COMMERCE COMMISSION NEW ZEALAND
Te Komihana Tauhokohoko

G.34

Pūrongo ā-tau
Annual Report
2024/25

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

Whāia te mātauranga hei oranga mō te katoa.

Pursuing knowledge for the wellbeing of all.

Ngā kiko o roto

Contents

Ā te Heamana me te Kaihautū wāhinga kōrero
Our Chair and Chief Executive's foreword

Ko ā mātou nei kawenga ā-ture he whakatairanga i te whakataetae hei painga mauroa mō ngā kiritaki o Aotearoa me te whakariterite tikanga e kia whakatairanga i ngā hua e rite ana ki te whakataetae. Kua moana kē te whakaaro mā te whakataetae kaha ake ka piki te oranga o te tangata, nō reira me kī pea ko tā mātou kawenga he whakawhānui i te kunenga tōnuitanga o ngā tāngata o Aotearoa.

E mōhio ana mātou ki te āhua o ngā mākete, te kanorau me ngā hononga anō i waenga i tēnā, i tēnā mākete. I a mātou e tohe nei ki te whakatairanga i te whakataetae, ko te whakaaro nui ia ko ngā tirohanga o te hunga ka pāngia e ā mātou mahi, arā, ko ngā kiritaki, ngā kaimahi, ngā kaiwhakahaere pakihi me ngā kaituku moni, katoa rātou he hunga whaipānga ki ā mātou mahi, nā reira ka whakarongo mātou, ka tika.

He mea kē te whānuitanga o ngā mahi a te Kōmihana e ai ki ngā paerewa ā-ao. Ki a mātou he kahanga tēnei, ā, he mārakerake te kitea o tēnei āhua i te rāngai hoko kai i reira kua taunakitia tā mātou rautaki whakariterite e ngā ture motuhake e toru. I te tau kua hipa kua hurihia te hanga o roto o te Kōmihana e nui ake ai ngā painga. Nā konei, kua oroia te aronga kia ita, kua māia kē te tū ki ngā tūraru ka heipū mai, ā, kua tutuki hoki ā mātou whāinga tōmua mō ngā whakapae ā-ture, me te uruhi. He mea āwhina hoki te arotake mai i waho i ngā whakahaere ā-poari me tōna whai kiko i tēnei tukanga.

Kua tahuri mātou ki te whakatau tata i ngā hua tūmatanui o ā mātou mahi. E whakaatu ana tēnei tuhinga i whakaputangia i nā tata nei mō ia tāra kotahi ka whakangaohia ki te Kōmihana, he $20 te iti rawa o te wāriu ka hoki ki ngā tāngata o Aotearoa. Ko te takune ka whakatōtika tonu mātou i ēnei whakatatau tata me te whakaputa ia te tau.

He mea āwhina ngā whāinga tōmua mō te uruhi me te tūtohu kia ārahi i ā mātou mahi i runga i ngā take e ratoa ai ngā tāngata o Aotearoa ki ngā hua nunui rawa. Heoi, arā ētahi whanonga —natemea he whakakino rawa — ka noho tonu hei take tōmua, i tēnei tau he kaha kē te aronga ki ngā mahi huna hei raweke i ngā tono, ngā whakaaetanga whakataetae-kore, ngā hoko hē ā-ipurangi, me ngā takahanga ā-ture i te rāngai hoko kai, whitimamao, ahumoni waka hoki. Kua kaha kē atu

Our statutory roles are to promote competition for the long-term benefit of New Zealand consumers and to regulate in ways that promote outcomes that are consistent with competition. It is widely accepted that stronger competition allows for better living standards, so our role can be seen as expanding the potential prosperity of New Zealanders.

We recognise the diversity of markets and the interconnections between them. As we strive to promote competition, the perspectives of those affected by our actions are uppermost in our minds: consumers, workers, business owners and investors are all stakeholders for our work, so we are listening to them.

The scope of the Commission's work is unusually broad by international standards. We see this as a strength, which is perhaps most obvious in the grocery sector where our regulating strategy is backed by three distinct laws. Over the past year we've been transforming the Commission internally to enable greater benefits. As part of this we have sharpened our focus, adopted a greater risk appetite, and delivered on our major litigation and enforcement priorities. An external review of our governance and effectiveness has helped this process.

We've also begun to estimate the public benefits delivered by our work. This recently published work shows that for every dollar invested in the Commission, we return at least $20 in public benefit to the people of New Zealand.
We intend to continue refining and publishing these estimates each year.

Our enforcement and compliance priorities help us to focus our work on the issues that will deliver the greatest benefits for New Zealanders. While some conduct — due to its serious harm — will always remain a priority, this year we placed greater emphasis on bid rigging, non-compete agreements, illegal online sales, and breaches in the grocery, telecommunications, and motor vehicle finance sectors. We've also sharpened our focus on unconscionable conduct, where businesses use undue pressure, unfair tactics, or fail to act in good faith.

te aronga ki ngā mahi tinihanga a ngā pakihi ki te kōkirikiri, kia kore ia e mahi tika, mahi pono rānei.

I te tau kua hipa kua kitea ngā hua o tēnei aronga ake, hei tauira i mau pūmau i a mātou tōna $16.9 miriona hei whakahokinga moni ki ngā kiritaki mai i Alpine Energy, nā runga i te hē o ngā mahi kaute i nui kē atu te utu o te hiko mā tōna 34,000 tāngata. Ko tō mātou hiahia hoki kia mārama tonu te kamupene rā ki te kaha o te whiunga o āna mahi hē ki te hapori, me te aha ka mate te kamupene ki te utu i te $1.5 miriona anō kia ea ai ngā taumahatanga.

Ko tētahi kaupapa kē, i te mutunga o te tau 2024 ka kitea te whakawhiu mahi whānako tuatahi rawa mō ngā rōpū i mahitahi i Aotearoa ki te raweke i ngā tono kirimana pūtea tūmatanui. Nā tēnei kēhi i puta ai he kupu mārō hei whakaatu e kore rawa tēnei mahi tāhae e whakaaetia natemea ka whakararu i te whakataetae pono, ka nui kē atu te utu mā te hunga utu take.

I te tau kua hipa i kitea te pikinga o te whakataetae puta noa i ngā rāngai pēke, utunga hoki. Ka whakaoti whakatau mātou e pupuri ai ngā pakihi i tōna $90 miriona ia te tau i runga i ngā utu ā-kāri – arā, he utu tuku noa tērā mā te kiritaki. Heoi, kei te kōkiri tonu mātou i ngā tikanga uru me ngā whakahoatanga hei whakatere ake i te pēke tuwhera puta noa i Aotearoa e wetewete ai ngā herenga ā-whakataetae, kia rerekē ai hoki te kōwhiringa kiritaki.

I te ao hoko kai, i whakakore mātou i tētahi tōpūtanga nui i runga i ngā āwangawanga ko te whakaheke i te whakataetae te otinga atu. I whakahoungia e mātou te Grocery Supply Code hei kawa whakatau i te āhua o te mana i waenga i ngā kaihoko kai nunui me ngā kaituku. He mea nui te uruhi i tēnei kawa mā reira e mārama ake ai ngā whakahaerenga, te haepapatanga, me te manawanui kē mai o te tangata ki te rāngai.

Puta noa i ngā rāngai tino whai take ki te oranga—mai i ngā tauranga rererangi me te taura kaka ki te hiko me te whitimamao—kua ngana kaha mātou kia pai ake ngā utu, te kounga o te ratonga me te wheako kiritaki. Ka whāiti mai ko te whakaū i ngā taupā moni whiwhi hou mō Transpower me ngā kamupene raina hiko ā-rohe hei whakarawe i te tahua haumi mō ngā kōtuinga hiko o te motu. Waihoki, kua oti te whārikihia ngā taupā moni whiwhi hou me ngā paerewa kounga mō Chorus kia tau ai ngā ratonga me te haumi mō te kōtuinga kaweaho o te motu. Atu i tērā, kō tā mātou he kōkiri tonu kia pai ake ngā ture, ā, i ngā wāhi e tika ana, kia whakakore i ngā herenga ā-ture, e kaha ake ai te whakataetae.

Over the past year we've seen this focus pay off, for example we secured $16.9 million in customer refunds from Alpine Energy after an accounting error caused close to 34,000 people to be overcharged for their power. We also wanted the company to recognise the harm the error caused the local community, resulting in a further $1.5 million payment targeted at energy hardship.

Elsewhere, the end of 2024 saw the first-ever criminal sentencing for cartel conduct in New Zealand for bid rigging of publicly funded contracts. This case sent a strong message that anti-competitive behaviour will not be tolerated because it undermines fair competition and loads extra costs onto taxpayers.

The past year also saw progress in strengthening competition across the banking and payments sectors. We finalised decisions that will save businesses around $90 million each year in card fees — costs that are often passed on to consumers. Meanwhile, we continue to push for access terms and partnerships that will help speed up the rollout of open banking across New Zealand to unlock competition and transform consumer choice.

In groceries, we declined a major merger over concerns of significantly reducing competition. We also updated the Grocery Supply Code to help address power imbalances between large grocery retailers and suppliers. Enforcing this code is important because it helps ensure greater transparency, accountability, and confidence in the sector.

Across sectors essential to daily life—from airports and fibre to electricity and telecommunications—we've taken action to improve pricing, service quality, and consumer experience. This includes confirming new revenue limits for Transpower and local electricity line companies to help pay for necessary investment in the country's electricity networks. We similarly set new revenue limits and quality standards for Chorus to help ensure reliable fibre services and investment in the country's fibre network. More broadly, we continue to advocate for better regulation and, where relevant, deregulation, as key to unlocking more competition.

We have begun our role as economic regulator under the Government's *Local Water Done Well* programme. We're engaging closely with councils and industry groups to ensure our approach is practical, proportionate, and informed by our experience in other sectors.

We've also deepened our partnerships — particularly in electricity — where our collaboration with the Electricity Authority through the Energy Competition Task Force is helping unlock broader participation and stronger competition. For example, we're helping lower

Kua tīmata hoki tā mātou mahi hei kaiwhakarite ōhanga i raro i tā te Kāwanatanga kaupapa *Local Water Done Well*. E kōrero tahi ana mātou ko ngā kaunihera me ngā rōpū ahumahi kia mātua mōhio ai ko tā mātou e whai nei he mea pai, he riterite, he pūmōhio hoki i runga i ngā mahi me ētahi atu rāngai.

Kua hōhonu ake ā mātou whakahoatanga — i te ao hiko — nā runga i te mahi ngātahi me Te Mana Hiko|Electricity Authority mā te Energy Competition Task Force e whānui ai te whai wāhitanga e kaha ake ai hoki te whakataetae. Hei tauira, ko te hekenga o te utu mō ngā nama hiko, mā te whakahau i ngā kaihoko hiko nūnui ki te tuku rārangi utu iti iho mō ngā wā e roroku ana te kai i te hiko, ko te tikanga ia taka rawa ki te 1 Hurae 2026 kua wātea ēnei ki te nuinga o ngā tāngata o Aotearoa.

Kua piri ake tō mātou hononga ki Te Mana Tātai Hokohoko|Financial Markets Authority (FMA) i runga i te mahi tahi kia whakawhitia ngā haepapa whakariterite moni taurewa ā- kiritaki mai i te Kōmihana ki te FMA. Ka haere ngā mihi ki te FMA mōna i awhi, i tautoko mai kia pai ai tēnei whakawhitinga mō ā mātou tāngata.

Ko te tino taonga ko ā mātou tāngata tonu, ā, me kore ake rātou e kore hoki ēnei mahi e tutuki. Ka mutu, ka kitea tēnei āhuatanga i tā mātou rautaki ohumahi hou, i hangā i runga i te mātāpono: tāngata hira, mahi tika, ratonga pai rawa. Ka tupu haere nei ā mātou tikanga mahi kia kakama, kia raka, kia niwha hoki, ka tino whai kiko te rautaki i kōrerotia i runga nei. Me rite mātou kia raka te mauī me te matau — kia whakapau kaha i te wā tika, te whakamātau i ngā huarahi hou, me te whakaoreore pūkenga puta noa i te Kōmihana hei hāpai i ngā mahi mātuatua.

Ko tā mātou anga tikanga — He Kawa Tauhokohoko — ka noho tonu hei pou manawa, hei pou ārahi mō mātou e tipu ngātahi nei. E noho whakahīhī ana mātou i runga i ngā mahi kua tutuki, ā, e aronui ana mātou ki te whakapiki i ngā mahi me ōna pāpātanga ā te tau kei te tū mai, e whai tonu nei mātou kia pai ake te whakataetae e tipu ai te ōhanga, e pai ake ai hoki ngā kōwhiringa me ngā hua mō ngā tāngata Kiwi.

power bills by requiring large electricity retailers to offer cheaper off-peak pricing plans, which we expect will be available to most New Zealanders by 1 July 2026.

Our relationship with the Financial Markets Authority (FMA) has continued to strengthen as we work together to transition consumer credit regulatory responsibilities from the Commission to the FMA. We're grateful for the FMA's support in helping ensure a well-supported transition for our people.

Our people are our greatest asset and none of our mahi would have been possible without them. Our new workforce strategy recognises this, built around a guiding principle: great people, doing the right work, delivered in the best way. As we continue to evolve how we work to support greater pace, agility and impact, the strategy will become even more pivotal. We need to be agile in the way we work — scaling our efforts when necessary, trialling new approaches, and mobilising expertise from across the Commission to support priority work.

Or values framework - He Kawa Tauhokohoko — remains at the heart of how we lead and grow together. We're proud of what we've achieved, and we're focussed on lifting our impact even further in the year ahead as we continue to enhance competition to help grow the economy and improve choice and value for Kiwis.

[redacted]

Dr John Small

Heamana
Chair

[redacted]

Adrienne Meikle

Kaiwhakahere Mātāmua
Chief Executive Officer

Tauākī haepapatanga
Statement of responsibility

Under the Crown Entities Act 2004, the Board of the Commerce Commission is responsible for the preparation of the Commission's financial statements and statement of performance and for the judgements made in them.

We are also responsible for any end-of-year performance information provided by the Commission under section 19A of the Public Finance Act 1989, whether or not that information is included in the Commission's Annual Report.

The Commission's Board is also responsible for establishing, and has established, a system of internal controls designed to provide reasonable assurance of the integrity and reliability of our financial reporting.

In the Board's opinion, these financial statements and the statement of performance reflect a true and fair view of the financial position, and results of the operations, of the Commission for the year ended 30 June 2025.

Signed on behalf of the Board:

[redacted]

John Small

Chair – Commerce Commission
31 October 2025

[redacted]

Anne Callinan

Deputy Chair – Commerce Commission
31 October 2025

Kōmihana Tauhokohoko – Ngā kaupapa miramira mō 2024/25
Commerce Commission – highlights for 2024/25

These highlights are a brief overview of the Commission's activity in 2024/25. Further detail is available in the assessment of operations section on pages 30 to 41.

This year, we undertook analysis to understand the value we provide New Zealanders, estimating **at least $20 in public benefit for each $1 invested in the Commission**. Over the 2024/25 year, the Commission has delivered more than an **estimated $1.95 billion** in public benefit.

Using our Enforcement Priorities to drive results

Bed, Bath and Beyond was fined

$230,000

for five breaches of the Fair Trading Act between March and October 2023.

KiwiRail agreed to **compensate customers affected** by the widespread Interislander ferry breakdowns in 2023 and improve misleading statements about its liability for delays and cancellations.

MaxBuild Limited was fined

$500,000

and its director Munesh Kumar was sentenced to community detention for bid rigging of contracts commissioned by NZ Transport Agency and Auckland Transport.

Issued a warning to Alpine Energy and **negotiated a return of $16.9 million** in overcharges to 33,800 customers.

Filed proceedings against Winstone Wallboards for alleged breaches of the Commerce Act in its use of retroactive tiered rebates in plasterboard supply agreements, lessening competition in the building supplies sector.

Filed proceedings against One NZ – the first enforcement action taken under the Telecommunications Act 2001 – for multiple breaches of the 111 Contact Code endangering vulnerable consumers.

Walond Limited, trading as Look Sharp, was fined

$292,500

for misleading representations about product pricing and consumer rights. Customers of Look Sharp's 20 stores were paying up to 33% more than the advertised price.

Announced our intention to file civil proceedings against Foodstuffs North Island Limited and Gilmours Wholesale Limited for alleged cartel conduct.

2degrees was fined **$325,000** for misleading advertising for its Aussie business roaming.

Filed charges against Woolworths New Zealand, PAK'nSAVE Silverdale and PAK'nSAVE Mill Street for inaccurate pricing and misleading specials.

$43,506

in fines for two individuals behind the '6K Gifting Co-operative' pyramid scheme, which targeted vulnerable consumers in South Auckland.

Improving the retail payment system

Amended interchange fee caps for personal and foreign-issued credit cards, which is expected to deliver **$90 million in savings** for New Zealand businesses.

Granted Payments NZ conditional authorisation to work with banks and financial technology companies to develop an open banking delivery framework in New Zealand.

Continued focus on banking sector

Set expectations for open banking delivery and published pricing arrangements for each of the major banks.

Completed our market study into the personal banking sector, which found that New Zealand's four largest banks do not face strong competition.

Sectors that are essential to everyday life

We were appointed as the Crown monitor for the interim economic regulation of Watercare as well as contributing to a baseline report of Watercare and the development of its Charter. Our formal role of monitoring Watercare's performance against the Charter began from April 2025. We have been **establishing the first stage of enduring regulation of water service entities** as well as initial regulation of Wellington Water.

Set revenue limits and minimum levels of service for local lines companies and Transpower from 2025 onwards so that **customers benefit from appropriate investment and receive value for money.**

Approved increases to Chorus' revenue to support continued investment in the fibre network.

Joined with the Electricity Authority to **establish the Energy Competition Task Force,** which is designed to strengthen competition in the electricity market for the benefit of consumers.

Released a report covering Auckland Airport's fourth price-setting event, which **prompted average airline charge price reductions of between $1.10 and $4.80** per customer.

Declined the proposed merger of Foodstuffs North Island Limited and Foodstuffs South Island Limited into one entity, preventing substantial lessening of competition in the grocery sector.

Published the first Annual Grocery Report to help us prioritise our efforts and focus our work programme under the Grocery Industry Competition Act 2023.

01

Mō mātou
About us

Ko mātou nei
Who we are

We are an independent competition, fair trading, consumer credit and economic regulator. We have a diverse range of enforcement, rule-making and monitoring roles relating to promoting the long-term interests of all New Zealand consumers.

1. protecting consumers from misleading and deceptive practices
2. preventing the misuse of market power and anti-competitive arrangements
3. addressing cartel behaviour
4. preventing mergers and acquisitions that substantially lessen competition
5. addressing poor, misleading or unbalanced information affecting competition
6. monitoring and promoting competition in telecommunications, fuel and grocery markets
7. achieving the best possible outcomes in regulated markets for the long-term benefits of both consumers and businesses.

Our core functions

We operated under the following legislative framework in the 2024/25 year:

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

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

Provides for a clearance and authorisation regime for mergers and restrictive trade practices and enables us to carry out competition (or market) studies.

Commerce Act 1986 (Part 4)

Provides for information disclosure and the regulation of price and quality of goods and services in markets where there is little or no competition and little or no likelihood of a substantial increase in competition.

Sectors that are subject to the provisions of Part 4 are electricity distribution and transmission, gas pipelines, water and selected airport services.

Fair Trading Act 1986

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

Requires that consumers be given specified information about certain products and promotes product safety.

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.

Includes provisions relating to disclosure and unforeseen hardship and sets out rules about interest, payments, credit fees, responsible lending and lender certification.

