver on this commitment we have developed our Rautaki Māori (Māori Strategy), which seeks the following outcomes:

- Our people grow their cultural capability and are confident engaging in different aspects of te ao Māori.
- Our people have the tools, processes and an operating environment that supports successful engagement with Māori.
- Te Tiriti o Waitangi/The Treaty of Waitangi guides how we contribute to Māori-Crown relationships by working with whānau, hapū and iwi Māori.

We see Te Komihana Tauhokohoko as being at the beginning of a journey and have looked to the poutama for inspiration. The poutama is a stepped pattern seen in tukutuku panels and woven mats.

It represents the different levels of knowledge and learning. The poutama reflects a journey that is not just to the top but also an iterative journey where once we have gained knowledge, we bring it back down with us to share with others.

For this journey, we have identified three focus areas and have looked to Te Orokohanga (the Māori creation story) for inspiration to realise our potential.

1

Te Kore

Te Kore is the realm of potential being. In this stage, we are building our knowledge of tikanga, kawa, reo and history, including te Tiriti o Waitangi/The Treaty of Waitangi.

Te Kore aligns with our first focus areas of **building cultural capability** and **understanding our potential**.

2

Te Pō

Te Pō is the realm of becoming, and we use this to help describe the next stage of our journey.

Here, our focus is on **policies and processes** and **developing our potential** by taking what we have learned through building our cultural capability and applying this lens to look internally at how we work.

3

Te Ao Mārama

Te Ao Mārama is the realm of being and is often described as a state of enlightenment.

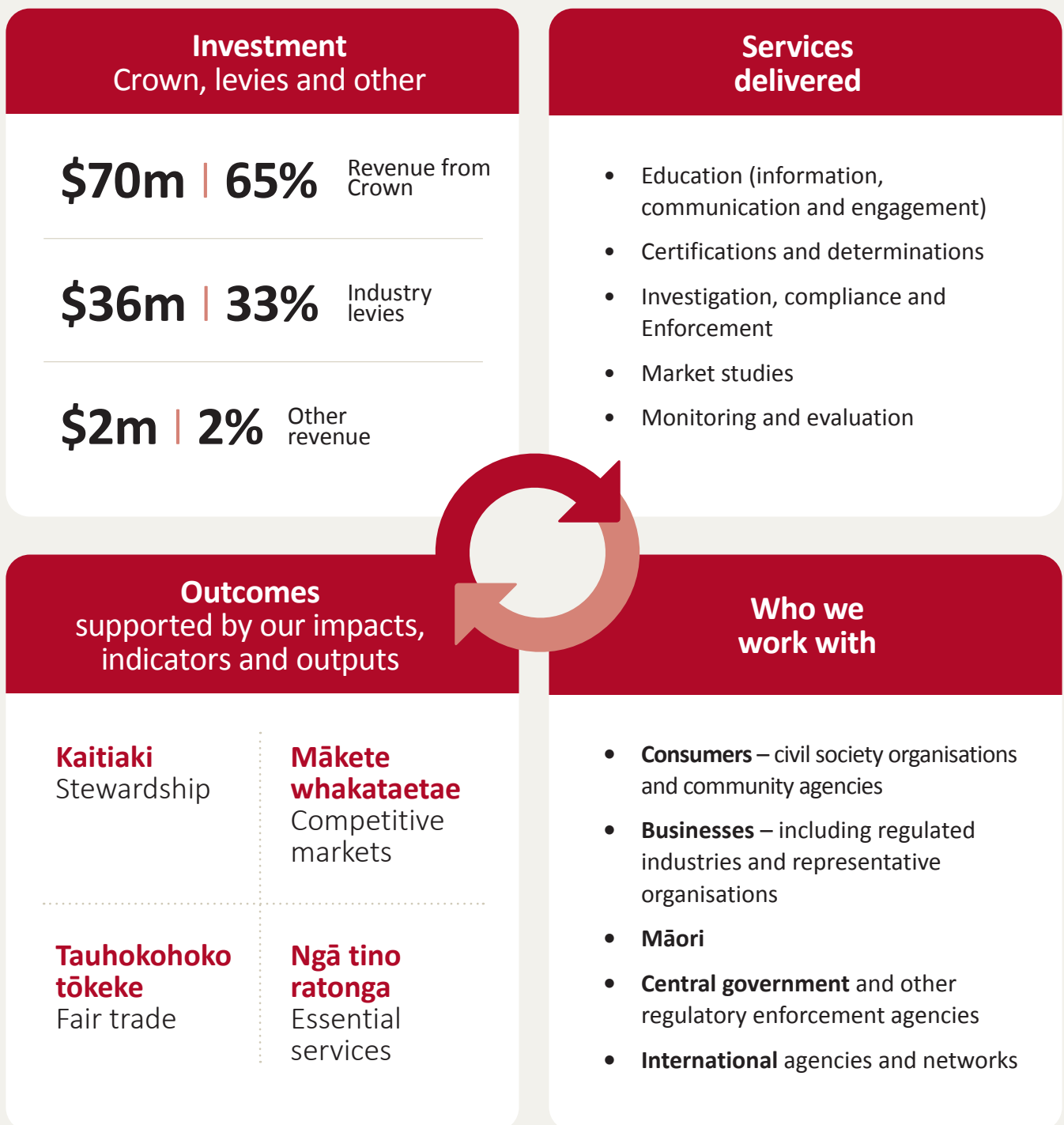
This is where we will realise the full potential of the Rautaki Māori, using the tools, skills and ways of working built to develop and strengthen our relationships with Māori.