Dairy Industry Restructuring Act 2001

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

Fuel Industry Act 2020

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

Establishes a wholesale pricing regime, rules governing wholesale contracts, an information disclosure regime and requirements for the display of price information at retail fuel sites.

Retail Payment System Act 2022

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

Establishes a monitoring regime for the sector, puts in place an initial pricing standard to regulate the interchange fees of Visa and Mastercard networks and provides a range of other tools to regulate fees, prices and access to networks.

Grocery Industry Competition Act 2023

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

Telecommunications Act 2001

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

Local Government (Water Services Preliminary Arrangements) Act 2024

Establishes the Local Water Done Well framework and preliminary arrangements for the new water services system.

Introduces transitional form of economic regulation with foundational information disclosure (that can apply to specified water services providers) and separate provisions for Watercare (including the appointment of a Crown monitor).

Requires councils to develop water service delivery plans by September 2025.

Ā mātou tahua moni
Our funding

Our funding mainly comes from the Crown[1] through funding from general taxes and from industry levies.[2]

In 2024/25, we received a total of $98.07 million in funding and other revenue.

Revenue – Crown	Revenue – Crown	Other revenue
General taxes	Industry levies	Interest, fees and recoveries
$63.18m	$31.69m	$3.20m

We spent $95.65 million during the financial year. Below is a summary of how we spent our funding. We also saved $2.42 million this year to invest in priority initiatives next year, which reflects our prudent financial management and overarching approach of save to invest.

Our expenditure for 2024/25

Competition and market studies	Consumer (incl Fair Trading and Credit)	Infrastructure and economic regulation	Market regulation	Major litigation
$13.73m	$20.33m	$22.68m	$26.86m	$12.05m

1 We receive funding through the Vote Business, Science and Innovation Estimates of Appropriations and Supplementary Estimates of Appropriations 2024/25.

2 Industry levies are charged directly to businesses in regulated industries such as dairy, electricity and gas suppliers, and the telecommunications industry.

Ngā uara
Our values

In December 2023, the Commission launched He Kawa Tauhokohoko | Our values framework, which reflects our evolving organisational culture.

He Kawa Tauhokohoko | Our values framework

Our Kaupapa

Manaakitanga

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

Kotahitanga

We work together to achieve common goals

Whanaungatanga

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

Kaitiakitanga

We are aware of responsibilities as stewards of commerce

Our Values

He toa takitini

Strength in the collective

Rukuhia te wāhi ngaro

Curious, future-focused and courageous

Ma te huruhuru ka rere

Protect, empower and inform

Mauria te pono

Belief in ourselves, our kaupapa, our impact

Te Ao Māori concepts

Tika

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

Pono

True or genuine to our tikanga

Aroha

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

Tā mātou taiao mahi
Our operating environment

The Commerce Commission operates in a dynamic and evolving regulatory environment. Our work is shaped by legislative mandates, government priorities and the changing needs of consumers and businesses. In 2024/25, several significant developments have influenced our operating environment and the way we deliver on our strategic intentions.

Responding to Government expectations

The Minister's Letter of Expectations for 2024/25 set a clear direction for the Commission to be a brave, efficient and effective regulator. These expectations have guided our work programme and informed our strategic choices. We have responded by prioritising enforcement in the grocery sector, progressing open banking initiatives and strengthening our regulatory oversight of essential infrastructure. For more information about the Commission's response, see pages 26 to 28.

Organisational restructure and strategic priorities

In response to the Government's direction to improve public sector efficiency and reduce costs, the Commission undertook a significant organisational restructure during 2024/25. This restructure consolidated functions, reduced reliance on contractors and consultants and streamlined our operating model to ensure we prioritise our approach of save to invest and remain focused on delivering public value.

To support this transition and sharpen our organisational focus, the Commission implemented three strategic priorities:

- **Building confidence in the Commission:** Strengthening public trust and stakeholder engagement through a refreshed stakeholder communications strategy, improved transparency and the publishing of enduring and focused enforcement and compliance priorities.
- **An inclusive, high-performing workforce and Board:** Supporting a values-led culture and workforce capability through the launch of our new workforce strategy, He Kawa Tauhokohoko and targeted leadership development.
- **Sound fiscal responsibility:** Embedding financial discipline and strategic investment through a new strategic finance programme and an approach to resource management of save to invest.

These priorities have helped align our internal capability with our external mandate, ensuring we are well positioned to deliver impact in a constrained fiscal environment.

Legislative and structural change

Our operating environment has continued to evolve, with several material changes since 1 July 2024:

- **Credit regulation transition:** The Government has confirmed the transfer of regulatory responsibility for the Credit Contracts and Consumer Finance Act (CCCF Act) to the Financial Markets Authority. We continue to deliver our CCCF Act responsibilities until the transition is complete. More information is on page 52.
- **Water sector reform:** The repeal of the Water Services Entities Act 2021 and the introduction of the Local Water Done Well regime have reshaped our role in water regulation. We have been appointed as the Crown monitor for the interim economic regulation of Watercare and are establishing foundational regulation for Wellington Water. More information is on page 61.
- **Grocery sector regulation:** We are actively exploring ways to strengthen competition and efficiency in the grocery sector using all the tools at our disposal, in response to ongoing cost-of-living pressures and high market concentration. More information is on pages 56 and 57.

Strategic investment

We are investing in areas that will enhance our long-term capability and impact:

- **Data and analytics:** We are building our data and intelligence capability to better identify harm, prioritise interventions and support evidence-based decision making.
- **Stakeholder engagement:** We continue to improve our engagement with Māori, consumers and regulated entities to ensure our work is inclusive, transparent and responsive.
- **Infrastructure resilience:** We are using our full range of regulatory tools to support efficient investment in electricity, gas, fibre and airport services, recognising the growing importance of infrastructure resilience in the face of climate and economic pressures.

02

Te Kauneke Whakamua a ngā Ahunga Rautaki
Progress on strategic intentions

Tō mātou ahunga rautaki
Our strategic direction

Our outcomes framework, established in our Statement of Intent 2023-2027 and depicted below, describes what we are aiming to achieve and what we expect to deliver. To track progress on our strategic direction, we have 10 short to mid-term impacts that directly contribute to a particular outcome.

Statement of Intent 2023-2027 impact indicators

We use a range of impact indicators to measure the success of our interventions under each of the ten impacts. The impact indicators form part of the outcomes framework set out in our Statement of Intent 2023-2027.[3]

In the following sections, we report results for the impact indicators under each of the Commission's outcomes, provide contextual information and describe the methodology used to calculate the results.

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	**Mākete whakataetae** Competitive markets	**Tauhokohoko tōkeke** Fair trade	**Ngā tino ratonga** Essential services
New Zealanders, including Māori, have trust and confidence in the regulatory systems that we implement and enforce.	New Zealanders receive the benefits of competition: greater value, innovation, productivity and choice.	Consumers, including businesses, are informed, empowered and their interests are protected.	Consumers get quality and value from reliable essential services.

Ā matou Pānga
Impacts

Kaitiaki / Stewardship	Competitive markets	Fair trade	Essential services
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.	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.	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.	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.

3 https://comcom.govt.nz/__data/assets/pdf_file/0016/321721/Statement-of-Intent-2023-2027.pdf

Kaitiaki
Stewardship

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

Why this is important for us and how we measure our progress

As a joint kaitiaki of Aotearoa New Zealand's economic system, we have a responsibility to ensure that our work supports a fair, competitive and well-functioning marketplace for all New Zealanders now and into the future. To do this effectively, we must earn and maintain public trust, operate transparently and steward our resources responsibly. Our role as a multi-functional regulator means we need to be clear about our priorities, proactive in our engagement and responsive to the needs of consumers, businesses and Māori.

This stewardship focus is a priority because our long-term effectiveness depends on how well New Zealanders understand and value our role. Our ability to influence market behaviour, support compliance and promote fair outcomes is strengthened when stakeholders see us as credible, modern and relevant. Building stronger relationships with Māori is also essential, recognising their significant role in commerce and the unique insights an ao Māori perspective brings to concepts like competition and fair trading.

To track progress, we use a range of survey-based indicators that help us understand how well we are engaging with the public and stakeholders. These include biennial surveys of consumers and businesses to assess awareness of rights and obligations under key legislation such as the Consumer Guarantees Act, Fair Trading Act, Credit Contracts and Consumer Finance Act, Commerce Act, Retail Payment System Act and Grocery Industry Competition Act alongside annual stakeholder feedback on our regulatory performance and public sector reputation tracking. These measures help us ensure our work is not only effective but also trusted and valued, which is a core part of our stewardship responsibility.

Te takune o ngā pāpātanga | Intended 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.

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
Public Sector Reputation Index	Verian carries out an annual survey measuring perceptions of public sector entities.	Public sector reputation rating trending up	65[4]	63[5]
Perception of openness	This is a new measure that will use the consumer and business biennial surveys to determine public perception.	Consumer and business perception of openness trending up	N/A[6]	44%[7] consumers 47%[8] businesses
Māori perceptions of the Commission	This is a new measure that will use the stakeholder survey to measure perceptions from Māori.	Māori perceptions of the Commission trending up	Not reported because of small sample size	Not reported because of small sample size
Perception of engagement	The Commission will undertake an annual stakeholder survey[9] to determine stakeholder perception about engagement.	Stakeholder perception of engagement trending up	57%[10]	62%

Commentary: The results of the stakeholder survey highlighted that the Commission continues to perform strongly in this area. Notably, more people now perceive the Commission's communication as transparent and open, clear, and respectful compared to the previous year. In addition, there has been an increase in the number of people who agree that the Commission's engagement is collaborative, proactive, and helps connect them to the right people.

4 The index is based on survey responses across six reputation attributes that each sit under one of four pillars: trust, social responsibility, leadership and fairness. The fieldwork for this annual survey of 3504 New Zealanders (nationally representative sample by age, gender, region, ethnicity and education level) was conducted between the 2nd and 27th of April 2025.

5 In the Annual Report 2023/24, the Commission reported the 2023/24 actual as 98. Verian has changed the way the public reputation scores are calculated. The previous methodology indexed organisations against other agencies within the Public Sector Reputation Index, which meant that all scores were reliant on the reputation of other agencies. The new methodology does not index against other organisations and therefore provides a clearer view of the organisation's reputation.

6 The consumer and business perception of openness survey has shifted to biennially.

7 The 2023/24 consumer survey asked consumers if they agreed or disagreed that the "Commerce Commission is perceived as transparent and open in its process".

8 The 2023/24 business survey asked businesses "How strongly do you agree or disagree that the Commerce Commission is transparent and open?"

9 The Commission conducts an online survey with independent research partner TRA, hearing from Commission stakeholders from various branches ensuring a representative cross-section of stakeholder perceptions.

10 The stakeholder survey asked stakeholders "How well do you believe the Commerce Commission performs in how they communicate and engage?"

Mākete whakataetae
Competitive markets

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

Why this is important for us and how we measure our progress

Promoting competitive markets is a key priority for us because they deliver long-term benefits for consumers, including lower prices, better quality, more innovation and greater choice. We work to ensure markets operate effectively across the economy through our responsibilities under the Commerce Act and fair trading provisions, and we focus on sectors where competition may be limited such as fuel, telecommunications, retail payments, groceries, and dairy. Our role includes preventing anti-competitive mergers, addressing cartel conduct and misuse of market power, and conducting market studies to identify and remove barriers to competition. Sector-specific legislation provides additional tools such as monitoring, regulating price and access, and supporting fair conduct to improve market outcomes. These efforts are guided by the long-term interests of consumers.

We measure progress through indicators that assess business understanding, enforcement impact and market dynamics. Surveys track whether businesses understand competition laws and the consequences of non-compliance, supporting voluntary adherence. Case studies and merger reviews show how our interventions deter anti-competitive behaviour and improve regulatory practice. Market-level indicators such as changes in concentration, multi-sourcing in fuel supply and competitiveness in key sectors help us assess whether market conditions are improving.

These indicators are designed to show how the Commission's interventions contribute to healthier, more competitive markets, reinforcing our commitment to ensuring that competition works for the benefit of all New Zealanders.

Te takune o ngā pāpātanga | Intended impacts

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

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
Business understanding of anti-competitive conduct	The Commission will use the biennial survey of businesses to ascertain if they know their obligations under competition laws and the consequences of noncompliance. 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	N/A	55%[11]
			N/A	42%[12]

Contextual information: The results of the business survey measure the understanding New Zealand businesses have of the Consumer Guarantees Act, Fair Trading Act, Commerce Act, Credit Contracts and Consumer Finance Act and Retail Payment System Act, including their confidence that other businesses are complying. The results of the business survey in 2024 were reported in the Annual Report 2023/24. The business survey is now undertaken biennially, and the next time we report on this indicator will be in the Annual Report 2025/26.

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
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: • anti-competitive agreement or • misuse of market power.	Two case studies undertaken that demonstrate the Commission's interventions	Achieved Refer to case studies listed under methodology below.	Achieved

Contextual information: The way that markets function affects the affordability of goods and services. Businesses should have incentives to innovate and improve efficiency and the speed with which the economy recovers from external shocks. These issues all have a real impact on New Zealanders as business owners and consumers. Cartel conduct harms consumers by preventing them from getting quality services at fair prices, and it harms businesses that are trying to compete fairly. Anti-competitive arrangements and misuse of market power can create barriers to entry into a market and harm to our markets and consumers.

Methodology: Case studies on two of our interventions annually (a deterrence and a specific focus) demonstrate the effectiveness of the intervention:

Case study 1: Criminal cartel prosecution: bid rigging for Auckland infrastructure projects: (see page 38)
Case study 2: Foodstuffs cartel and breach of good-faith prosecution (see page 39)

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
Ex-post review of mergers	The Commission will, every two years, undertake an ex-post review of its merger decisions to improve the operation of the mergers regime.	Lessons learned from ex-post reviews are adopted by the Commission	N/A	Achieved

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

Methodology: Our last ex-post review of mergers was released in February 2024. The next ex-post review of mergers will be completed by June 2026.

11 Result from NZ Business Survey - % of businesses that have moderate or good understanding of the Commerce Act.

12 Result from NZ Business Survey - assessment of businesses' understanding of the consequences of non-compliance with the Commerce Act.

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
Market case studies	The Commission will undertake case studies, on an annual basis, to review activity that demonstrates a reduction in: • 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	The final report on the market study covering personal banking services in New Zealand was published on 20 August 2024 More information is found in the case study on case studies on pages 30 to 41	N/A

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
Competitiveness of the Grocery Industry	The national retail grocery market share concentration of regulated grocery retailers reduces over time when measured against the 2023/24 annual competition review baseline.[13]	Establish baseline	3,601	3,559

Contextual information: The baseline will be measured against the national Herfindahl-Hirschman Index (HHI) for regulated grocery retailers and will be based on the results obtained from the Annual Grocery Reports for 2023/24 and 2024/25.

Methodology: The HHI is a measure of market concentration, calculated by summing the squares of the market share percentages of all firms in an industry. A lower HHI value indicates a less concentrated market.

The 2024/25 figures are sourced from the 2024 Annual Grocery Report published in August 2025. Due to the annual data collection and reporting cycle, the figures reflect the status of the market in 2024. In the same manner, the 2023/24 figures reflect the status of the market in 2023.

Commentary: The first Annual Grocery Report, published on 4 September 2024, estimated that the HHI for the grocery industry in 2023 was 3,559, indicating a high level of market concentration. The 2024 Annual Grocery Report published on 6 August 2025 estimated that the HHI for 2024 was similar to 2023 at 3,601. This indicates that the grocery market concentration has remained roughly the same and is still highly concentrated.

13 Measure wording has been updated for 2025/26 to read "The national retail grocery market share concentration of regulated grocery retailers reduces over time when measured against the baseline".

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
Competitiveness of broadband and mobile sectors	Herfindahl-Hirschman Index (for broadband and mobile sectors of the telecommunications market) reduces over time.	Broadband – HHI between 1,500 and 2,500 (moderate concentration)	2,040	2,101
		Mobile – HHI between 3,000 and 4,000 (high concentration)	3,343	3,453

Methodology: The HHI is a measure of market concentration, calculated by summing the squares of the market share percentages of all firms in an industry. A lower HHI value indicates a less concentrated market.

The 2024/25 figures are sourced from the Telecommunications Annual Monitoring Report 2024, published in June 2025. Due to the annual data collection and reporting cycle, the figures reflect the status of the respective markets in 2024. In the same manner, the 2023/24 figures reflect the status of the respective markets in 2023.

Commentary: The New Zealand broadband market (residential and business) is moderately concentrated, with an HHI of 2,040 at a national level. This represents a slight decrease from the previous year. This shift is largely due to the growth of broadband and energy bundlers and Starlink, which have gained market share over the past year. The mobile market in New Zealand remains highly concentrated, with an estimated HHI of 3,343 in 2024. This represents a slight decrease from the 2023 estimate of 3,453, reflecting a modest reduction in market concentration across both residential and business segments.

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
Multi-sourcing of wholesale fuel	The percentage of wholesale volume that is multi-sourced.	At least 70%[14]	60%	New measure

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

Methodology: The percentage of the annual total wholesale fuel volume purchased by a fuel distributor or end user where that wholesale customer bought fuel from more than one wholesale supplier during the year. This data is sourced from the quarterly information disclosures by fuel importers.

Commentary: Our monitoring shows that 60% of wholesale fuel in 2024/25 was purchased by customers who multi-sourced their fuel supply during the year. There are several distributors and commercial end users that have been consistently buying fuel from more than one wholesale supplier throughout the year as well as some who buy from a second supplier from time to time. Some of these wholesale customers have bought from three different suppliers throughout the year, and some are now sourcing less than 80% of their fuel from their main supplier. This indicates a good baseline of customers who are actively shopping around for wholesale fuel supply, which should ultimately benefit retail consumers.

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
Competitiveness of the payment acquiring market[15]	Transparency, comparability and competitiveness of merchant fees improves over time for businesses	Establish baseline	No result	New measure

Commentary: We are reporting no result against this measure as it has been replaced by a new measure calculated using two key metrics relating to acquiring margins and average merchant service fees reducing: Competitiveness of acquiring market improves over time. The new measure gives us a more straightforward, objective way of assessing impact while maintaining the same focus as the original.

14 The target for this measure has changed because the target of *at least 70%* was based on a misclassification of two distributors as dealers. The measure is intended to apply only to wholesale customers with realistic supply diversification options - specifically distributors and end users, excluding dealers. The target for 2025/26 has been changed to *at least 45%* to account for this.

15 Payment acquiring market refers to the retail payment system.

Tauhokohoko tōkeke
Fair trade

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

Why this is important for us and how we measure our progress

We empower consumers to make informed choices through our education and engagement efforts and by producing and promoting accessible resources. Informed consumers help drive competition through their purchasing decisions. We also work proactively with businesses to support their understanding and compliance with legal obligations, aiming to prevent harm before it occurs. When breaches happen, we respond with appropriate enforcement actions, which may include education, civil proceedings or criminal action. We prioritise the protection of vulnerable consumers.

In 2023, we refreshed our Statement of Intent and introduced new impact indicators for fair trade, focusing on ensuring that consumers and businesses are informed, empowered and protected. We measure our performance through biennial surveys of consumers and businesses as well as lender participation in our quarterly online seminars. These indicators help us demonstrate how our regulatory and educational efforts contribute to a fair trading environment where rights and responsibilities are understood and upheld.

Survey data

In 2024, we worked with the Ministry of Business, Innovation and Employment (MBIE) to commission a national survey[16] asking New Zealanders about their understanding of consumer protection laws, including the Consumer Guarantees Act, Fair Trading Act and Credit Contracts and Consumer Finance Act. Conducted in March and April and published in August 2024,[17] the results help inform MBIE's system-level assessments and our own work priorities. We also surveyed businesses in July and August to gauge their understanding of legal obligations and confidence in industry compliance.[18] These insights help us assess the impact of our advocacy, education and enforcement. Results of both surveys were used to report against indicators in the Annual Report 2023/24, with updated results to be included in the Annual Report 2025/26.

Te takune o ngā pāpātanga | Intended impacts

- 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.

16 Previous surveys were commissioned by MBIE Consumer Protection biennially in 2018, 2020 and 2022.

17 NZ Consumer Survey 2024.

18 Business Survey 2023.

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
Consumer understanding of their rights	The Commission will use the biennial 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	N/A	56%[19]

Commentary: The results of the consumer survey measure what New Zealanders know about their consumer protection rights and whether they understand the Consumer Guarantees Act and Fair Trading Act compared to the Credit Contracts and Consumer Finance Act. The results of the consumer survey in 2024 were reported in the Annual Report 2023/24.

The consumer survey is now undertaken biennially and the next time we report on this indicator will be in the Annual Report 2025/26. The most recent survey covered a calendar year rather than a financial year and was published in August 2024.

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
Business understanding of obligations and consequences	The Commission will use the biennial survey of businesses to ascertain if they know their obligations.	Understanding of obligations	N/A	84% Fair Trading Act[20]

Commentary: The results of the business survey measure respondents' awareness of relevant legislation. The results of the business survey in 2024 were reported in the Annual Report 2023/24.

The business survey is now undertaken biennially and the next time we report on this indicator will be in the Annual Report 2025/26.

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
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	28.5%	34%[21]

Commentary: In 2023/24, the Commission held one online seminar for lenders and benchmarked a 34% attendance during that session. This was the first in a planned series of regular, topic-specific online seminars. During the 2024/25 financial year, the Commission ran three online seminars as part of this ongoing programme. Each session focused on a different aspect of Credit Contracts and Consumer Finance Act compliance and provided more in-depth information for lenders who were interested in a specific area of the Act. The difference in reported attendance reflects a shift from a single data point to an average across three sessions. As a result, the 2023/24 figure is not an accurate benchmark for comparison. The Commission received positive feedback about the online seminars and will continue to improve upon the delivery and explore new approaches as part of our commitment to continuous improvement.

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
Consumer confidence	The Commission, through the biennial consumer survey, will measure consumer confidence in our enforcement approach.[22]	Consumer confidence increasing over time	N/A	41%[23]

19 The 2023/24 consumer survey featured new questions. The question for this indicator is "Confident that I have enough information about my rights as a consumer when purchasing products or services". The 56% result uses the closest question from the previous survey that aligns with the new Statement of Intent impact indicators: "If confident that they have enough information about their rights relating to the purchase of products and services".

20 The survey question was "Please rate your understanding of the Fair Trading Act/Credit Contracts and Consumer Finance Act that apply to businesses in New Zealand".

21 The result for this impact indicator is not informed by either the consumer or business survey. It is based on records of the lender webinar attendance.

22 The consumer confidence in our enforcement approach survey has also shifted to biennially.

23 Consumers were asked how much they agreed or disagreed with the statement "laws that prohibit businesses from misleading or deceiving consumers are adequately enforced".

Indicator	Indicator measure	Target/direction of travel	2024/25 Actual	2023/24
Commentary: The New Zealand Consumer Survey 2024 aims to find out what New Zealanders know about their rights and their experiences of dealing with problems. The results of the consumer survey in 2024 were reported in the Annual Report 2023/24. The consumer survey is now undertaken biennially, and the next time we report on this indicator will be in the Annual Report 2025/26. The most recent survey covered a calendar year rather than a financial year and was published in August 2024.				
Business understanding of consequences of non-compliance	The Commission, through the biennial business survey, will determine businesses' understanding of the consequences of non-compliance.[24]	Business understanding increasing over time	N/A	58% Fair Trading Act[25]
Commentary: The results of the business survey measure respondents' awareness of the consequences of non-compliance with relevant legislation. The results of the business survey in 2024 were reported in the Annual Report 2023/24. The business survey is now undertaken biennially, and the next time we report on this indicator will be in the Annual Report 2025/26.				

24 The business understanding of consequences of non-compliance survey has also shifted to biennially.

25 Businesses were asked to rate their understanding of their obligations and of potential fines under the Fair Trading Act.

Ngā tino ratonga
Essential services

Consumers get quality and value from reliable essential services.

Why this is important for us and how we measure our progress

The Commerce Commission has a broader role in industries that are essential to daily life and where competition is not possible such as electricity lines, gas pipelines, fibre and specified airport services. In these sectors, we work to ensure consumers are not disadvantaged by the absence of competition, using powers that reflect the unique characteristics of each market. Our regulatory approach includes requiring businesses to disclose performance information, which we review and comment on publicly. In some cases, we also set limits on revenue and enforce minimum quality standards. To assess how our work supports the outcome that consumers receive quality and value from reliable essential services, we use a set of impact indicators. These indicators, which are consistent across the sectors we regulate, help demonstrate how our activities contribute to the reliability, quality and value of essential services.

Te takune o ngā pāpātanga | Intended impacts

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

Indicator	Reliability of essential services		
Indicator measure	**Target/direction of travel**	**2024/25 Actual**	**2023/24 (Baseline)**
Electricity distribution – unplanned SAIDI (System Average Interruption Duration Index).	Reliability measures are maintained (lower numbers are better except for airport quality)	136.60	410.60
Electricity distribution – SAIFI (System Average Interruption Frequency Index).		1.54	1.98
Electricity transmission – unplanned HVAC (High-Voltage Alternating Current) circuit unavailability (%).		0.07%	0.49%
Electricity transmission – unplanned HVDC (High-Voltage Direct Current) bi-pole unavailability (%).		0.06%	0.05%
Gas distribution – unplanned SAIDI.		122.43	263.27
Gas transmission – number of unplanned interruptions.		4	9
Fibre – average unplanned downtime for customers.		1.48	1.46
Airport – average Airport Service Quality Survey (ASQ) Score.		4.04	3.97

Contextual information: This impact indicator focuses on the quality aspect of regulated entity performance by assessing a range of reliability indicators across different regulated sectors. All regulated suppliers are required to provide a range of performance information as part of annual requirements under information disclosure regulation, including on quality performance. We use this information to make an assessment about the relevant network performance and reliability impact indicator.

Methodology: For the electricity, gas and fibre essential infrastructure sectors, we have selected reliability measures that focus on unplanned outages on the different networks. Unplanned outages provide an indication of overall network reliability and resilience. The reliability indicators for electricity are unplanned SAIDI and unplanned SAIFI for electricity distribution businesses (EDBs) and unplanned HVAC circuit unavailability and unplanned HVDC bi-pole unavailability for Transpower. SAIDI is the average total duration of outages over the year per customer in minutes and SAIFI is the average number of outages over the year per customer. The reliability indicator for fibre is the average unplanned downtime, excluding force majeure events, for customers in minutes. Unplanned downtime means the length of time a connection has a fault such as an unplanned outage or a reduction in the performance of the network below specified levels. For airport reliability, we use the average ASQ score for each airport (across both domestic and international terminals) using a scale of 1–5.

Below we provide the 2024/25 result and accompanying commentary for each essential service sector.

Electricity[26] commentary:

There has been a decrease in the number of outages experienced on average by electricity consumers and a material decrease in their average length in 2024/25 (from 410.50 to 136.60 minutes).

The decrease in both the number and duration of outages is due to the 2023/24 year being an outlier in terms of adverse weather and vegetation-related events (especially Cyclone Gabrielle and the Auckland weather event). Unplanned SAIDI was 410.50 minutes in this period compared to 177.50 minutes in the previous year (2022/23) and 136.6 this year.

We continue to monitor this area of performance and address non-compliance with quality standards when it occurs.

For electricity transmission, the network continues to provide a high level of reliability, with unavailability at 0.07% across the national grid (HVAC assets) in 2024/25, an improvement from the baseline year.

Gas[27] commentary:

We consider that the reliability measures for gas pipeline businesses are being maintained and that regulated suppliers are continuing to provide reliable essential infrastructure for the benefit of New Zealanders.

Looking at the 2024/25 results, the average total length of outages per customer of 122.43 minutes is lower than the baseline year result. The number of unplanned interruptions for gas transmission (four interruptions) follows a similar pattern (aside from 2022/23 where no interruptions were recorded).[28]

Fibre[29] commentary:

Noting the data limitations discussed below, we consider that the reliability measures for fibre service providers are being maintained and that regulated suppliers are providing reliable essential infrastructure for the benefit of New Zealanders.

The 2024/25 result (1.48 minutes) is similar to the baseline year result year (1.46 minutes).[30] Due to the fibre regime only being in place from 2022 onwards and transitional reporting requirements, we do not have data for prior years to provide a long-term trend.

The relatively low unplanned downtime results can be attributed to fibre infrastructure being more modern (compared to electricity and gas infrastructure, which has been in place for some time) and the high level of investment involved in building fibre networks as part of the Ultra-Fast Broadband initiative. Fibre networks are new high-technology-based assets where the main fibre elements are predominantly underground and therefore not subjected to age-based failure or external factors such as storm events, vegetation and third-party interference.

Airports[31] commentary:

We consider that the reliability measure for airports is being maintained. The 2024/25 result of 4.04 is slightly higher than the previous year (3.97) and is towards the upper end of the ASQ passenger survey scale, indicating a good level of service.

26 The information we use for electricity lines services relates to the 2024 disclosure year, with the 2024/25 actual for these measures based on the aggregate disclosures for the year ended 31 March 2024 for all EDBs and the year ending 30 June 2024 for Transpower.

27 The information we use for gas pipeline services relates to the 2024 disclosure year, with the 2024/25 actual for these measures based on the aggregate disclosures for the year ended 30 June 2024 for Vector and GasNet and the year ending 30 September 2024 for First Gas and Powerco.

28 Further information and analysis of gas pipeline business performance can be accessed in our **Trends in gas pipeline businesses' performance** report, published in February 2025.

29 The information we use for fibre network services relates to the 2024 disclosure year, with the 2024/25 actual for these measures based on the aggregate disclosures for the year ended 31 March 2024 for Tuatahi First Fibre and Northpower Fibre, the year ending 30 June 2024 for Enable Networks and the year ending 31 December 2024 for Chorus Limited. In addition, 2022 values only include Chorus as ID-only providers were not required to disclose the same information for the 2022 disclosure year.

30 We note an improvement to the methodology used for the 2024/25 result. The updated methodology weights the measure by the average number of connections in each month of the disclosure year, whereas the existing methodology used the number of connections at the end of the reporting period. Applying the 2023/24 methodology to the new data gives an unplanned downtime value of 1.477 minutes, which is the same result when rounded as using the new methodology.

31 The information we use for specified airport services relates to the 2024 disclosure year, with the 2024/25 actual for these measures based on the aggregate disclosures for the year ended 31 March 2024 for Wellington Airport and 30 June 2024 for Auckland and Christchurch Airports.

Indicator	Reliability of essential services		
Indicator measure	**Target/direction of travel**	**2024/25 Actual**	**2023/24 (Baseline)**
Total unique views on key dashboards/reports produced for regulated electricity suppliers.	Number of unique users accessing increases	19,127 views	19,747 views
Total unique views on key dashboards/reports produced for regulated gas suppliers.		1,398 views	1,102 views
Total unique views on key dashboards/reports produced for regulated fibre suppliers.		1,238 views	155 views
Total unique views on jet dashboards/ reports produced for regulated airport services.		11,165 views	7,922 views

Contextual information: This impact indicator provides insight on how monitoring and analysing performance information and reporting on what we observe allows us to highlight the performance of regulated suppliers and ensure that consumers have access to the information they need. We publish databases on our website of information disclosures for all regulated suppliers that can be used for independent analysis. We also publish our own dashboards and reports that provide a summary and analysis of regulated suppliers' performance, including regulated airports' pricing decisions and, revenue and reliability trends for local lines companies.

Methodology: We use Google Analytics to track unique views on all our webpages that provide information disclosure and data performance and analysis material. We are treating the total number of external pageviews accessing performance information for different regulated sectors (and how this changes over time) as a proxy for enabling effective public scrutiny. The 2023/24 and 2024/25 results include both internal and external pageviews. A filter is being developed to exclude staff views in future reporting rounds. However, this filter could not be applied until the launch of a new website in August 2025 and cannot be applied retrospectively.

Commentary: We consider that our total unique views for 2024/25 demonstrate that our performance and analysis is continuing to provide valuable insights on our regulated sectors, with either similar or notable increases in unique views seen across sectors. While acknowledging the data limitations mentioned above, the increase in page views observed for airport services in 2024/25 algins with the significant public interest shown for our review of Auckland International Airport's fourth price-setting event. Furthermore, in 2024/25, we expanded our performance and analysis offerings for fibre, providing performance visualisation material for the first time, resulting in a substantial increase in unique views for this sector.

Indicator	Reliability of essential services		
Indicator measure	**Target/direction**	**2024/25 Actual**	**2023/24 (Baseline)**
Electricity distribution – weighted average industry returns compared to weighted average cost of capital (non-exempt EDBs), five-year average.	Ratio within reasonable bounds	6.67% < 7.06%	6.69% < 6.99%
Electricity distribution – weighted average industry returns compared to weighted average cost of capital (exempt EDBs), five-year average.		6.22% < 7.06%	6.35% < 6.99%
Electricity transmission – weighted average industry returns compared to weighted average cost of capital, five-year average.		4.67% < 7.00%	5.37% < 7.11%
Gas distribution and transmission – weighted average industry returns compare to weighted average cost of capital, five -year average.		7.44% < 7.98%	7.48% < 7.87%
Chorus – returns compared to weighted average cost of capital, three-year average.		6.44% < 7.31%	7.06% < 8.59%
ID-only fibre network services – weighted average industry returns compared to weighted average cost of capital, three-year average.		8.65% > 7.31%	9.25% > 8.59%
Specified airport services – weighted average industry returns compared to weighted average cost of capital.		3.86% < 8.53%	3.85% < 8.18%

Contextual information: This impact indicator focuses on whether regulated suppliers are limited in their ability to extract excessive profits by comparing the weighted average industry return on investment to the estimated weighted average cost of capital (WACC). WACC is a key input in regulation of essential service infrastructure under both Part 4 of the Commerce Act and Part 6 of the Telecommunications Act. We determine a WACC estimate for each regulated business across different regulated sectors (electricity distribution and transmission, gas distribution and transmission and fibre networks) and suppliers of specific airport services. We use the information regulated suppliers are required to provide as part of the annual information disclosure requirements – including on financial performance – to make an assessment about whether excessive profits have been limited across different regulated sectors against this impact indicator. Returns for regulated suppliers can be volatile from year to year (due to factors such as the timing of cash flows, expenditure and inflation), and it is normal for them to fluctuate relative to the chosen benchmark.

Methodology: To provide a sector-wide view on profitability, we calculate an average return on investment for each type of regulated business, weighting each business by the relative size of their asset base. We compare this figure to the WACC used to set the price-quality path, adjusted for the difference between expected and actual inflation. The adjustment is based on the inflation forecasts from the Reserve Bank of New Zealand's most recent Monetary Policy Statement. For the electricity, gas and fibre sectors, we use the benchmark WACC referenced in our price-quality determinations, and for airports, we use the WACC referenced in the relevant price-setting event information for each airport. The methodology is similar for Transpower and Chorus. However, there is no need to calculate an average as they are reported separately.[32] The results in the table above show the five-year average comparison between the return on investment and the WACC for electricity lines services, gas pipeline services and specified airport services and the three-year average for fibre service providers.

32 We have separated EDBs between those subject to price-quality regulation and information disclosure regulation (referred to as non-exempt EDBs) and those subject to information disclosure only (consumer-owned businesses referred to as exempt EDBs) and for fibre providers between Chorus (subject to price-quality and information disclosure regulation) and local fibre companies (who are subject to information disclosure only). We have grouped gas distribution and gas transmission businesses together as all gas pipeline businesses are subject to price-quality regulation and information disclosure regulation.

Commentary: The 2024/25 results continue to show that, over a five-year horizon, returns on investment for electricity lines services, gas pipeline services and specified airport operations remain below the benchmark WACC. This indicates that regulated suppliers are not earning excessive profits and that their financial performance remains within reasonable bounds.

Returns for electricity lines and gas pipeline services have decreased compared to baseline, reflecting the impact of easing inflation in the last disclosure year. Transpower does not receive annual compensation for unexpected inflation (actual CPI being higher than forecast) during the regulatory period. Instead, inflation compensation is deferred until the end of the regulatory period through a wash-up adjustment. The regulatory asset base is also not indexed to inflation prior to 2025 but will be in future. Because of these factors, Transpower's return continues to trail that of electricity distribution businesses (EDBs) who benefit from inflation-adjusted returns. In contrast the lower returns for airports reflect the effects of the COVID-19 pandemic, which significantly disrupted travel and revenue streams. As a result, airport returns have remained below the benchmark WACC for much of the review period. In the fibre sector, the three-year average comparison shows that Chorus' return on investment remains below the benchmark, while returns for ID-only fibre providers continue to exceed it. We will monitor these entities closely to see whether this trend continues. As the fibre regulatory framework only came into effect in 2022, longer-term trends are not yet available.

03

Te aromatawai o ngā whakahaerenga, ngā tutukitanga hoki
Assessment of operations and performance

Te kōkiri i ā te Kāwantanga whāinga tōmua
Advancing the Government's priorities

Letter of Expectations: Minister of Commerce and Consumer Affairs

The Minister's Letter of Expectations conveys the Minister's portfolio priorities, along with strategic priorities and performance expectations for the Commission for the upcoming financial year.

In April 2024, the Commission received the Letter of Expectations from the then Minister of Commerce and Consumer Affairs, the Hon Andrew Bayly, in which he outlined the Government's economic priorities for 2024/25 and communicated specific expectations for the Commerce Commission.

The Minister's specific expectations for the Commission were to:

- drive competition and fair trading in the grocery sector
- promote competition and long-term consumer welfare across other sectors
- support efficient, resilient and sustainable infrastructure services
- be a brave, efficient and effective regulator.

In February 2025, the Hon Scott Simpson was appointed as the Minister of Commerce and Consumer Affairs, the expectations set by Minister Bayly remained in place for the remainder of the 2024/25 year.

In 2024/25, the Commission has progressed several initiatives that support each of these expectations. Detailed case studies with more information about how the Commission's performance against our strategy aligns with ministerial expectations for the 2024/25 financial year can be found on pages 26 to 41.

We have also quantified our contribution to the Government's priorities through economic analysis undertaken on the public benefit of investment in the Commerce Commission.

Quantifying the public benefit of our work

Ensuring New Zealanders receive the benefits of competition - greater value, innovation, productivity and choice - is central to our work. To better understand the value our work delivers to New Zealanders and the wider economy, this year, we undertook an analysis comparing the public benefits we generate with the cost of operating the Commission. Dr John Small presented our approach to measuring the impact of our work at an Organisation for Economic Co-operation and Development (OECD) roundtable in June 2025.

Our revenue comes from a combination of government appropriations and industry levies, and we estimate that each dollar invested in the Commerce Commission delivers at least $20 in public benefit. Over the 2024/25 financial year, this has equated to an estimated $1.95 billion in public benefit.

The estimation comes from four key areas of the Commission's work:

- **Monopoly regulation – $800 million:** using price controls to help ensure people get good value and reliable service from essential utilities such as electricity and gas.
- **Regulation of semi-competitive markets – $290 million:** promoting competition so the fuel, telecommunications and retail payments sectors oligopolies continue to perform in the interest of consumers.
- **Fair trading – $26 million:** ensuring consumers, including businesses, are informed, empowered and their interests are protected via business penalties and consumer refunds.
- **Competition enforcement – $830 million:** through our work on mergers and cartels, we help make sure New Zealanders get the benefits from protecting and promoting competition – like better prices, more choice and new ideas.