Working with Māori and **realising our potential** will be an ongoing focus for Te Komihana Tauhokohoko.

HURIHANGA HAUMI – KIA PAI AKE A AOTEAROA

INVESTMENT CYCLE – MAKING NEW ZEALAND BETTER OFF

The graphic below demonstrates how Commission funding is invested in services delivered (our outputs) who we work with and the outcomes we contribute to or achieve.



TE WHAKAHAERE TŪRARU

RISK MANAGEMENT

We undertake risk management to ensure we are able to deliver on our strategic and operational objectives.

Risk management is used to:

- raise awareness of environmental forces
- manage and mitigate risks that could affect our ability to achieve strategic and operational objectives
- comply with legal and policy obligations
- improve decision making
- allocate and utilise resources effectively.

We use a managed approach to risk that deals with uncertainty with appropriate and informed decision making and planning. This is based on evaluating the potential consequences and likelihood of risk events at both operational and enterprise levels to understand the potential associated costs or opportunities.

The Board is ultimately responsible for risk management and has appointed an Audit and Risk Committee (ARC) to provide further focus on risk management processes and risk treatments. The ARC is a subcommittee of the Board and consists of Board representatives as members, attended also by the Chief Executive and General Managers. The ARC is chaired by an independent practitioner.

The ARC's role is to advise the Board on risk management, budgeting and the audit programme. Operationally, the ARC reviews reports from management, including reviews conducted by external professional service providers and external auditors on the effectiveness of systems for internal control and financial reporting.

In the period covered by this Statement of Intent, governance and management will be working together to further advance and improve the maturity level of risk management at the Commission. This mahi has already begun and will be a continuous improvement process focused on key areas such as governance and strategy, risk management process, culture and performance, and data and systems.

Tā te whakahaere āheinga, hauora hoki Organisation capability and health

Our people remain central to achieving our vision and outcomes. This is reflected in our People Strategy, which includes six goals that guide our people focus, supported by our organisational values.

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, annual updating of the focus areas that sit under each of these in our People Strategy ensures a dynamic and responsive approach in building on our success.

Our values shape our culture by setting out what is important to us and defining how we work with and behave towards each other and the communities that we serve. This work also ensures we are well aligned with the vision of our Rautaki Māori (Māori Strategy) as outlined on page 26.

Our People Strategy – focus areas

Connected and collaborative

We nurture a connected and collaborative environment that boosts knowledge sharing and innovative thinking, leading to engaged teams and better outcomes.