We know effective competition encourages businesses to innovate. This improves productivity and drives better choice and value to consumers. Some of that value is measurable now, but much of it is cumulative, building over time and helping future generations. This reflects our legislative purpose to focus on the long-term benefits for consumers.

Our calculations[33]

We recognise there are different ways to compile these estimates and acknowledge the inevitable role of assumptions in this work. We have tried to be conservative by understating our estimates of public benefits. We hope that, by being transparent about our methods, interested observers will help us find ways to improve them. Similar analysis on impacts has been carried out by other competition agencies around the world, including the UK's Competition and Markets Authority.

The scope of the Commerce Commission's remit is unusually broad by international standards. We enforce general competition law and have consumer protection functions under the Fair Trading Act. We also regulate infrastructure monopolies and have a market regulation function for oligopoly-supplied sectors dominated by a few large players.

Our role is to make these markets work better by improving competition, reducing inefficiencies and helping deliver fairer outcomes for consumers. By bringing these regulatory functions together, we can work more efficiently and make the most of our resources. These efficiencies are important in a small economy like New Zealand.

Additional benefits we have not included in our calculations

Several important areas of our work remain unquantified and are not yet included in our benefit calculations. This is because the work is new, there is some uncertainty or there are challenges in applying a suitable methodology.

Areas of our work excluded from our public benefit calculation are:

- impacts from grocery sector regulation
- work to improve competition in banking and electricity
- consumer education through fair trading initiatives
- the deterrence effect of our enforcement activities
- other competition investigations work.

These areas are expected to deliver significant public value on top of the value we have calculated so far. Further analysis is needed to accurately assess their contribution

Moreover, there is currently no straightforward way to capture the significant deterrence effects of our work related to competition and fair trading such as educating producers or suppliers just as we educate consumers. As we work to enhance long-term competition, deterrence helps incentivise firms to focus on innovations that genuinely benefit consumers. We are continuing to develop ways to measure the value of these impacts.

Future focus

This work on our public benefit is important not just to drive improvement in the value we provide but to increase transparency around our work.

It is critical to helping policymakers make more informed decisions, design and evaluate interventions and adapt regulations to enhance market performance. These metrics will also enhance transparency and accountability by allowing stakeholders to evaluate the trade-offs and outcomes of policy choices. We believe that data-driven policy frameworks are crucial for adapting to new challenges and ensuring that markets continue to serve the public interest.

We are participating in an international working group to further develop and sharpen our estimates of public benefit, and we will also be focusing on how improving the pace and timeliness of our decision making can reduce costs to business and increase the benefit we provide.

33 https://www.comcom.govt.nz/assets/news-and-media/news-and-events/2025/chair-dr-john-small-talks-public-benefit-at-oecd-roundtable/Estimating-the-Public-Benefits-of-the-Commerce-Commissions-Work-20-August-2025.pdf

Going For Growth

The Commission supports the Government's commitment to fostering strong economic growth foundations with the *Going For Growth* initiative.[34] We contribute to the Competitive Business Settings pillar,[35] which is one of five pillars driving the push for economic growth.

The Commission has contributed to the Competitive Business Settings pillar in the following ways:

- In August 2024, we joined with the Electricity Authority to establish the Energy Competition Task Force,[36] which is designed to strengthen competition in the electricity market for the benefit of consumers.
- In August 2024, we completed our market study into the personal banking sector. New Zealand has little competition in key markets, including banking, grocery and electricity. Market studies are a tool we use to examine whether markets could work better for New Zealanders, with the overriding aim being to promote competition in markets for the long-term benefit of New Zealanders. More information on this market study can be found on page 34.
- We published our first Annual Grocery Report in September 2024. The Commission is now investigating a range of matters, including land banking and possible changes to regulations such as the Grocery Supply Code.
- We cooperated with a governance and effectiveness review of the Commission led by Dame Paula Rebstock. This review was intended to futureproof our organisation and ensure we remain effective, high performing and capable of delivering our mandate as an impactful regulator. The review was finalised in September 2025, and we will be working to apply its recommendations in the 2025/26 financial year.

34 **https://www.mbie.govt.nz/business-and-employment/economic-growth/going-for-growth**

35 **https://www.mbie.govt.nz/business-and-employment/economic-growth/going-for-growth/competitive-business-settings**

36 More information about the **Energy Competition Taskforce** can be found on the Electricity Authority's **https://www.ea.govt.nz/projects/all/energy-competition-task-force/**

Te aromatawai o ngā whakahaerenga
Assessment of operations

Enforcement operations

Our enforcement priorities for the 2024/25 year:

Cartels
We will prioritise cartel conduct that impacts the competitive process for the procurement of public services and infrastructure contracts. We will take action in this area. Protecting the integrity of processes concerning the expenditure of public funds is essential.

Online sales conduct
Buying products online is increasingly a way of life for Kiwi consumers. We will prioritise taking action to protect consumers from online sales practices such as fake reviews, misleading scarcity claims, misleading social proof sales tactics, drip pricing and subscription traps.

Breaches in the grocery sector
Groceries are a critical purchase for all New Zealanders. Consumers should be able to rely on supermarket prices and price promotions being accurate. We will take action where we consider sales practices are illegal. We will also focus on compliance by retailers and wholesalers with codes and other obligations with an emphasis on anti-competitive behaviour and breach of obligations to act in good faith. We will also prioritise enforcement relating to obligations that promote competition (for example, wholesale access).

Breaches in the telecommunications sector
Telecommunications services are essential to Kiwi consumers. We will take an active role in monitoring and working with industry to ensure current technology transitions such as the 3G networks shutdown are consumer focused, and if any compliance issues arise, we will take action. We will take action where we see false, misleading or deceptive marketing, sales or billing practices. We will also prioritise enforcement relating to obligations that promote competition.

Motor vehicle sales and finance
For many Kiwis, the purchase of a car is one of the biggest financial commitments they will make. We will take action where we consider that motor vehicle dealers have not met their obligations under the Fair Trading Act. We will also take action where we consider finance lenders have not met their obligations under the Credit Contracts and Consumer Finance Act, including the rules that require responsible lending practices. We are particularly focused on where motor vehicle lenders are providing credit to vulnerable consumers.

Unconscionable conduct
We will act when we see businesses behaving unconscionably. Unconscionable conduct is behaviour that substantially departs from expected standards of business conduct and is so harsh that it goes against good conscience. This is conduct of a type that should rarely occur, but if it does, we will act to avoid harm to consumers or businesses.

HIGHLIGHT

Winstone Wallboards

In November 2024, we filed proceedings under sections 27 and 36 of the Commerce Act against Winstone Wallboards, a subsidiary of Fletcher Building that manufactures and supplies GIB-branded plasterboard. Proceedings alleged that Winstone breached the Commerce Act in its use of tiered rebates in plasterboard supply agreements with building supplies merchants between 2017 and 2022.

While the use of rebates can deliver benefits, tiered rebates can also harm competition when they are used by a supplier with substantial market power because they can reduce the ability of smaller suppliers or new entrants to compete. In this case, we allege Winstone used rebates to damage competition, ultimately leading to consumers paying higher prices.

In our market study into residential building supplies, completed in December 2022, we identified the use of rebates as a potential barrier to competition. This case will provide valuable insight into the application of the substantial lessening of competition test and confirm the circumstances in which rebates are harmful and in breach of the law.

HIGHLIGHT

$16.9 million in customer refunds secured from Alpine Energy

In April 2025, we issued a warning and negotiated enforceable undertakings from South Canterbury-based Alpine Energy to return $16.9 million overcharged to consumers and provide an additional $1.5 million in compensation to its community, targeted at energy hardship.

The lines company, which services around 33,800 customers, provided incorrect information disclosure statements to the Commission on its depreciation calculations. This information meant that Alpine's maximum allowable revenue was overstated, leading to customers being overcharged for the lines component of their electricity bills between 2015 and 2024.

In deciding on the appropriate enforcement action, our focus was on ensuring Alpine returned the money it had overcharged customers, with additional funds committed in recognition of the harm the error caused the wider community. The settlement also required Alpine to improve its processes to prevent a recurrence of the problem.

HIGHLIGHT

Charges filed against Woolworths NZ, PAK'nSAVE Silverdale and PAK'nSAVE Mill Street

We filed charges against Woolworths NZ, Silverdale Food Warehouse (t/a PAK'nSAVE Silverdale) and Gladstone Retail (t/a PAK'nSAVE Mill Street) for what we allege to be inaccurate pricing and misleading specials.

The charges filed were for advertising prices for grocery products that did not match the price charged at the point of sale and promoting grocery products at a special or discounted price where the promotional price did not offer a genuine special. Both PAK'nSAVE supermarkets pleaded guilty to all charges, Woolworths NZ has pleaded not guilty to all charges.

This enforcement action sends a clear signal to all supermarket operators that ongoing pricing issues must be addressed and robust processes must be implemented to prevent future breaches. To support this, we have set a mandatory disclosure standard under the Grocery Industry Competition Act. This will require major supermarkets to regularly report on customer complaints, including those related to pricing and promotions, enabling better identification and resolution of systemic issues. This work helps to protect consumer interests, improving business compliance and supporting informed consumer choice.

HIGHLIGHT

Two Degrees Mobile Limited fined

Two Degrees Mobile Limited (t/a 2degrees) was fined $325,000 after admitting to misleading advertising. The company claimed its Aussie business roaming was "free" or "at no extra cost", yet customers were charged after 90 days. The term "free" is especially powerful in marketing, and consumers should be able to trust such claims.

In response to the Commission's work, 2degrees has removed the 90-day limit on free business roaming in Australia, refunded affected current and former customers and updated its promotional materials. This investigation serves as a reminder of the importance of transparency in marketing, and accurate use of the claim that something is free, especially in complex sectors like telecommunications.

HIGHLIGHT

Bed, Bath and Beyond Limited sentenced

Bed, Bath and Beyond Limited was fined $230,000 for five breaches of the Fair Trading Act relating to the sale of non-compliant nightwear and hot water bottles. Between March and October 2023, the company sold 27,374 products that failed to meet legal safety labelling requirements.

This comprised children's pyjama sets missing visible fire hazard warnings and hot water bottles lacking instructions for safe use and storage. These failures significantly increased the risk of harm to vulnerable consumers.

This was the largest volume of non-compliant products we have encountered and underscores the importance of rigorous compliance processes. The Judge stated that, "by virtue of the number of non-compliant goods supplied by Bed, Bath and Beyond on a nationwide basis, and having regard to the duration of the offending, the offending must be considered as serious offending".

This enforcement action helps protect consumers from harm, promotes business accountability, and reinforces the importance of compliance with product safety regulations.

HIGHLIGHT

Protecting vulnerable consumers: '6K Gifting Co-operative' case

We successfully prosecuted individuals behind the '6K Gifting Co-operative', a pyramid scheme that targeted the Pasifika community in South Auckland during 2020 and 2021. Promoted as a culturally rooted gifting initiative, the scheme promised returns of up to $6,000 but left at least 240 participants out of pocket, with estimated losses between $225,000 and $336,750.

Ms Frances Halafihi-Saimone and Ms Patricia Pousini each pleaded guilty to breaching section 24 of the Fair Trading Act. Ms Halafihi-Saimone, the scheme's leader, was fined $33,306 and ordered to pay $1,500 in reparation to two complainants. Ms Pousini was fined $10,200. A third individual, Mr Feleti Halafihi, was fined $9,000 for failing to comply with a notice under section 47G of the Act and received a formal warning.

This scheme targeted vulnerable consumers. Those who lost money say they joined to escape poverty and saw an opportunity to secure a better future for themselves and their children. This action follows our 2024 prosecution of Shelly Cullen[37] in relation to similar offending and serves as a warning toothers who promote pyramid schemes.

37 https://www.ea.govt.nz/projects/all/energy-competition-task-force/

Regulatory operations

Aligning regulation with market evolution in the telecommunications sector

The Commission aims to ensure regulation keeps pace with a rapidly changing market. This has been demonstrated in our approach on a range of regulatory activities in the telecommunications sector.

Fibre access services regulation

In December 2024, the Commission decided that reasonable grounds exist to investigate whether regulation remains necessary for certain fibre access services, specifically voice, transport, point-to-point and co-location offerings. While regulation will continue for the core bitstream service, which underpins fibre broadband delivery to homes and businesses, we see potential for deregulation in areas where competition has matured. We will make a recommendation to deregulate if our investigation confirms there is a case for it.

Regulation of mobile termination access services

Mobile termination access services are wholesale services that a mobile network operator needs to enable its customers to communicate (by calls or SMS) with consumers on other mobile networks. In March 2025, the Commission decided that reasonable grounds exist to commence an investigation into whether regulation was still required in response to changing consumer habits, declining mobile calls and the rise of over-the-top messaging platforms like WhatsApp and Messenger. Once we close our investigation, we will recommend deregulation if we confirm there is a case for it.

Recommended removal of access regulation for Chorus' rural copper network

In August 2025, the Commission recommended removing access regulation from Chorus' copper network in rural areas, following earlier deregulation in urban, fibre-covered, regions. Rural consumers are increasingly adopting alternatives like fixed wireless access and LEO satellite services, which increasingly outperform copper in cost, reliability and performance. With the use of copper services declining and better alternatives being available, continued regulation is no longer necessary to support competition. The Minister will now decide whether to proceed with our recommendation.

Improving outcomes for banking consumers

In August 2024, we published the final report from the market study into personal banking services and recommended the designation of the interbank payment network. These steps provided a basis for ongoing work to support open banking, with the goal of improving competition in the payment system for consumers and businesses.

Following this, the Minister of Commerce and Consumer Affairs agreed that open banking is a key opportunity to enhance competition and innovation. We were asked to use our existing powers to help deliver improved outcomes for consumers.

Our approach has focused on fostering an open banking ecosystem that enables safe, accessible and innovative payment options. To support this, we have taken an engagement-led approach - working with Payments NZ, the API Centre, banks, financial technology companies, and MBIE to identify and address barriers to implementation.

In December 2024, we published an update on open banking progress. This included pricing arrangements for major banks and clarified our expectations for delivery. The update has contributed to more consistent and efficient pricing, encouraged collaboration between banks and third parties and supported the development of safer payment methods.

As the ecosystem continues to develop, our focus is shifting toward monitoring system performance and encouraging the adoption of secure, consumer-friendly payment options that reflect the changing needs of New Zealanders.

Reducing the cap on interchange fees to save businesses $90 million annually

New Zealand businesses spend around $1 billion each year to accept Mastercard and Visa payments, with interchange fees making up approximately 60% of this cost. During the last year, we reviewed interchange fee settings to assess whether businesses and consumers were paying too much.

We consulted at various stages of our process and received a wide range of views. Many stakeholders expressed concern that further reductions to interchange fee caps could affect investment in innovation and security. We carefully considered this feedback and undertook further analysis before reaching our final decision.

We have now acted to reduce the cap on interchange fees for personal credit card transactions and introduce new caps for foreign-issued cards. These changes are expected to deliver an additional $90 million in annual savings for New Zealand businesses, building on the $140 million in yearly savings achieved through the initial caps introduced in 2022.

We consider that the revised caps represent a balanced outcome – delivering meaningful cost reductions for merchants while ensuring sufficient revenue remains in the system to support competition, innovation and fraud prevention over the long term.

Consumers are also expected to benefit through reduced surcharges and easing of upward pressure on retail prices. These changes reflect the Commission’s commitment to ensuring New Zealand’s retail payment system remains competitive, efficient and responsive to the needs of both businesses and consumers.

Payments NZ authorisation

In August 2024, we granted Payments NZ Limited conditional authorisation[38] to work with current and future application programming interface (API)[39] providers (such as banks) and third parties (such as financial technology companies) to develop and apply a partnering framework relating to the provision of API services by API providers to third parties. The purpose of the framework is to make it easier for third parties to work with API providers and accelerate the delivery of open banking in New Zealand.

After consultation on our draft determination, we reached the view that, subject to the conditions we imposed, the benefits of the proposed arrangement were likely to outweigh the detriments. The benefits include the potential to reduce the transaction costs associated with partnering between API providers and third parties for access to API services and the development of more efficient contract terms for such partnering. The potential detriments, which the conditions we imposed were designed to address, primarily related to potential conflicts of interest in the partnering framework's decision-making processes.

The conditional authorisation is for an 18-month period, recognising that the applicants expect their discussions to take around 12 months. This time period also reflects the anticipated timing of regulatory interventions that will likely deliver some of the same potential benefits as the proposed arrangement.

Foodstuffs North Island and Foodstuffs South Island merger decision

One of our core functions under the Commerce Act is to assess whether business mergers and acquisitions might substantially lessen competition in relevant markets and should not proceed. We must clear any merger or acquisition that we are satisfied will not result in a substantial lessening of competition while preventing those that can harm competition. When considering a merger clearance application, we must consider whether any competition lost through the merger would be material.

In September 2024, we declined to give clearance for Foodstuffs North Island Limited and Foodstuffs South Island Limited to merge to become a single national grocery entity. In making our decision, we considered the effects of the merger on competition in acquisition markets, wholesale markets and retail markets.

The proposed merger would result in a permanent structural change to the New Zealand grocery industry, reducing the number of major buyers of grocery products in New Zealand from three to two and resulting in the merged entity having greater buyer power than Foodstuffs North Island and Foodstuffs South Island each do individually, which would be likely to substantially lessen competition in many acquisition markets.

This would likely allow the merged entity to extract lower prices from suppliers and/or otherwise adversely impact suppliers in the relevant markets. We were also concerned that this would lead to reduced investment and innovation by suppliers, meaning reduced consumer choice and/or quality of grocery products in New Zealand for consumers.

Foodstuffs North Island and Foodstuffs South Island have appealed our decision to the High Court.

38 The Commission can authorise an arrangement that may otherwise breach the Commerce Act if it is satisfied that, despite any potential detriment from the arrangement, the arrangement will likely result in a benefit to the public.

39 An API is a set of routines, protocols, and tools for building software applications that specify how software components should interact.

Decisions on Chorus' expenditure proposal and price-quality path

In 2024/25, we made important regulatory decisions applying to New Zealand's largest fibre network provider Chorus. These decisions were designed to deliver quality and value for Kiwi consumers while promoting continued investment in essential national fibre infrastructure.

In August and December 2024, we made decisions approving $1.722 billion in revenue for Chorus, which it will recover from consumers over the next four years (2025–28). This revenue will support Chorus' continued investment in the fibre network. However, we disallowed an additional $172.6 million, which would have flowed through to consumer prices, on the basis this was not prudent or efficient.

The revenue we set acts as a "cap" that helps limit prices and phases the recovery of revenue, easing the cost burden on consumers by around $250 million over this regulatory period. This smoothing of revenue is important given wider cost-of-living pressures on Kiwi consumers.

The December price-quality path decision also included tougher quality standards Chorus must meet, locking in the minimum level of performance consumers have come to expect from fibre networks. Together, the regulatory decisions made this year encourage Chorus to invest ahead of demand in critical national infrastructure, while protecting the interests of consumers in terms of price and quality.

Electricity distribution businesses and Transpower price-quality resets

In November 2024, we set the revenue limits and minimum levels of service from 2025 onwards for local lines companies and the national grid operator Transpower. The decisions come at an important time, with factors such a growing population, an increase in extreme weather events and greater reliance on electricity as a fuel continuing to test the capacity and resilience of the country's electricity network. When setting revenue limits, we focus on providing the right incentives so consumers benefit from appropriate investment in reliability and capacity for growth and receive value for money.

For local lines companies and Transpower, we increased revenue limits to recognise the context. While this did result in average household price increases of about $10 a month from April 2025, the recovery of revenue has been smoothed over the five-year regulatory period to ease the impact on consumers.

For local lines companies, we rejected expenditure where there was a lack of certainty to ensure consumers only pay for necessary services and investment. Local lines companies have options to apply for an increase in revenue when things become more certain, which helps ensure the right investments are made at the right time.

We also expanded the innovation scheme (designed to encourage the adoption of non-traditional solutions and innovative practices that enhance the electricity system's efficiency, resilience and affordability) and approved costs to enable local lines companies to purchase low voltage network data from metering companies to enable more efficient decisions about investment in and use of the network.

Some of Transpower's expenditure is dependent on whether it can recruit enough skilled staff to support a larger investment programme. To protect consumers and account for this investment, Transpower can only access some of its allowed revenues when it demonstrates it has met its recruitment targets.

Airports – Auckland Airport price-setting event 4

Auckland, Christchurch and Wellington International Airports are subject to information disclosure regulation. This provides transparency of airport performance around profits, investment, pricing and service levels. In March 2025, we published our final report on Auckland Airport's price-setting event for 2022-2027.

In this pricing period, Auckland Airport has embarked on a large investment programme aimed at increasing capacity and improving the experience for airport customers. The scale and cost of this investment programme was controversial and challenged by airlines. In our report, we concluded that the airport's forecast investment fell within a reasonable range. However, we were concerned that the airport was targeting excess profit of at least $150 million, meaning its charges were too high, with businesses and consumers likely to carry much of the cost burden. We also concluded that a different approach to recovering depreciation of the new terminal infrastructure would better serve consumers' interests, lowering charges in the short term.

In response to our report, Auckland Airport has adjusted its prices for airline passenger charges. Over the next two financial years, Auckland Airport has discounted per-passenger airline charges on an average basis between $1.10 and $4.80 (depending on the type of aircraft, whether it is international or domestic travel and the route taken). This will save customers $150 million over the next two years, eliminating the excess profit that we identified.

Water regulation – year in review

In 2024/25, the Government indicated that the Commission would be the economic regulator for water services under the Government's Local Water Done Well regime. We were also appointed as the Crown monitor for the interim economic regulation of Watercare. We are drawing on our experience in successfully regulating other sectors and international best practice to develop an effective regulatory regime for water services.

The Commission's work in the water sector fell into three main categories during 2024/25:

- **Crown monitor for the interim economic regulation of Watercare:** We contributed to a baseline report of Watercare and the development of its Charter. We took up our formal role of monitoring Watercare's performance against the Charter from April 2025.
- **Enduring regulation of water services entities:** As the legislation governing the water sector has been working its way through Parliament, the Commission has been establishing the first stage of economic regulation. This has involved considerable engagement with stakeholders and the development of draft regulations for information disclosure.
- **Initial regulation of Wellington Water:** During the transition to the enduring regulatory regime, Wellington Water is subject to a tailored information disclosure arrangement. We have designed this system to meet the specific needs of stakeholders and having regard to the particular situation of Wellington Water.

CASE STUDY

Criminal cartel prosecution: bid rigging for Auckland infrastructure projects

In December 2024, the Auckland High Court sentenced company director Munesh Kumar to community detention and community service and imposed a $500,000 fine on his construction company, MaxBuild Limited, in the country's first-ever criminal prosecution for cartel conduct. The convictions related to bid rigging of contracts commissioned by NZ Transport Agency for its Northern Corridor Improvement Project and Auckland Transport for its refurbishment of Middlemore Bridge. Mr Kumar and MaxBuild both pleaded guilty to four charges of price fixing in relation to the two projects.

In handing down her judgment, Justice Michele Wilkinson-Smith described the conduct as "serious and deliberate" and "striking at the heart of business confidence". Her Honour characterised the offending as a "deliberate and concerted strategy to rig bids for financial gain". Her Honour accepted that, were it not for several mitigating factors, a sentence of two years in prison would have been appropriate for Mr Kumar and a penalty of around $1 million would have been appropriate for MaxBuild's conduct. Her Honour ordered MaxBuild to pay a fine of $500,000. In addition to the fine imposed on his company, Mr Kumar was sentenced to six months' community detention and 200 hours' community work.

We are also prioritising several criminal investigations into cartel conduct of publicly funded work and will make further announcements on these investigations during the year. Bid rigging of publicly funded contracts undermines fair competition and imposes extra costs onto taxpayers and the New Zealand economy. The criminalisation of cartel conduct in 2021 underlines just how serious and harmful this offending is, and enforcing cartel laws remains an enduring priority for the Commission. It should be clear to businesses that the Commission will not hesitate to bring criminal proceedings when the law has been breached and New Zealanders are seriously harmed. We will do this to make sure that Kiwis reap the benefits of fair prices, quality services and greater choice.

CASE STUDY

Foodstuffs cartel and breach of good-faith prosecution

In July 2025, we announced our decision to file civil proceedings against Foodstuffs North Island Limited (FSNI) and Gilmours Wholesale Limited (Gilmours) for alleged cartel conduct with a national grocery supplier (market allocation) in breach of the Commerce Act and alleged breaches of the Grocery Industry Competition Act.

The decision to file civil proceedings followed our investigation into agreements that FSNI and Gilmours entered into with a national grocery supplier regarding the supply of products to a hospitality customer. The supplier and the customer both have considerable volumes of business with FSNI/Gilmours. When FSNI/Gilmours discovered the supplier and customer had established a direct trading relationship, they persuaded the supplier to re-route that business through them. We believe FSNI and Gilmours engaged in cartel conduct, which is a breach of section 30 of the Commerce Act.

The supply of groceries is a key part of the New Zealand economy and cartel conduct causes significant harm to consumers – goods and services become more expensive, consumers end up with fewer choices and quality and service levels are likely to deteriorate. It also harms other businesses that are trying to compete fairly.

The proceedings send a strong message that we take allegations of cartel conduct very seriously, do not tolerate this kind of behaviour and will not hesitate to take court action, where appropriate.

We are also filing proceedings against FSNI and Gilmours under the Grocery Industry Competition Act as we believe FSNI and Gilmours obstructed the supplier's ability to sell groceries to the customer in question and did not deal with the supplier in good faith.

CASE STUDY

Market study into personal banking services

In 2024/25, we completed our market study into personal banking. We found that New Zealand's four largest banks – ANZ, ASB, BNZ and Westpac – do not compete strongly with each other and other financial institutions are too small and poorly capitalised to provide any significant and ongoing challenge. As a result, big banks' profits are high, innovation has been low and some demographics are poorly served.

We made a set of recommendations to improve competition by supporting new entry and expansion, reducing the regulatory barriers to competition and empowering consumers to get better prices and services.

The best prospect for long-term change will come from accelerating open banking and ensuring that the regulatory environment supports competition. We also pointed to the potential of a stronger Kiwibank as a disruptor to the four major retail banks. The Government agreed to all 14 recommendations, and the 12 months following the release of our final report have seen a concerted multi-agency effort bring about changes to regulatory environment reporting to improve banking competition.

CASE STUDY

KiwiRail customer refunds

In a significant win for consumers, we accepted enforceable undertakings from KiwiRail to compensate passengers affected by widespread Interislander ferry cancellations due to mechanical breakdowns in early 2023. These legally binding commitments mark a major outcome in our work to protect consumer rights and ensure fair treatment.

Our investigation found KiwiRail made misleading statements about its liability for delays and cancellations, suggesting passengers were not entitled to compensation. This was contrary to the Consumer Guarantees Act and likely discouraged consumers from seeking refunds – breaching the Fair Trading Act.

Under the enforceable undertakings, KiwiRail agreed to a range of improvements, including compensating all affected customers, re-evaluating previously denied claims for compensation and updating its policies and terms to align with consumer law. Importantly, KiwiRail will now treat delays and cancellations caused by mechanical faults without an obvious external cause as within its control. This shift provides greater clarity for consumers and strengthens their ability to seek redress when travel plans are disrupted.

These undertakings are enforceable in court if not upheld, demonstrating the power of flexible enforcement tools to deliver timely redress and systemic change without the costs and delay of litigation.

The KiwiRail case is part of a broader focus on domestic travel providers and their compliance with consumer law. Jetstar Airways Pty Limited pleaded guilty and was fined against charges we made alleging it misled consumers about their rights to compensation for flight delays and cancellations within its control. We believe Jetstar's communications likely discouraged legitimate claims.

In May 2024, we issued a warning to StraitNZ Bluebridge Limited (Bluebridge) for likely breaching section 13(i) of the Fair Trading Act. Until at least June 2023, Bluebridge's terms and conditions attempted to exclude liability for delays and cancellations – despite consumers potentially having legal rights to compensation. Following engagement with the Commission, Bluebridge updated its terms and conditions to better reflect consumer rights available in case of ferry delays and cancellations for compensation claims and improved its claim process to ensure compensation claims were handled in a timelier manner.

These cases highlight systemic issues across major domestic travel providers, reinforce our commitment to ensuring the Consumer Guarantees Act is upheld and demonstrate our prioritisation to act against illegal online sales conduct, a key focus for 2024/25.

CASE STUDY

Look Sharp fined for misleading on pricing and consumer rights

Walond Limited, trading as Look Sharp, was fined $292,500 in the Auckland District Court after pleading guilty to misleading representations about product pricing and consumers' rights under the Consumer Guarantees Act, in breach of the Fair Trading Act.

Our investigation revealed frequent and widespread pricing errors across Look Sharp's 20 stores, with some customers paying up to 33% more than the advertised shelf price. By late 2022, the issue was so prevalent that Look Sharp displayed signs warning of potential discrepancies between shelf and checkout prices – an unacceptable practice that undermines consumer trust.

Between January 2021 and August 2023, Look Sharp also made misleading claims about consumers' rights to refunds and exchanges for faulty products. These claims, made via receipts, in-store signage and the company's website, imposed unlawful restrictions such as a seven-day return window and blanket exclusions for certain product categories. At one point, Look Sharp falsely claimed that COVID-19 restrictions prohibited all returns and exchanges.

These representations directly contradicted the Consumer Guarantees Act, which requires goods to be of acceptable quality and allows consumers to seek remedies within a reasonable timeframe. The breaches originated from Look Sharp's head office, indicating systemic compliance failures.

This outcome clarifies legal entitlements and helps consumers make informed choices. The outcome sends a strong message to large retailers about the importance of accurate pricing and lawful representations and our specific priority to focus on illegal online sales conduct.

In 2024, we warned Look Sharp Discount Store Limited, a separate entity operating the online store, for misleading representations about consumer rights. These online breaches further demonstrate the need for vigilance in digital retail environments and reinforce our focus on protecting consumers in both physical and online marketplaces.

04

Pārongo tutukitanga mutunga tau mō ngā pūtea tuku mai

Year-end performance information on appropriations

Ā mātou tutukitanga
Our performance

Statement of compliance

Public Benefit Entity Financial Reporting Standard (PBE FRS) 48 Service Performance Reporting

This section reports on our performance against the output measures and financial information found in our Statement of Performance Expectations 2024/25 and the Estimates of Appropriations and Supplementary Estimates of Appropriations 2024/25.[40] This service performance information provided has been prepared according to the standards and requirements set out in PBE FRS 48, which requires us to provide relevant information (disclosures) about how we selected, measured, grouped and presented our performance information, including any significant changes from the prior year.

In selecting, measuring, grouping and presenting our performance information, we considered the relevance, faithful representation, understandability, timeliness, comparability and verifiability of the information. We consider the information provided and the related disclosures we have presented are the most appropriate and meaningful to users.

Presentation of information

Our service performance information is presented by output class area. For each output class area, we describe how the output measure results contribute to the strategic outcomes as described in our Statement of Intent 2023-2027 (SOI). The information covers what the output class intends to achieve, the purpose of the measures, relevant disclosures about any changes to the measures and financial information related to each appropriation.

The section *Our strategic direction* on page 9 describes how we use impact indicators to measure the longer-term effects of our work under each of the strategic outcomes.

40 These are included in Vote Business, Science and Innovation, which is administered by MBIE, our monitoring agency.

Tirohanga whakataetae, mākete hoki, kiritaki
Competition, market studies and consumer

This output class area relates to the output measures and financial budgeting information relating to our roles under the:

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

Appropriation funding

The table below shows the funding made available by the Crown through the Estimates of Appropriations and Supplementary Estimates of Appropriations compared to that recognised by the Commission in the year for our competition, consumer and competition studies appropriations.

	2024/25 Estimates $000	2024/25 Supplementary Estimates $000	2024/25 Actual $000	Difference Actual vs Supplementary Estimates $000
Vote Business, Science and Innovation: Enforcement of General Market Regulation MCA				
Enforcement of Competition Regulation				
Revenue – Crown	11,651	11,651	11,651	-
Enforcement of Consumer Regulation				
Revenue – Crown	20,211	20,211	20,211	-
Total	**31,862**	**31,862**	**31,862**	**-**
Vote Business, Science and Innovation: Competition Studies				
Revenue – Crown	2,587	2,587	2,264	(323)

Whakataetae
Competition

What we do

This output class focuses on the education, prevention, identification and remediation of anti-competitive trader behaviour. Our work includes collaboration with MBIE and other government agencies on policy development and regulatory initiatives as well as efforts to understand market impacts and educate industry participants about their obligations under competition law. We also carry out regulatory decisions related to mergers, cartel investigations and other competition matters under the Commerce Act. These activities are supported by robust processes to ensure appropriate review and sign-off for enforcement actions, with a strong emphasis on timeliness and quality assurance.

The difference this output class makes

By applying clear prioritisation criteria and maintaining rigorous oversight throughout the case lifecycle, this output class ensures that enforcement actions are well founded and timely. The use of publicly available Enforcement Response Guidelines helps guide case selection and supports transparency in decision making. Through these measures, we help maintain fair and competitive markets, deter anti-competitive behaviour, and build trust in the regulatory system. Ultimately, this work contributes to a healthier economic environment where businesses can compete on merit and consumers benefit from improved choices and outcomes.

Competition output measures	2024/25 Actual	Target	2023/24 Actual
Percentage of merger clearance decisions made within 40 working days when no statement of issues is published	0%	75%	100%

Commentary: The number of merger clearance applications we receive each year varies, as does the complexity of each transaction and whether a statement of issues is required. This year, we decided six clearance applications featuring local and international transactions covering a broad range of industries. Of these, three were decided without a statement of issues needing to be published, and all three were decided outside of 40 working days. The average time taken to decide was 65 working days. Some of these transactions were multi-jurisdictional.

The Commission has been working to improve our performance in this measure. In April 2025 we began implementing changes to optimise the timeliness and efficiency of our merger clearance processes, streamlining and de-duplicating internal material, improving points of engagement between staff and decision-makers, and making pragmatic delegations where appropriate. In addition to these internal changes, the Commission is also reviewing its mergers filing form and confidentiality disclosure regime to consider whether efficiency-enhancing changes can be made to either, and, through its review of the Mergers and Acquisitions Guidelines, intends to more fulsomely review its externally-facing processes to consider whether any further optimisations can be made.

Methodology: The 40 working days start on the day we register a merger clearance application, with the registration date being working day 0. Working day 40 is the statutory decision date and also the date by which (pursuant to our indicative timeframes) we aim to decide to give clearance or go to a Statement of Issues. In the case of the applications for which we did not publish a Statement of Issues, the target measure is that we will decide 75% of these applications within 40 working days.

Competition output measures	2024/25 Actual	Target	2023/24 Actual
Average number of working days from date of decision to date of publication of reasons for declined merger clearance applications	18 days	10 days	There were no declined clearances

Commentary: In 2024/25, two complex merger clearances were declined – AlphaTheta Corporation/Serato Audio Research Limited (DJ hardware and software) and Foodstuffs North Island/Foodstuffs South Island (grocery) – and both sets of written reasons were published outside the target of 10 working days. In both cases, we were not satisfied that the proposed merger would not have the effect of substantially lessening competition in relevant markets. These transactions were both complex matters that required detailed consideration and a clear set of reasons.

The Commission has been working to improve our performance in this measure, for more information about the changes we began implementing in April 2025 to our merger processes please see commentary under the merger clearances output measure.

Methodology: This measure only applies to merger clearance applications that are made directly to the Commission and excludes those where an application was not made to us and where we made the decision to investigate.

Competition output measures	2024/25 Actual	Target	2023/24 Actual
Number of Commerce Act 1986 matters completed	17	5–20	14

Commentary: This includes seven cartel matters, seven competition matters (involving other types of anti-competitive conduct) and three litigation matters.

Methodology: The minimum number of matters we need to complete must fall within the target range. We can complete more than 20 in the financial year.

Percentage of competition investigations decided within 18 months of the investigation being open	79.1%	75%	93.75%

Commentary: During the year, 24 investigations were decided. This included 16 cartel investigations and eight competition investigations (involving other types of anti-competitive conduct). This measure captures all investigations that have had an outcome decided in the financial year, regardless of the start date (investigations may have started in the current year or prior years).

Methodology: An investigation may be initiated from information we receive from a variety of sources such as complaints, leniency applications relating to cartels, intelligence, media, information received from other agencies or through other work the Commission is undertaking. An investigation is concluded with an outcome decision resulting in the use of our enforcement tools as outlined in our Enforcement Response Guidelines. These outcome decisions can include compliance advice, a warning, an infringement notice, an agreed outcomes such as a negotiated settlement or enforceable undertaking or filing court proceedings. It is also possible that a matter may conclude with no further action. Higher level enforcement outcomes are made by the relevant Division. Our decision-making takes place within appropriate governance processes, is undertaken or overseen by the Commission members or in some cases by staff, and is wherever possible publicly reported and disclosed.[41] [42]

Percentage of investigations involving a court action, statutory undertaking or negotiated settlement response meeting the Commission's internal process quality standards[43]	100%	100%	100%

Commentary: This measure was met for the 2024/25 financial year. All decisions to take high-level enforcement action were made by the Competition Division[44] and followed our internal processes.

Methodology: This measure tracks investigations that concluded with a court action, enforceable undertaking, or negotiated settlement during the financial year, regardless of when the investigation began. It evaluates whether each case has undergone the required internal quality assurance processes, including review by an advisory group, before a final decision is made by the relevant Division. To confirm that these processes have been followed, a set of key documents must be provided. These documents offer assurance that appropriate governance steps were completed prior to the Division's final decision.

41 https://www.comcom.govt.nz/about-us/our-policies-and-guidelines/investigations-and-enforcement/enforcement-response-guidelines/

42 https://www.comcom.govt.nz/assets/pdf_file/0028/89821/InvestigationGuidelinesJune2025.pdf

43 The wording of this measure was amended in the Supplementary Estimates 2024/25, changing the phrase "our internal process quality standards" to "the Commission's internal process quality standards".

44 Previously the Commerce Act Division. The name was changed to the Competition Division in March 2025.

Our competition work is funded through the multi-category appropriation Vote Business, Science and Innovation: Enforcement of General Market Regulation – Enforcement of Competition Regulation.

	2024/25 Actual $000	Budget $000	2023/24 Actual $000
Operating revenue			
Revenue – Crown	11,651	11,651	12,075
Other revenue	318	280	480
Total operating revenue	**11,969**	**11,931**	**12,555**
Total operating expense	**11,405**	**11,931**	**12,541**
SURPLUS/(DEFICIT)	**564**	**-**	**14**

Commentary: Expenditure in the competition output class was lower than budget, primarily due to lower spend on external support for investigations and engagement activities. This reflects the Commission's approach of save to invest.