Attract

We attract and recruit excellent and diverse people with the right skills and capability, for now and in the future, who are committed to our vision and values.



Inclusive, diverse, safe and healthy

We build and maintain inclusive, diverse and healthy environments where our people are safe, feel valued, supported and respected and can flourish.

Develop

We develop our people to be the best they can and to deliver outstanding performance.



Excellent people leadership and management

We have excellent people leadership and management capability to encourage high performance and foster a great workplace and culture, enabling our people to excel.

Retain

We retain our people by valuing and rewarding their contribution and maintaining a great workplace where they can thrive.

Excellence, Integrity, Accountability, Respect, Good judgement

Raraunga, kitenga, tātaringa me te arotake

Data, insights,
analytics and
evaluation

We have seen substantial
growth of consumer,
business and market data in
Aotearoa New Zealand.

This provides an increasing opportunity to gain a much deeper understanding of consumers, businesses and our operating environment by taking a data-led and evidence-based approach to our work.

It also provides an opportunity to enhance the collection of disclosure regime data through technology that leads to improved assessment and dissemination of information from regulated entities.

Increasing our data, intelligence and evaluation capability will enable us to make more informed decisions and to better understand our impact and its contribution to the outcomes we seek. It will also drive our culture of continuous improvement and innovation.

In terms of data and intelligence, the Commission has four key areas of focus to guide the maturity and development of this capability. This relies on infrastructure, data privacy and security measures and the wider systems that support it.

- 1 The development and delivery of improved, evidence-based analysis, providing trusted insights for decision makers and other interested parties.
- 2 Quality assurance of the data, analysis and insights produced in an environment of large-scale and open source data.
- 3 Alignment with our People Strategy, building capability and career pathways specialising in data and analytics.
- 4 Using open source data effectively and efficiently and, in time, providing open source data to benefit New Zealanders and market participants.

We are also focused on improving the evaluation methods we use to understand the effectiveness and efficiency of our work by developing an organisation-wide evaluative framework and associated capability. This will support our understanding of and communication about the extent that:

- our interventions and implementation are effective
- we have used the right tool at the right time
- the intended outcomes have been achieved
- unintended outcomes have occurred.

Building capability to use and apply data and intelligence and evaluation methods will support us to make informed decisions on where to focus our resources and investments, chart progress and demonstrate impact over time.

Kia toitū te taiao Environmental sustainability

The Commission is committed to minimising our impact on the environment and improving our climate reporting and accountability.

This commitment will continue through the period covered by this Statement of Intent and will be measured and reported on in annual reporting.

In 2021, we increased the scope of our reporting by identifying new activities across the organisation where we could measure and track our carbon emissions either using available data from our suppliers or calculating estimates using the Ministry for the Environment's guidance on emission factors.

In addition to reporting on carbon emissions from air travel, office electricity and paper usage, from 2022 onwards, we also report on emissions from passenger vehicles, domestic accommodation, office cleaning and freight transport.

Hei arotake i tō mātou hauora, kaha hoki

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 with the Commission's refreshed values, desired behaviours and strategic goals. More specifically, we will continue to report against key focus areas through our annual reporting as outlined below.

Employee engagement

We monitor our employee engagement through regular surveys and check-ins, identify key priorities and respond to employee feedback.

The health, safety and wellbeing of our people

A key focus will remain on managing the health, safety and wellness of our people and striving to address any issues that may impact on business continuity.

Driving protective security improvements

A programme of work to drive security improvements across the Commission will continue and includes structured education and training, refreshing our threat and security assessments and ensuring that security measures relating to our people and places are actively managed.

Diversity and inclusion in our organisation

We will continue to build and maintain an inclusive, diverse and healthy environment where our people feel safe, valued, supported and respected and can flourish are core goals of our People Strategy.

Te ao Māori cultural capability

Aligned with our Rautaki Māori (Māori Strategy), we will build our foundational knowledge of tikanga, kawa, reo and history, including te Tiriti o Waitangi/The Treaty of Waitangi.