Tirohanga mākete
Market studies

What we do

This output class focuses on improving market performance and outcomes by conducting in-depth research into specific markets where there are concerns that competition may not be functioning effectively. Through market studies, we examine how firms interact, assess indicators of competitive strength and explore whether changes to structural, regulatory or conduct-related factors could enhance competition. These studies help identify barriers that may prevent markets from operating efficiently and provide evidence-based insights to support better decision making.

The difference this output class makes

When markets function well, businesses are incentivised to innovate, new entrants can compete on a level playing field and consumers benefit from access to information and the ability to switch providers easily. However, competition can be weakened by business practices, consumer behaviour or regulatory settings that deter entry or limit growth. By identifying and addressing these issues, this output class plays a critical role in promoting fairer and more dynamic markets. This leads to better outcomes for New Zealanders, including improved choices, lower prices and more responsive services.

Market studies output measure	2024/25 Actual	Target	2023/24 Actual
All competition studies undertaken are completed within agreed timeframes	Achieved	Achieved	On track
Commentary: On 20 June 2023, the Government asked us to carry out a 14-month long study into personal banking services in New Zealand. Our final report was published on 20 August 2024, within agreed timeframes.			

Our market studies work is funded through Vote Business, Science and Innovation: Competition Studies.

	2024/25 Actual $000	Budget $000	2023/24 Actual $000
Operating revenue			
Revenue – Crown	2,264	2,587	3,399
Other revenue	61	37	89
Total operating revenue	**2,325**	**2,624**	**3,488**
Total operating expense	**2,325**	**2,624**	**3,488**
SURPLUS/(DEFICIT)	**-**	**-**	**-**
Commentary: Market studies output class expenditure was lower than budget primarily due to lower-than-anticipated use of external economic and legal advice to support the inquiries undertaken.			

Kiritaki
Consumer (including fair trading and credit)

What we do

This output class is focused on the prevention, identification, investigation and remediation of market behaviour that is harmful to consumers. We work to ensure that consumers are not misled when buying products and services and are protected when entering consumer loans. Our role includes regulating products subject to safety and consumer information standards, promoting the rights of consumers and the obligations of businesses through advice, education, guidance and communication as well as investigating and taking enforcement action against unfair, non-compliant and illegal behaviour.

The difference this output class makes

By carrying out these activities, we help protect both consumers and the trading environment. Our performance is assessed by measuring the number of regulatory matters brought through formal internal processes for assessment and their timeliness. We have robust quality assurance and sign-off processes to ensure our regulatory actions are appropriate, prioritised and proportionate. Two separate quality assurance processes are used to assess the internal quality measure for investigations under the Fair Trading Act and the Credit Contracts and Consumer Finance Act (CCCF Act). A key part of this assurance includes prioritisation criteria for case selection, ongoing oversight and a thorough review process before enforcement action is taken by the Consumer Division under delegated authority. This ensures that our interventions are both effective and timely, making a tangible difference for consumers.

Consumer output measures	**2024/25 Actual**	**Target**	**2023/24 Actual**
Number of product safety and information standards matters completed	105	At least 75	139
Methodology: Each matter is a piece of work relating to an alleged compliance issue that relates to product safety standards or consumer information standards. This covers work from providing educative information through to investigating and potential enforcement outcomes (such as compliance advice, a warning, negotiated resolution, civil proceedings or prosecutions). It is also possible that a matter may conclude with no further action. This measure captures investigations that have an outcome decided in the current year, regardless of start date (investigations may have started in the current year, or prior years).			
Commentary: 105 product and safety consumer information standards matters were completed, exceeding the 75 target. Of these, three are proceeding to litigation, five resulted in a warning, 17 traders were issued compliance advice, and 66 were issued with an information letter. This measure captures investigations that have an outcome decided in the current year, regardless of start date (investigations may have started in the current year, or prior years).			
Number of Fair Trading Act 1986 matters completed	188	At least 175	211
Methodology: Each matter is a piece of work relating to an alleged compliance issue that relates to product safety standards or consumer information standards. This covers work from providing educative information through to investigating and potential enforcement outcomes (such as compliance advice, a warning, negotiated resolution, civil proceedings or prosecutions). It is also possible that a matter may conclude with no further action. This measure captures investigations that have had an outcome decided in the current year, regardless of start date (investigations may have started in the current year or prior years).			
Commentary: 188 Fair Trading Act matters were completed, exceeding the 175 target. Of these, nine are proceeding to litigation, four resulted in a warning, one with enforceable undertakings, 20 traders were issued compliance advice and 142 were issued with an information letter.			

Consumer output measures	2024/25 Actual	Target	2023/24 Actual
Percentage of Fair Trading Act 1986 investigations decided within 12 months of the investigation being opened.	98%	95%	98%

Methodology: This measure assesses whether we efficiently investigate credit-related complaints and reach decisions in respect of those investigations in a timely way. We also conduct regular three-monthly, six-monthly and nine-monthly reviews (which are essentially an investigation life cycle check-in) to assess whether these investigations are moving at the right pace (based on complexity and other factors). This measure captures investigations that have had an outcome decided in the current year, regardless of start date (investigations may have started in the current year or prior years). An investigation is opened when we start taking investigative steps and is concluded with an outcome decision resulting in the use of our enforcement tools as outlined in our Enforcement Response Guidelines. These outcome decisions can include compliance advice, a warning, an infringement notice, an agreed outcome including a negotiated settlement or enforceable undertaking, or filing court proceedings. It is also possible that a matter may conclude with no further action. Higher level enforcement outcomes are made by the relevant Division. Our decision-making takes place within appropriate governance processes, is undertaken or overseen by the Commission members or in some cases by staff and is wherever possible publicly reported and disclosed.[45]

Commentary: The percentage of Fair Trading Act investigations decided within 12 months of the investigation being opened continues to be at 98% (2023/24 result), which is above our 95% target.

Number of Credit Contracts and Consumer Finance Act 2003 matters completed	183	At least 50	125

Methodology: Each matter is a piece of work related to an alleged compliance issue. This covers work from providing educative information through to investigating and potential enforcement outcomes (such as compliance advice, a warning, negotiated resolution, civil proceedings or prosecutions). It is also possible that a matter may conclude with no further action. This measure captures investigations that have had an outcome decided in the current year, regardless of start date (investigations may have started in the current year or prior years).

Commentary: 183 CCCF Act matters were completed, exceeding the target of 50. Of these, six proceeded to litigation, three resulted in a warning, 23 were issued compliance advice, 11 were issued an infringement notice, 92 were sent an information letter and 32 received educative engagement.

Percentage of Credit Contracts and Consumer Finance Act 2003 investigations decided within 18 months of the investigation being opened	97%	95%	96%

Methodology: This measure assesses whether we efficiently investigate credit-related complaints and reach decisions in respect of those investigations in a timely way. We also conduct regular three-monthly, six-monthly and nine-monthly reviews (which are essentially an investigation life cycle check-in) to assess whether these investigations are moving at the right pace (based on complexity and other factors). This measure captures investigations that have had an outcome decided in the current year, regardless of start date (investigations may have started in the current year or prior years). An investigation is opened when we start taking investigative steps and is concluded with an outcome decision resulting in the use of our enforcement tools as outlined in our Enforcement Response Guidelines. These outcome decisions can include compliance advice, a warning, an infringement notice, an agreed outcome including a negotiated settlement or enforceable undertaking, or filing court proceedings. It is also possible that a matter may conclude with no further action. Higher level enforcement outcomes are made by the relevant Division. Our decision-making takes place within appropriate governance processes, is undertaken or overseen by the Commission members or in some cases by staff and is wherever possible publicly reported and disclosed.[46][47]

Commentary: The percentage of CCCF Act investigations decided within 18 months of the investigation being opened was 97%, exceeding the 95% target.

45 https://www.comcom.govt.nz/assets/pdf_file/0028/89821/InvestigationGuidelinesJune2025.pdf

46 https://www.comcom.govt.nz/about-us/our-policies-and-guidelines/investigations-and-enforcement/enforcement-response-guidelines/

47 https://www.comcom.govt.nz/assets/pdf_file/0028/89821/InvestigationGuidelinesJune2025.pdf

Consumer output measures	2024/25 Actual	Target	2023/24 Actual
Percentage of investigations involving a court action, statutory undertaking or negotiated settlement response meeting the Commission's internal process quality standards[48] This measure captures investigations that have had an outcome decided in the current year, regardless of start date (investigations may have started in the current or prior years).	100%	100%	100%
Methodology (credit): This measure tracks investigations that concluded with a court action, enforceable undertaking, or negotiated settlement during the financial year, regardless of when the investigation began. It evaluates whether each case has undergone the required internal quality assurance processes, including review by an advisory group, before a final decision is made by the relevant Division. To confirm that these processes have been followed, a set of key documents must be provided. These documents offer assurance that appropriate governance steps were completed prior to the Division's final decision.			
Commentary: Although this measure has met the 100% standard for financial year 2024/25, a small number of minor documentation issues were identified when a sample of investigations was reviewed. These did not affect the integrity of the enforcement decisions made.			
Percentage of investigations involving court action, statutory undertaking or negotiated settlement response meeting the Commission's internal process quality standards	100%	100%	100%
Methodology (fair trading): This measure tracks investigations that concluded with a court action, statutory undertaking, or negotiated settlement during the financial year, regardless of when the investigation began. It evaluates whether each case has undergone the required internal quality assurance processes, including review by an advisory group, before a final decision is made by the relevant Division. To confirm that these processes have been followed, a set of key documents must be provided. These documents offer assurance that appropriate governance steps were completed prior to the Division's final decision.			
Commentary: Although this measure has met the 100%[49] standard for financial year 2024/25, a small number of minor documentation issues were identified when a sample of investigations was reviewed. These did not affect the integrity of the enforcement decisions made.			
Percentage of fit and proper person applications processed under the Credit Contracts and Consumer Finance Act 2003 within 60 working days where all information has been received and no conditions have been imposed	100%	95%	100%
Methodology: This measure assesses whether we are efficiently certifying those lenders that ought to be certified on the basis that their directors and senior managers are fit and proper persons to hold their positions.			
Commentary: The percentage of fit and proper person applications processed under the CCCF Act within no more than 60 working days where all information has been received and no conditions have been imposed was 100%, exceeding the 95% target.			

48 The wording of this measure was amended in the Supplementary Estimates 2024/25, changing the phrase "our internal process quality standards" to "the Commission's internal process quality standards".

49 https://www.comcom.govt.nz/about-us/our-policies-and-guidelines/investigations-and-enforcement/enforcement-response-guidelines/

Our consumer work is funded through the multi-category appropriation Vote Business, Science and Innovation: Enforcement of General Market Regulation – Enforcement of Consumer Regulation.

	2024/25 Actual $000	Budget $000	2023/24 Actual $000
Operating revenue			
Revenue – Crown	20,211	20,211	20,892
Other revenue	1,114	715	962
Total operating revenue	**21,325**	**20,926**	**21,854**
Total operating expense	**20,330**	**20,994**	**22,313**
SURPLUS/(DEFICIT)	**995**	**(68)**	**(459)**

Commentary: Expenditure in the consumer output class was lower than budget due to reduced use of external support for credit investigations, fair trading and credit engagement activities. This reflects the Commission's ongoing approach of save to invest.

Credit law reform and transfer of consumer credit

In January 2024, the Minister of Commerce and Consumer Affairs signalled an intention for regulatory responsibility for the CCCF Act to be transferred from the Commission to the Financial Markets Authority (FMA). Cabinet subsequently approved the transfer in March 2024. The transfer is part of a series of reforms intended to streamline and bring together the regulation of financial services in New Zealand.

The Commission engaged closely with MBIE and the FMA on law changes to enable the FMA to carry out its role as CCCF Act regulator effectively. The Commission continues to deliver its regulatory responsibilities under the CCCF Act until the time of transfer.

Ngā ture ohaoha
Economic regulation

This section describes output measures and financial information relating to our role under the:

Grocery Industry Competition Act 2023

Telecommunications Act 2001

Fuel Industry Act 2020

Local Government (Water Services Preliminary Arrangements) Act 2024

Retail Payment System Act 2022

Commerce Act 1986 (Part 4)[50]

- Specified Airport Services
- Electricity Lines Services
- Gas Pipeline Services

Dairy Industry Restructuring Act 2001

50 The output class and financial material under Part 4 of the Commerce Act is structured around our work involving electricity lines services, gas pipeline services and specified airport services.

Appropriation funding changes

The table below shows the funding made available by the Crown through the Estimates of Appropriations and Supplementary Estimates of Appropriations compared to that recognised by the Commission in the year for each of our economic regulation appropriations.

2024/25 Funding	2024/25 Estimates $000	2024/25 Supplementary estimates $000	2024/25 Actual $000	Difference Actual vs Supplementary Estimates $000
Vote Business, Science and Innovation: Regulation of Telecommunications Services 2022-2025 (MYA)				
Cumulative funding to 1 July 2024	30,287	28,884	28,884	-
Revenue - Crown	15,787	17,190	16,050	(1,140)
Cumulative funding to 30 June 2025	**46,074**	**46,074**	**44,934**	**(1,140)**
Remaining appropriation	-	-	1,140	1,140
Total appropriation	46,074	46,074	46,074	-
Vote Business, Science and Innovation: Enforcement of General Market Regulation – Liquid Fuels Monitoring and Enforcement (MCA)				
Revenue Crown	3,064	3,064	3,064	-
Vote Business, Science and Innovation: Regulation of Electricity Lines Services 2024-2029 (MYA)				
Cumulative funding to 1 July 2024	-	-	-	-
Revenue - Crown	9,001	11,406	10,010	(1,396)
Cumulative funding to 30 June 2025	**9,001**	**11,406**	**10,010**	**(1,396)**
Remaining appropriation	35,445	33,632	35,028	1,396
Total appropriation	**44,446**	**45,038**	**45,038**	**-**
Vote Business, Science and Innovation: Regulation of Gas Pipeline Services 2024-2029 (MYA)				
Cumulative funding to 1 July 2024	-	-	-	-
Revenue - Crown	2,533	3,617	3,468	(149)
Cumulative funding to 30 June 2025	**2,533**	**3,617**	**3,468**	**(149)**
Remaining appropriation	13,208	11,394	11,543	149
Total appropriation	**15,741**	**15,011**	**15,011**	**-**
Vote Business, Science and Innovation: Regulation of Specified Airport Services 2024-2029 (MYA)				
Cumulative funding to 1 July 2024	-	-	-	-
Revenue-Crown	800	1,000	864	(136)
Cumulative funding to 30 June 2025	800	1,000	864	(136)
Remaining appropriation	1,874	1,763	1,899	136
Total appropriation	**2,674**	**2,763**	**2,763**	**-**

2024/25 Funding	2024/25 Estimates $000	2024/25 Supplementary estimates $000	2024/25 Actual $000	Difference Actual vs Supplementary Estimates $000
Vote Business, Science and Innovation: Enforcement of General Market Regulation – Retail Payment Systems Administration and Enforcement (MCA)				
Revenue – Crown	4,576	4,576	4,576	-
Vote Business, Science and Innovation: Enforcement of Dairy Sector Regulation and Monitoring of Milk Price Setting				
Revenue – Crown	2,348	2,348	1,300	(1,048)
Vote Business, Science and Innovation: Grocery Industry Monitoring and Enforcement				
Revenue – Crown	7,286	7,286	7,286	-
Vote Business, Science and Innovation: Enforcement of General Market Regulation – Transition and Implementation of Economic Regulation for Water (MCA)				
Revenue – Crown	-	2,232	2,232	-

Ture rāngai hoko kai
Grocery sector regulation

What we do

The Commission's role under the Grocery Industry Competition Act is to promote competition, fair trading and transparency in the grocery industry for the long-term benefit of consumers in New Zealand. Our main regulatory functions include monitoring, analysing and reporting on competition and efficiency in the grocery industry; enforcing a grocery supply code of conduct; taking measures to facilitate the wholesale supply of groceries, including the ability to recommend or impose further regulation of wholesale access if required; and supporting the industry to understand and comply with relevant legislation and regulations.

The difference this output class makes

This output class is designed to promote competition and efficiency in the grocery industry, with the long-term goal of ensuring that New Zealanders experience the benefits of competition when they do their grocery shopping. These benefits include better prices, improved quality, greater range and increased convenience. Since the Grocery Industry Competition Act came into force in July 2023, we have been developing and monitoring a wide range of interventions to improve conditions for stronger competition. This includes ensuring a reliable and cost-effective supply of groceries at wholesale so rival retailers can better compete, requiring supermarkets to provide accurate business information to increase transparency and support new market entrants, mandating the publication of unit prices so consumers can compare prices more effectively and ensuring that large supermarkets comply with the Grocery Supply Code and prohibitions on unfair contracts to promote fair conduct, transparency and certainty in dealings with suppliers.

Grocery sector output measure	2024/25 Actual	Target	2023/24 Actual
Number of monitoring and insights reports published under the Grocery Industry Competition Act 2023[51]	2	At least 1	3
Commentary: In year two of the grocery regime, the Commission delivered the first Annual Grocery Monitoring Report and a fact sheet providing an overview of the stronger regulation options available under the Grocery Industry Competition Act as part of the wholesale regime.			
Number of reports completed as a part of the Commission's obligations under the Grocery Industry Competition Act 2023	N/A	At least 1	N/A
Commentary: A transcription error made outside of the Commission caused the above additional grocery sector output measure to be mistakenly included in the Supplementary Estimates of Appropriations 2024/25 for Vote Business, Science and Innovation (page 165). It will be removed in the Supplementary Estimates 2025/26.			
Number of assessments completed as a part of the Commission's obligations under Section 65 of the Grocery Industry Competition Act 2023[52]	3	At least 2[53]	6
Commentary: One assessment completed for each regulated grocery retailer under section 65(2) of the Grocery Industry Competition Act.			

51 The wording of this measure was amended in the Supplementary Estimates 2024/25. The previous wording was: "Number of reports completed as a part of the Commission's obligations under the Grocery Industry Competition Act 2023 including but not limited to: Annual report on the state of competition in the grocery industry (section 175)"

52 The wording of this measure was amended through the Main Estimates 2024/25 to provide a better, more relevant representation of the regulatory work involved in grocery industry monitoring and enforcement. In 2023/24, this measure was "Number of Compliance Assessments completed".

53 The target for this measure was amended through the Main Estimates 2024/25 from 6 to at least 2.

Number of determinations (includes determinations, clarifications, reviews, codes and amendments)	Measure discontinued[54]	0	There were no determinations
Commentary: This measure was discontinued in the 24/25 Estimates as the Commission did not intend to recommend or impose further regulation in the 2024/25 year.			
Percentage of determinations completed by the Commission by statutory deadlines	Measure discontinued[55]	100%	There were no determinations
Commentary: This measure was discontinued in the 2024/25 Estimates as the Commission did not intend to recommend or impose further regulation in the 2024/25 year.			
Percentage of determinations and code amendments that the Commission's quality assurance processes have been applied to	Measure discontinued[56]	100%	There were no determinations
Commentary: This measure was discontinued in the 2024/25 Estimates as the Commission did not intend to recommend or impose further regulation in the 2024/25 year.			
Percentage of grocery reports completed by statutory deadlines	Measure discontinued[57]	100%	No statutory reporting required in 2023/24
Commentary: This measure was discontinued in the 2024/25 Estimates as it was not considered a meaningful indicator of performance.			

Our grocery sector regulation work is funded through Vote Business, Science and Innovation: Grocery Industry Monitoring and Enforcement.

	2024/25 Actual $000	**Budget $000**	**2023/24 Actual $000**
Operating revenue			
Revenue - Crown	7,286	7,286	7,286
Other revenue	166	119	208
Total operating revenue	**7,452**	**7,405**	**7,494**
Total operating expense	**7,341**	**7,405**	**7,201**
SURPLUS/(DEFICIT)	**111**	**-**	**293**
Commentary: Grocery expenditure was slightly lower than budget due to less expenditure on external technical support than anticipated.			

54 This measure was discontinued through Estimates 2024/25.

55 This measure was discontinued through Estimates 2024/25.

56 This measure was discontinued through Estimates 2024/25.

57 This measure was discontinued through Estimates 2024/25.

Torotoro waea
Telecommunications

What we do

Our role is to promote competition in fixed-line and mobile markets for the long-term benefit of end users. Under the Telecommunications Act, we have responsibilities at both the wholesale and retail levels.

At the wholesale level, we set and administer the price-quality regulation of Chorus' fibre network, oversee information disclosure by Chorus and local fibre companies and determine access terms for certain mobile and legacy copper services.

At the retail level, our focus is on improving the quality of services provided to consumers by retail service providers (RSPs). We publish the results of our monitoring to help people understand the performance of RSPs and to support end-user choice. We also have code-making powers relating to copper withdrawal, 111 access and aspects of retail service quality that fall below end-user expectations.

The difference this output class makes

This output class is designed to promote competition in broadband and mobile markets for the benefit of consumers, primarily through the regulation of wholesale telecommunications services and monitoring of retail market performance. The output measures capture the number of regulatory products and monitoring and insights reports completed during the financial year, including those related to fibre, as well as supporting measures covering statutory timeframes and quality assurance processes.

These measures show how our work promotes competition in the telecommunications market by monitoring the performance and development of the market and regulating the supply, price and quality of key services. The regulatory products measure tracks the number of regulatory decisions completed each year such as determinations, reviews, codes, and amendments. Determinations are our main rule-setting tool for regulating telecommunications services, ensuring that consumers receive quality and value from reliable essential services.

Additionally, the number of monitoring and insights reports completed as part of our telecommunications monitoring regime increases transparency about performance for both industry and consumers. These measures also support our broader outcomes around stewardship of the regulatory systems we implement and enforce, ensuring that our processes remain open and transparent.

Telecommunications output measures	2024/25 Actual	Target	2023/24 Actual
Number of regulatory products published under the Telecommunications Act 2001[58]	12	At least 11	13
Commentary: The target for the number of telecommunications regulatory products was exceeded due to an additional discretionary compliance report on the 111 Contact Code.			
Percentage of Telecommunications Act 2001 determinations completed by statutory deadlines	100%	100%	100%
Number of monitoring and insights reports published under the Telecommunications Act 2001[59]	22	At least 18[60]	9
Commentary: The target for the number of monitoring and insights reports was exceeded due to the publication of additional performance information relating to fibre networks (an updated information disclosure database and related online data visualisations) and the capture of the Annual Monitoring Report 2023, initially planned for the 2023/24 year.			
Quality assurance processes for determinations and code amendments are in place and applied[61]	100%	100%	100%
Commentary: Determinations and code amendments are publications under the broader category of regulatory products. Every determination and code amendment must follow an internal quality assurance process.			

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

	2024/25 Actual $000	Budget $000	2023/24 Actual $000
Operating revenue			
Revenue - Crown	16,051	16,271	16,841
Other revenue	351	238	409
Total operating revenue	**16,402**	**16,509**	**17,250**
Total operating expense	**16,402**	**16,509**	**17,250**
SURPLUS/(DEFICIT)	**-**	**-**	**-**
Commentary: Expenditure in the telecommunications output class was slightly below budget as a result of slightly less expenditure on external economic and technical support than budgeted. This reflects the Commission's ongoing approach of save to invest.			

58 The wording of this measure was amended in the Supplementary Estimates 2024/25. The previous wording was: "Number of determinations (includes determinations, clarifications, reviews, codes and amendments)

- Seven fibre determinations
- At least four telecommunications determinations including but not limited to:
  - Specified Fibre Area (SFA) assessment
  - Telecommunications Development Levy (TDL) determination
  - Telecommunications Dispute Resolution scheme review (at least once every three years)
  - Mobile Termination Access Services Review (MTAS)"

59 The wording of this measure was amended in the Supplementary Estimates 2024/25. The previous wording was: "Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to:

- Fibre report
- At least seven telecommunications reports including but not limited to:
  - Annual Monitoring Report (AMR)
  - Measuring Broadband NZ (MBNZ) reports
  - Two Retail Service Quality (RSQ) reports"

60 The target for this measure was amended in the Supplementary Estimates 2024/25 from at least 8 to at least 18.

61 Determinations and code amendments are publications under the broader category of regulatory product. Every determination and code amendment must follow a quality assurance process.

Hinu
Fuel

What we do

We promote competition in engine fuel markets to ensure long-term benefits for end users of engine fuel products. Central to our work are regulatory reports, which enable us to exercise our monitoring and analysis powers under the Fuel Industry Act and increase transparency for New Zealanders. Since November 2022, we have published fuel quarterly monitoring reports based on the information disclosures that fuel companies are required to provide each quarter. These reports offer regular snapshots of the competitive performance of wholesale and retail engine fuel markets across New Zealand, and as the information disclosure database grows, they provide an increasingly robust picture of market performance over time.

The difference this output class makes

Our output class delivers meaningful insights that help shape a more competitive and transparent fuel market. By analysing and publishing both quarterly monitoring reports and supplementary focus reports, we shine a light on how the market is performing and encourage industry participants to act in ways that support competition and positive consumer outcomes. This work not only informs the public and stakeholders but also drives improvements in market behaviour, ultimately benefiting all New Zealanders who rely on engine fuel products.

Fuel output measure	2024/25 Actual	Target	2023/24 Actual
Number of monitoring and insights reports published under the Fuel Industry Act 2020[62]	8	At least 4	8
Commentary: In 2024/25, we published four quarterly monitoring reports on the fuel market and four focus reports on the removal of the Auckland Regional Fuel Tax; high fuel prices in Thames and on Waiheke Island; and our analysis of fuel wholesale margins.			

Our fuel work is funded through the multi-category appropriation Vote Business, Science and Innovation: Enforcement of General Market Regulation – Liquid Fuels Monitoring and Enforcement.

	2024/25 Actual $000	Budget $000	2023/24 Actual $000
Operating revenue			
Revenue – Crown	3,064	3,064	5,775
Other revenue	68	49	134
Total operating revenue	**3,132**	**3,113**	**5,909**
Total operating expense	**3,046**	**3,113**	**4,922**
SURPLUS/(DEFICIT)	**86**	**-**	**987**
Commentary: Expenditure in the fuel output class was slightly less than budget due to slightly less than anticipated external technical support required. This reflects the Commission's ongoing approach of save to invest.			

62 The wording of this measure was amended in the Supplementary Estimates 2024/25. The previous wording was: "Number of monitoring, summary and analysis reports completed as a part of the Commission's obligations under Part 2, Subpart 4 of the Fuel Industry Act 2020"

Ngā wai
Water services

What we do

In 2024/25, the Government signalled that the Commission would become the economic regulator for water services under the Local Water Done Well regime. Our work has focused on fulfilling our responsibilities under the Local Government (Water Services Preliminary Arrangements) Act, while continuing to build both our internal capability and the sector's understanding of economic regulation.

Under this Act, we are responsible for establishing a foundational information disclosure regime for Wellington Water, following a ministerial Order in Council. We have also been appointed as the Crown monitor for the interim regulation of Watercare, with a role to monitor and report on Watercare's performance against the Watercare Charter, which passed into law in March 2025. Alongside these responsibilities, we prepared for the enactment of the Local Government (Water Services) Bill by developing information disclosure requirements that will apply to all water services providers and engaging with stakeholders regularly to explain the role of economic regulation. The Bill was introduced to Parliament on 10 December 2024 and assented on 26 August 2025. This legislation amends Part 4 of the Commerce Act to establish a new economic regulation and customer protection regime for local government water services providers, including Watercare.

The difference this output class makes

This output class supports the transition to, and implementation of, an economic regulation regime for local government water services. It plays a critical role in laying the groundwork for a robust regulatory framework that promotes transparency, accountability and performance improvement across the sector. By establishing foundational information disclosure requirements and monitoring key providers like Watercare, we are helping to ensure that water services are delivered efficiently and meet community expectations. The measures associated with this output class track our progress in preparing the sector for full implementation of economic regulation, ultimately contributing to better outcomes for consumers and more sustainable water services delivery.

Water services output measure	2024/25 Actual	Target	2023/24 Actual
Prepare a foundational information disclosure regime for local government water services providers to meet statutory timeframes[63]	Achieved	Achieved	New measure
Commentary: In March 2025 the Government designated Wellington Water Limited as a specific entity subject to foundational information disclosure (following ministerial Order in Council under the Local Government (Water Services Preliminary Arrangements) Act). In response the Commission published draft information disclosure requirements[64] for consultation in June 2025.			

63 This output measure was selected for 2024/25 only.

64 **https://www.comcom.govt.nz/regulated-industries/projects/foundational-information-disclosure-for-wellington-water/**

Our work was funded through the multi-category appropriation Vote Business, Science and Innovation: Enforcement of General Market Regulation – Transition and Implementation of Economic Regulation for Water.

	2024/25 Actual $000	Budget $000	2023/24 Actual $000
Operating revenue			
Revenue – Crown	2,232	-	2,687
Other revenue	303	-	106
Total operating revenue	**2,535**	**-**	**2,793**
Total operating expense	**2,145**	**-**	**3,481**
SURPLUS/(DEFICIT)	**390**	**-**	**(688)**

Commentary: The transitional funding for the 2024/25 financial year was provided to the Commission after the 2024 Budget was finalised. The funding was for preparing for economic regulation of water after the passing of legislation and for any foundational information disclosure agreed by Ministers. Following a decision by the Government on 15 May 2025, the Commission started work to impose foundational information disclosure requirements on Wellington Water. Those requirements have been developed and were finalised in August 2025. The surplus of $0.39 million from 2024/25 will be used to support this work, along with continued preparation for, and engagement with councils on, the long-term economic regime.

Pūnaha utu hokohoko
Retail payment systems

What we do

Under the Retail Payment System Act, our role is to promote competition and efficiency in the retail payment system for the long-term benefit of both merchants and consumers. To achieve this, we carry out a range of regulatory functions. We monitor and report on the state of competition and efficiency within the retail payment system, ensuring that the market operates fairly and transparently. We are responsible for monitoring and enforcing caps on interchange fees in the Visa and Mastercard networks, which helps to keep costs reasonable for merchants and consumers alike. Additionally, we promote transparent pricing across the system, making sure that any surcharges applied are both clear and cost-reflective. Our responsibilities also include setting rules and standards for payment networks designated under the Act, conducting inquiries and reviews to identify ways to further enhance competition and efficiency and liaising with both international counterpart agencies and complementary agencies within New Zealand.

The difference this output class makes

This output class is fundamental to ensuring that the regulatory framework for retail payments delivers real benefits to merchants and consumers. By focusing on competition and efficiency, our work helps to lower costs, improve service quality and foster innovation in the payments sector. The regulatory reports we produce are central to the effective exercise of our powers and functions, providing transparency and accountability. Through our monitoring, enforcement and engagement activities, we help create a payment system that is fair, competitive and responsive to the needs of all participants. Ultimately, this output class supports a retail payment environment where merchants and consumers can transact with confidence, knowing that the system is being actively overseen for their long-term benefit.

Retail payment systems output measure	2024/25 Actual	Target	2023/24 Actual
Number of monitoring and insights reports published under the Retail Payment System Act 2022[65]	2	At least 3[66]	4
Commentary: The reporting outputs this year included a consultation paper on the cost to business and consumers of card payments in Aotearoa New Zealand and an update on open banking progress. The output measure is one below target, as a third monitoring report was not commissioned due to the reprioritisation of the work programme to focus on progressing the high-priority Interchange Fee Review.			
Number of regulatory products published under the Retail Payment System Act 2022[67]	1	At least 3	New measure
Commentary: The first regulatory product published under the Retail Payments Act was a recommendation to the Minister to designate the interbank payment network. Due to a transcription error made outside of the Commission in the Supplementary Estimates of Appropriations 2024/25 for Vote Business, Science and Innovation (page 166), the measure's 2024/25 target was listed as "At least 3". This is also incorrectly listed as "At least 3" in the Estimates of Appropriations 2025/26. As this measure was introduced in the Supplementary Estimates 2024/25, the intent had been to not set a target for 2024/25, with a target planned for introduction in 2025/26. The errors will be corrected in the Supplementary Estimates 2025/26, where the measure's target is intended to be updated to "At least 1".			

Our retail payment systems work is funded through Vote Business, Science and Innovation: Enforcement of General Market Regulation – Retail Payment Systems Administration and Enforcement.

	2024/25 Actual $000	Budget $000	2023/24 Actual $000
Operating revenue			
Revenue – Crown	4,576	4,576	5,111
Other revenue	97	71	136
Total operating revenue	**4,673**	**4,647**	**5,247**
Total operating expense	**4,396**	**4,647**	**5,083**
SURPLUS/(DEFICIT)	**277**	**-**	**164**
Commentary: Expenditure in the retail payment systems output class was lower than budget primarily due to less external technical support required. This reflects the reprioritisation of the work programme to focus on the high-priority Interchange Fee Review, which meant a third monitoring report was not commissioned.			

65 The wording of this measure was amended in the Supplementary Estimates 2024/25. The previous wording was: "Number of reports completed as part of the Commission's obligations under the Retail Payment System Act 2022 including but not limited to:

- report on competition and efficiency issues in the retail payment system
- analysis report on the performance of designated networks / networks of interest"

66 The target for this measure was amended in the Supplementary Estimates 2024/25 effective for the 2024/25 financial year. The target for 2023/24 was at least 2.

67 This is a new measure that was added in the Supplementary Estimates 2024/25. The measure was selected as the Commission has initiated the regulation management function of the retail payment system regime. The new measure also aligns with existing output measures relating to the other market regulation regimes for which the Commission is responsible.

Ratonga tauranga rererangi
Specified airport services

What we do

We regulate specified airport services at Auckland, Wellington and Christchurch International Airports under Part 4 of the Commerce Act. These airports operate in markets with little or no competition, so our role is to ensure transparency and accountability in their pricing and investment decisions. Through information disclosure regulation, we monitor key airport facilities and services to help ensure that consumers receive fair outcomes. In 2024/25, we completed our review of Auckland International Airport's fourth price-setting event. This is part of our ongoing work to assess how well the airport is performing against expectations.

The difference this output class makes

This output class is designed to ensure that regulated airport services are delivered at prices and standards that would exist in a competitive market. By promoting transparency and oversight, our work helps protect the long-term interests of consumers. It supports efficient investment, fair pricing and improved service quality. The information we collect and publish enables better decision making by stakeholders and encourages airports to be more responsive to the needs of their users.

Specified airport services output measures	2024/25 Actual	Target	2023/24 Actual
Number of determinations (includes determinations, clarifications, reviews and amendments)[68]	2	At least 2	3
Percentage of Part 4 of the Commerce Act 1986 determinations completed by statutory deadlines	There were no determinations with statutory deadlines	100%	There were no determinations with statutory deadlines
Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to: • Summary and analysis reports for Auckland International Airport's Fourth Price Setting Event • Wellington International Airport's Fifth Price Setting Event	2	At least 3	2
Commentary: We did not meet the budgeted standard of three reports for the 2024/25 financial year as Wellington Airport's Price-Setting Event 5 report is due to be published in the 2025/26 financial year rather than the 2024/25 financial year. This delay was due to the increased effort required for our review and report on Auckland International Airport's fourth price-setting event, including an extended consultation period to gain feedback from stakeholders.			
Quality assurance processes for determinations and code amendments are in place and applied	100%	100%	100%
Commentary: This is a companion measure to the number of determinations. Every determination and code amendment must follow an internal quality assurance process.			

68 This measure was incorrectly worded in the Statement of Performance Expectations 2023/24, Annual Report 2023/24 and Statement of Performance Expectations 2024/25. The wording has been corrected and now matches the wording found in the Estimates of Appropriations 2023/24 and 2024/25 for Vote Business, Science and Innovation. The incorrectly worded measure also included reference to codes: "Number of determinations (includes determinations, clarifications, reviews, codes and amendments)".

Our specified airport services work is funded through the multi-year appropriation Vote Business, Science and Innovation: Regulation of Airport Services 2024–2029.

	2024/25 Actual $000	Budget $000	2023/24 Actual $000
Operating revenue			
Revenue – Crown	864	1,000	812
Other revenue	25	15	23
Total operating revenue	**889**	**1,015**	**835**
Total operating expense	**889**	**1,015**	**835**
SURPLUS/(DEFICIT)	**-**	**-**	**-**

Commentary: Expenditure in the specified airport services output class was lower than budget due to the deferral of Wellington Airport's Price-Setting Event 5 report to 2025/26. As noted above, the deferral was due to the increased effort required on the earlier price setting event report for Auckland Airport, resulting in two reports being completed in 2024/25 instead of three, and consequently reduced activity and associated cost during the year.

Ratonga waea hiko
Electricity lines services

What we do

We regulate the monopoly providers of electricity lines and national grid services under Part 4 of the Commerce Act. Our role is to ensure these monopolies have the right incentives to invest efficiently and deliver reliable, resilient and essential services to consumers at an efficient cost. To achieve this, we use a range of regulatory tools, including price-quality regulation and information disclosure requirements. Where necessary, we also take enforcement action when regulated businesses breach the rules.

Determinations are our primary rule-setting tool for regulating electricity lines services. These set the limits and requirements that help ensure consumers receive quality and value from reliable essential services. We also produce performance reports that promote transparency and understanding of how regulated electricity network businesses are performing, both individually and comparatively, and how their performance evolves over time.

The difference this output class makes

This output class supports the delivery of regulated electricity lines services at prices and service standards that reflect what would be expected in a competitive market. The ultimate goal is to promote the long-term benefit of consumers.

The output measures for this class track the number of regulatory decisions and performance reports completed during the financial year. Supporting measures also monitor statutory timeframes and quality assurance processes. These measures provide visibility into how our regulatory decisions contribute to better outcomes for consumers – ensuring services are reliable, resilient and delivered at efficient prices.

The quantity measure for determinations links directly to the broader outcome of ensuring consumers benefit from the rules we set. Meanwhile, the measure for performance reports reflects how we use information disclosure to enhance understanding of network performance, helping stakeholders assess business efficiency, reliability and improvements over time.

Electricity lines services output measures	2024/25 Actual	Target	2023/24 Actual
Number of determinations (includes determinations, clarifications, reviews, codes and amendments) including but not limited to: • Electricity Distribution Businesses default price-quality path from 1/04/2025 • Transpower individual price quality-path for 2025–2030 • Information Disclosure amendment for Electricity Distribution Businesses • Electricity Distribution Businesses price-quality path reopener	22	At least 7	8

Commentary: The target number of electricity determinations was exceeded due to additional decisions made during the year relating to discretionary and demand-driven work and phasing of our work programme. These included changes to information disclosure requirements to reflect decisions that were made in our review of input methodologies in 2023/24 and amendments made to input methodologies to give effect to decisions made in November 2024 resetting the revenue limits and minimum levels of service for local lines companies and Transpower. We also made demand-driven decisions such as our approval of Transpower's Western Bay of Plenty major capex proposal and other amendment decisions to ensure that insurance payments were treated appropriately within a price-quality path.

Electricity lines services output measures	2024/25 Actual	Target	2023/24 Actual
Percentage of Part 4 of the Commerce Act 1986 determinations completed by statutory deadlines	100%	100%	There were no determinations with statutory deadlines
Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to: • Performance summaries for Electricity Distribution Businesses • Transpower database update • Aurora Energy Factsheet for year 3	7	At least 5	10
Commentary: The target for the number of electricity reports was exceeded due to additional industry performance information published during the year resulting from internal process improvements. These included an additional update to the information disclosure dataset for EDBs and a summary report on the visibility of low voltage networks across EDBs. The process improvements involved increased automation in undertaking compliance checks and data processing of information disclosures, as well as moving some information disclosures to more data-centric templates.			
Quality assurance processes for determinations and code amendments are in place and applied	100%	100%	100%
Commentary: This is a companion measure to the number of determinations. Every determination and code amendment must follow an internal quality assurance process.			