Equality and opportunity in our workforce

Continue to develop and embed initiatives to improve ethnic and gender representation in our workforce and leadership; to achieve equitable pay outcomes; career pathways and opportunities to develop; and to protect against bias and discrimination in policies and practices.

Data, Analytics, Insights and Evaluation

We will develop our evaluation, intelligence and data capability and embed processes into our activities at an enterprise scale, including our services and operational programmes.

Our evaluation, intelligence and data processes and methods will strengthen our capability and capacity, leveraging our knowledge to become a more effective kaitiaki of the regulatory systems we implement and enforce.

Environmental sustainability

We will report annually against sources of carbon emissions for office electricity, air travel, accommodation, passenger vehicles, office cleaning and freight transport.

ANNEX 1 – MEASURING OUR PERFORMANCE (OUR IMPACT INDICATORS AND TARGETS)

Outcome	Impact	Indicator	Description of the indicator	Indicator measure and or direction of travel	Example of key interventions	
Kaitiaki Stewardship New Zealanders, including Māori, have trust and confidence in the regulatory systems that we administer and enforce.	New Zealanders understand and value the Commission’s role as regulator because we are:					
	<ul style="list-style-type: none"> viewed as a modern and responsive regulator 	Public sector reputation index	Kantar carries out an annual survey measuring perceptions of public sector entities.	Public sector reputation rating trending up Baseline: 98	This indicator is a function of all work undertaken by the Commission	
	<ul style="list-style-type: none"> visible and engaging proactively with stakeholders 	Perception of openness	This is a new measure that will use the consumer and business annual surveys to determine public perception.	Consumer and business perception of openness trending up	Strategic and timely engagement Targeted engagement with key stakeholders	
	<ul style="list-style-type: none"> supporting Māori to achieve their aspirations through our work and engagement 	Māori perceptions of the Commission	This is a new measure that will use the stakeholders survey to measure perceptions from Māori.	Māori perceptions of the Commission trending up	Active consideration of Māori in regulatory work Engagement with Māori stakeholders	
	<ul style="list-style-type: none"> ensuring our processes are open and transparent 	Perception of engagement	The Commission will undertake an annual stakeholder survey to determine stakeholder perception about engagement.	Consumer and business perception of engagement trending up	Commission attendance at industry events Engagement with businesses and consumers affected by specific regulatory systems and events	
Māketē whakataetae Competitive markets New Zealanders receive the benefits of competition: greater value, innovation, productivity and choice	Anti-competitive conduct is deterred.	Business understanding of anti-competitive conduct	The Commission will use the annual survey of businesses to ascertain if they know their obligations under competition laws and the consequences of non-compliance. The annual survey will ascertain if businesses know their obligations and risks and consequences under Parts 2 and 3 of the Commerce Act.	Business understanding increasing	Education of businesses Issuing of guidance material Enforcement action for non-compliance	
		Deterrence case study	The Commission will undertake two case studies per year that will outline the activities the Commission undertakes. One case study will focus on general deterrence and the second one will have a specific focus on either: <ul style="list-style-type: none"> anticompetitive agreements or misuse of market power. 	Two case studies undertaken that demonstrate the Commission’s interventions		
	Harmful concentration of market power is prevented.	Ex-post review of mergers	The Commission will, every two years, undertake an ex-post review of its merger decisions in order to improve the operation of the mergers regime.	Lessons learned from ex-post reviews are adopted by Commission	Learnings published on the Commission’s website Meaningful trends and insights identified	
	Barriers to entry, harm caused by imbalances in market power and information asymmetries are identified and reduced.	Market case studies	The Commission will undertake case studies, on an annual basis, to review activity that demonstrates a reduction in: <ul style="list-style-type: none"> barriers to market entry harm caused by imbalances in market power information asymmetry. 	Market case studies identify changes (in markets, government policy etc.) that are likely to lower barriers to entry, harm from imbalances, information asymmetry over time	Issuing of policy and guidance material Enforcement action for non-compliance Market studies Regulation of access prices to promote competition	
For sectors we regulate this would mean competition improves resulting in benefits to New Zealanders.	A suite of measures for each sector	From July 2024, the Commission will set out, in its Statement of Performance Expectations (SPE), a suite of key measures and targets that indicate how well competition is delivering for consumers based on an assessment of structure, performance and conduct.	SPE measures indicate competition and consumer outcomes improving in regulated sectors: <ul style="list-style-type: none"> Retail payments Telecommunications Groceries Fuel 	Shining a light on competition in the sector through our market performance monitoring and reporting Making information available that supports consumers to make informed choices. Enforcement action for non-compliance Guidance for, and engagement with, sector stakeholders		

Outcome	Impact	Indicator	Description of the indicator	Indicator measure and or direction of travel	Example of key interventions
Tauhokohoko tōkeke Fair trade Consumers, including businesses, are informed, empowered and their interests are protected.	Consumers have the information they need to know their rights and make informed choices.	Consumer understanding of their rights	The Commission will use the annual survey of consumers to ascertain if they have the right information to understand their rights under the appropriate legislation and to make informed choices.	Consumer understanding increasing over time	Key information posted on the Commission’s website Educational campaigns developed in partnership with consumer groups
	Businesses have the information they need to know their obligations.	Business understanding of obligations and consequences	The Commission will use the annual survey of businesses to ascertain if they know their obligations.	Understanding of obligations	Key information posted on the Commission’s website Educational campaigns about the Fair Trading and Credit Contracts and Consumer Finance Acts with businesses
		Lender seminar attendance	Lender seminar attendance - the Commission undertakes regular lender seminars to provide information about how to comply with Credit Contracts and Consumer Finance Act obligations.	Percentage of certified lenders attending seminars increasing	Lender seminars are relevant and educational Lenders are provided with practical tools to improve compliance Enforcement outcomes are communicated widely
	Consumer interests are protected.	Consumer confidence	The Commission, through the annual consumer survey, will measure consumer confidence in our enforcement approach.	Consumer confidence increasing over time	
		Business understanding of consequences of non compliance	The Commission, through the annual business survey, will determine businesses understanding of the consequences of non-compliance.	Business understanding increasing over time	General education campaigns Successful prosecutions communicated through media High-risk businesses are identified for specific educational and guidance programmes
Ngā tino ratonga Essential services Consumers get quality and value from reliable essential services.	Essential services providers are delivering services of appropriate quality at reasonable cost.	Reliability of essential services (electricity distribution, electricity transmission, gas distribution, gas transmission, fibre and airports)	Electricity distribution – unplanned SAIDI (System Average Interruption Duration Index) – unplanned SAIFI (System Average Interruption Frequency Index). Electricity transmission (Transpower) – unplanned HVAC (High-Voltage Alternating Current) circuit unavailability (%). Electricity transmission (Transpower) – unplanned HVDC, High-Voltage Direct Current) bi-pole unavailability (%). Gas distribution – unplanned SAIDI. Gas transmission – number of unplanned interruptions’. Fibre – average unplanned downtime for customers. Airport – average Airport Service Quality Survey (ASQ) Score.	Reliability measures are maintained	We enable efficient investment to support quality services We hold businesses to account for quality standards Periodic resets of PQ (Price-Quality) paths, enables sharing of efficiency gains
	The performance of essential services is monitored and reported on to enable effective public scrutiny.	Total unique views on key dashboards/reports produced	The Commission collects and reports on the number of unique users accessing each of its dashboards and monitoring reports related to essential services.	Number of unique users accessing increases	Commission provides analysis of the information provided and analysis is well received Performance accessibility tool
	The ability to extract excessive profits for essential infrastructure is limited.	The Commission will select specific markets and will analyse publicly disclosed information, take action as necessary and report on what we observe in relation to: <ul style="list-style-type: none"> • electricity • gas • fibre • airports 	Weighted average industry returns compared to weighted average cost of capital by sector: <ul style="list-style-type: none"> • Electricity • Gas • Fibre • Airports 	Ratio within reasonable bounds	Improving transparency about performance, which can affect the reputation of the business and its relationships with certain stakeholders Create financial incentives through revenue limits and quality standards

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