Our electricity lines services work is funded through the multi-year appropriation Vote Business, Science and Innovation: Regulation of Electricity Lines Services 2024-2029.

	2024/25 Actual $000	Budget $000	2023/24 Actual $000
Operating revenue			
Revenue - Crown	10,010	11,406	12,224
Other revenue	380	426	443
Total operating revenue	**10,390**	**11,832**	**12,667**
Total operating expense	**10,390**	**11,832**	**12,667**
SURPLUS/(DEFICIT)	**-**	**-**	**-**
Commentary: Expenditure in the electricity lines services output class was lower than budget primarily due to the timing and nature of our multi -year work programme. By the end of November 2024, we had completed the Electricity Distribution Default Price Path and the Transpower Individual Price Path, both of which came into effect on 1 April 2025. Following the completion of these major projects, we adjusted our spending profile - particularly in relation to external resources - to reflect the reduced level of activity and to ensure funding was available for future years. This underspend will be rephased across the 2026/27, 2027/28 and 2028/29 financial years to support future work in this output class.			

Ratonga kapuni
Gas pipeline services

What we do

Our role is to regulate the transmission and distribution businesses that own and operate New Zealand's gas pipeline infrastructure under Part 4 of the Commerce Act. We do this to ensure these businesses have incentives to deliver reliable and resilient services to consumers at an efficient cost. To achieve this, we use price-quality and information disclosure regulation, and we have the authority to take enforcement action when monopolies break the rules.

Determinations are the main rule-setting tool we use to regulate gas pipeline services. These determinations set the limits and requirements that ensure consumers receive quality and value from reliable essential services. Regulated gas pipeline businesses are required to provide us with information as part of their disclosure requirements, and we publish summaries and analyses of this information to promote greater understanding of the sector's performance.

The difference this output class makes

This output class is intended to achieve the delivery of regulated gas pipeline services at prices and standards that would have been available if the market were competitive for the long-term benefit of consumers. By setting clear rules and monitoring compliance, we help ensure that consumers receive reliable services at fair prices.

The output measures for this class capture the number of regulatory decisions and performance reports completed during the financial year relating to gas pipeline services. They also include supporting measures covering statutory timeframes and quality assurance processes. The quantity measure for determinations provides a direct link to the overall outcome: consumers benefit from quality and value in essential services due to the regulatory limits and requirements we put in place. Additionally, the measure relating to the number of reports completed reflects how we provide information to promote greater understanding of the performance of regulated gas network businesses, their relative performance and changes over time.

Gas pipeline services output measures	2024/25 Actual	Target	2023/24 Actual
Number of determinations (includes determinations, clarifications, reviews, codes and amendments)	6	At least 2	2
Commentary: The target number of gas determinations was exceeded due to additional decisions made during the year relating to discretionary work and phasing of our work programme. This included amendment determinations involving changes to information disclosure requirements as a result of our 2023 input methodologies review and decisions updating the treatment of insurance entitlements in the input methodologies applying to gas pipeline businesses.			
Percentage of Part 4 of the Commerce Act 1986 determinations completed by statutory deadlines	There were no determinations with statutory deadlines	100%	There were no determinations with statutory deadlines
Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to: • performance summaries for gas distribution • trends in gas pipeline businesses • information disclosure by gas pipeline businesses	4	At least 4	3

Gas pipeline services output measures	2024/25 Actual	Target	2023/24 Actual
Quality assurance processes for determinations and code amendments are in place and applied	100%	100%	100%
Commentary: This is a companion measure to the number of determinations. Every determination and code amendment must follow an internal quality assurance process			

Our gas pipeline services work is funded through the multi-year appropriation Vote Business, Science and Innovation: Regulation of Gas Pipeline Services 2024-2029.

	2024/25 Actual $000	Budget $000	2023/24 Actual $000
Operating revenue			
Revenue - Crown	3,468	3,617	2,927
Other revenue	129	61	82
Total operating revenue	**3,597**	**3,678**	**3,009**
Total operating expense	**3,597**	**3,678**	**3,009**
SURPLUS/(DEFICIT)	**-**	**-**	**-**
Commentary: Expenditure in the gas pipelines services output class was materially on budget. Increased expenditure in the determinations workstream offset decreased expenditure in compliance and enforcement and public reports workstreams.			

Mahi miraka kau
Dairy

What we do

We administer the milk price monitoring regime that applies to Fonterra under the Dairy Industry Restructuring Act. This includes reviewing and reporting on the extent to which Fonterra's milk price-setting processes and calculations incentivise efficient operations and support contestability in the market for purchasing milk from farmers. At the start of each dairy season, we assess Fonterra's methodology for calculating its base milk price, as outlined in its Farmgate Milk Price Manual. At the end of the season, we review the actual base milk price calculation. This involves evaluating whether the costs, revenue and assumptions used are practically feasible for an efficient milk processor and whether they encourage Fonterra to operate efficiently. We also have powers to issue binding directions to Fonterra. These include requiring public disclosure of certain information related to its milk price-setting processes and resolving disputes regarding Fonterra's obligations to supply raw milk to independent processors.

The difference this output class makes

Our scrutiny of Fonterra's milk price-setting processes provides transparency and confidence for stakeholders, including farmers and independent processors. By ensuring that the pricing methodology promotes efficiency and market contestability, we help maintain a fair and competitive environment for the purchase of milk.

This oversight supports independent processors in accessing milk supply and helps farmers trust that the price they receive is based on sound, transparent processes. The number of reports we complete reflects the final outputs of our seasonal reviews and contributes directly to the integrity and effectiveness of the dairy sector's regulatory framework.

Dairy output measure	2024/25 Actual	Target	2023/24 Actual
Number of monitoring and insights reports published under the Dairy Industry Restructuring Act 2001[69]	2	At least 2	2

Commentary: The first report we published in September 2024 on Fonterra's calculation of the base milk price for the 2023/24 dairy season concluded that Fonterra's calculation is consistent with the contestability and the efficiency dimensions of the Dairy Industry Restructuring Act. Our second report, published in December 2024 on Fonterra's Milk Price Manual for the 2024/25 dairy season, concluded that the 2024/25 Milk Price Manual was consistent with the statutory purpose set out in the Dairy Industry Restructuring Act.

Our dairy work is funded through Vote Business, Science and Innovation: Enforcement of Dairy Sector Regulation and Monitoring of Milk Price Setting.

	2024/25 Actual $000	Budget $000	2023/24 Actual $000
Operating revenue			
Revenue – Crown	1,300	1,360	1,570
Other revenue	29	22	44
Total operating revenue	**1,329**	**1,382**	**1,614**
Total operating expense	**1,329**	**1,382**	**1,614**
SURPLUS/(DEFICIT)	**-**	**-**	**-**

Commentary: Expenditure in the dairy output class was materially on budget.

69 The wording of this measure was amended in the Supplementary Estimates 2024/25. The previous wording was: "Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to:

- Annual review of Fonterra's milk price manual
- Annual review of Fonterra's base milk price calculation"

Ngā take ture
Major litigation

What we do

This output class is designed to achieve the best possible outcomes for New Zealanders in competitive and regulated markets by undertaking major or complex litigation where appropriate. We may initiate or be party to significant legal proceedings under the full range of legislation we are responsible for enforcing. This includes defending challenges to our decision-making powers. Our litigation workload varies considerably each year, influenced by the number and types of cases we choose to litigate or that are brought against us, the appeals we defend, the complexity of the cases, court timetables and the approach taken by other parties involved in the litigation.

The difference this output class makes

Major litigation is unpredictable in both timing and scale and often exceeds the litigation activity we can routinely manage within our standard functions and resourcing. This output class enables us to respond effectively to such demands by applying specific criteria to access dedicated funding. These criteria ensure that resources are allocated appropriately and have remained unchanged since last financial year. By supporting our ability to pursue or defend complex legal matters, this output class plays a critical role in upholding the integrity of our regulatory decisions and maintaining fair, competitive markets for the benefit of all New Zealanders.

Major litigation output measure	2024/25 Actual	Target	2023/24 Actual
Overarching measure Litigation funds are used in accordance with the litigation fund criteria	Achieved	Achieved	Achieved
Commentary: During 2024/25, 14 new cases approved for litigation using the major litigation fund. Of the total number of cases, seven focused on consumer protection and the others on ensuring markets work well.			
Methodology: The criteria for when matters can be funded from the major litigation fund are set out in the funding agreement between MBIE and the Commission, and are then implemented through processes set out in a Commission internal guidance note, Using the Major Litigation Fund. The measure relates to the Commission's adherence to the criteria in the funding agreement when using the fund. The criteria cover a range of factors, including the expected cost of the proceeding crossing a monetary threshold, the scope and significance of the case to the New Zealand economy or the Commission's regulatory regimes, the proceeding requiring expert input, and the risk to the Commission of a significant adverse costs award by the court.			

Our major litigation work is funded through the multi-category appropriation Vote Business, Science and Innovation: Commerce Commission Litigation Funds consisting of Internally-sourced Litigation and Externally-sourced Litigation.

Major litigation is funded by the Crown out of the Vote Business, Science and Innovation: Commerce Commission Litigation Funds multi-category appropriation. The internally sourced litigation category is used to meet the costs of resourcing litigation from our internal capability, while the externally sourced litigation category is used to meet the direct costs of resourcing major litigation activity externally. For our internally sourced litigation, we also receive a share of the revenue from shared services cost recoveries.

Appropriation funding

2024/25 Funding	**Estimates $000**	**2024/25 Supplementary estimates $000**	**2024/25 Actual $000**	**Difference Actual vs Supplementary Estimates $000**
Commerce Commission Internally-sourced litigation				
Revenue - Crown	6,112	6,112	5,875	(237)
Commerce Commission Externally-sourced litigation				
Revenue - Crown	6,500	6,500	6,025	(475)
Total	**12,612**	**12,612**	**11,900**	**(712)**

Internally-sourced Litigation

	2024/25 Actual $000	**Budget $000**	**2023/24 Actual $000**
Operating revenue			
Revenue - Crown	5,875	6,105	6,112
Other revenue	154	104	229
Total operating revenue	**6,029**	**6,209**	**6,341**
Total operating expense	**6,029**	**6,209**	**6,511**
SURPLUS/(DEFICIT)	**-**	**-**	**(170)**

Externally-sourced Litigation

	2024/25 Actual $000	**Budget $000**	**2023/24 Actual $000**
Operating revenue			
Revenue - Crown	6,025	6,500	2,916
Other revenue	-	-	-
Total operating revenue	**6,025**	**6,500**	**2,916**
Total operating expense	**6,025**	**6,500**	**2,916**
SURPLUS/(DEFICIT)	**-**	**-**	**-**

Commentary: Externally sourced litigation expenditure was slightly lower than anticipated because the Commission successfully reached settlements and resolved matters more quickly than expected despite a greater than anticipated number of matters entering the fund during the year. The budget for externally sourced litigation is based on known matters and potential cases at the start of the year.

Reconciliation of output class result to the statement of comprehensive revenue and expense

This table reconciles the output class results recorded on pages 43 to 76 to the results recorded in our financial statements on pages 96 to 125.

	2024/25 Revenue $000	2024/25 Expenditure $000	2024/25 Surplus/ (deficit) $000	2023/24 Revenue $000	2023/24 Expenditure $000	2023/24 Surplus/ (deficit) $000
Competition	11,969	11,405	564	12,555	12,541	14
Market studies (also known as competition studies	2,325	2,325	-	3,488	3,488	-
Consumer (including fair trading and credit)	21,325	20,330	995	21,854	22,313	(459)
Telecommunications (including fibre)	16,402	16,402	-	17,250	17,250	-
Electricity lines services	10,390	10,390	-	12,667	12,667	-
Gas pipeline services	3,597	3,597	-	3,009	3,009	-
Specified airport services	889	889	-	835	835	-
Input methodologies	-	-	-	2,583	2,583	-
Fuel	3,132	3,046	86	5,909	4,922	987
Retail payment systems	4,673	4,396	277	5,247	5,083	164
Dairy	1,329	1,329	-	1,614	1,614	-
Grocery sector regulation	7,452	7,341	111	7,494	7,201	293
Water services	2,535	2,145	390	2,793	3,481	(688)
Internally sourced litigation	6,029	6,029	-	6,341	6,511	(170)
Externally sourced litigation	6,025	6,025	-	2,916	2,916	-
Total	**98,072**	**95,649**	**2,423**	**106,555**	**106,414**	**141**
Net operating surplus from statement of comprehensive revenue and expense			**2,423**			**141**

Discontinued output classes

The following output class was a Multi-Year appropriation funded through Vote Business, Science and Innovation which ended 30 June 2024. As a result, the performance measures have been discontinued.

Input methodologies output measures	2024/25 Actual	Target	2023/24 Actual
Input methodologies under Part 4 of the Commerce Act 1986 are reviewed by December 2023	Measure discontinued	Achieved	Achieved
Quality assurance processes for determinations and code amendments are in place and applied	Measure discontinued	100%	100%

The following output class was an Annual appropriation which ended 30 June 2024. As a result, the performance measures have been discontinued.

Part 4 inquiries output measures	2024/25 Actual	Target	2023/24 Actual
Part 4 inquiries will be completed as required	Measure discontinued	Achieved	There were no Part 4 inquiries

The following output class related to the Water Services Economic Efficiency and Consumer Protection Act. In August 2023, we moved into developing the core components of the previous regime before stopping work on implementation in line with the Coalition Government's decision to repeal the Three Waters legislation in December 2023. As a result of the repeal of the Three Waters legislation, this measure was discontinued.

Water Services output measure[70]	2024/25 Actual	Target	2023/24 Actual
Progress preparatory work to meet relevant timelines	Measure discontinued	Achieved	Achieved

70 This output class is different to the Water Services output class on pages 61 and 62 due to it being related to the Water Services Economic Efficiency and Consumer Protection Act. The Water Services output class on pages 61 and 62 is related to the Local Government (Water Services) Act 2025. To maintain distinction between output classes for readers we have not presented this information with the current Water Services output class.

05

Tā te whakahaere hauora, āheitanga hoki
Organisational health and capability

Ā mātou kaikōmihana
Our Commissioners

The Board

The Commission is governed by a Board of Commissioners. Our Board is responsible for the overall performance of the Commission and its divisions and committees.

The Governor-General, on the recommendation of the Minister of Commerce and Consumer Affairs, appoints Commission members for their knowledge and experience in areas relevant to the Commission. The Telecommunications Commissioner is appointed on the recommendation of the Minister for Media and Communications.

Our Commissioners[71] are:

- Dr John Small – Chair
- Anne Callinan – Deputy Chair
- Tristan Gilbertson – Telecommunications Commissioner
- Pierre van Heerden – Grocery Commissioner
- Dr Derek Johnston – Commissioner
- Bryan Chapple – Commissioner
- Vhari McWha – Commissioner

Associate Commissioners

Alongside Commissioners, the Minister of Commerce and Consumer Affairs may also appoint Associate Commissioners.

Associate Commissioners are appointed for specific classes of matters and are deemed to be members of the Commission only for matters they are appointed for. Associate Commissioners are not members of the Commission's Board.

Our Associate Commissioners are:

- Joseph Liava'a – Associate Commissioner
- Nathan Strong – Associate Commissioner
- Loretta Lovell – Associate Commissioner
- Rakihia Tau – Associate Commissioner

71 More information about our Commissioners can be found on our website: **comcom.govt.nz**

Cross-appointments with the Australian Competition and Consumer Commission (ACCC)

Under the Single Economic Market Outcomes Framework agreed between the New Zealand and Australian Governments in 2009, it was agreed that certain members of each country's competition agency could be cross-appointed to the other country's competition agency. This supports convergence in the way the two regulators approach similar issues under competition and consumer laws.

Cross-appointees to the Commission are appointed as Associate Commissioners and are most often allocated to areas that will involve Australian enterprises such as merger determinations.

There are two members of the ACCC cross-appointed to the Commission:

- Anna Brakey
- Stephen Ridgeway

Disclosures of interests

All Commissioners must disclose existing and potential interests to the Minister of Commerce and Consumer Affairs (or in the case of the Telecommunications Commissioner, to the Minister for Media and Communications). The Board has a conflict of interest process to ensure our independence is maintained and our decisions are free of bias. We maintain a register of interests for all Commissioners, which is reviewed to determine whether any Commissioner should be excluded from consideration on the matter.

Te mahi whakahaere a te Paori
Governance of our organisation

Our governance framework is established under the Commerce Act and the Crown Entities Act.

Board functions and operations

The Commission's Board governance arrangements and responsibilities include:

- **people and culture**
- **strategy and performance**
- **managing and mitigating risks**
- **financial oversight**
- **health and safety, including due diligence to ensure the Commission complies with workplace health and safety requirements and actively engages in matters affecting the health, safety and wellness of our people**
- **government and ministerial relationships, including giving effect to or complying with any special directives such as undertaking a personal banking services market study**
- **oversight of the Commission's divisions and committees, including exercising any significant decisions in line with our functions and duties**
- **legislative compliance to ensure operations comply with the Commission's legal obligations[72] and legal and internal policy requirements**

72 The Commission's legislative compliance survey was completed on 31 July 2025.

Committees and divisions

The Board discharges the functions and requirements of the Commission in several ways, including:

monitoring the Commission's performance and planning its strategic direction

using delegations to make the Commission's work more efficient

using advisory committees to the Board such as the Audit and Risk Committee

overseeing a broad variety of strategies, policies, processes, systems, frameworks and analytical approaches to help ensure effective decision making.

The Board ensures that Ministers and our monitoring agency MBIE are informed of our performance, progress, issues, risks and any matters affecting the Commission regularly throughout the year. This is communicated through regular meetings, organisation performance reports, response to the Minister's Annual Letter of Expectations, Annual Reports, Statements of Performance Expectations and Statements of Intent.

Our Chair establishes separate divisions to exercise the powers of the Commission under the laws we enforce. Divisions can include Board members or Associate Commissioners. Divisions meet as required. As at 30 June 2024, the Commission had the following committees and divisions:

Committee	Purpose
Audit and Risk Committee	Assists the Board in achieving the Commission's vision and strategy by providing assurance that good-practice audit, risk management and finance is implemented in the organisation.

Division	Purpose
Competition Division	Exercises the Commission's functions and powers under the Commerce Act, including making decisions to commence proceedings under the legislation, undertaking investigations and inquiries, taking evidence and requiring information.
Consumer Division	Exercises the Commission's functions and powers under the Fair Trading Act and Credit Contracts and Consumer Finance Act, including undertaking investigation and inquiries, taking evidence and requiring information, making decisions to commence proceedings under the legislation and undertaking studies on matters affecting the interests of consumers under the Fair Trading Act.
Dairy Division	Exercises the Commission's powers and functions under the Dairy Industry Restructuring Act related to the domestic dairy sector and Fonterra.
Fibre Division	Exercises the Commission's powers and functions under the Telecommunications Act, including to determine, review and amend telecommunications input methodologies and determinations in relation to information disclosure and price-quality regulation and respond to proceedings that challenge the Commission's decisions in relation to these areas.
Fuel Division	Exercises all the functions and powers of the Commission relating to the Fuel Industry Act and any regulations made under the Act.
Grocery Division	Exercises the Commission's powers and functions under the Grocery Industry Competition Act
Merger clearance or authorisation divisions	For each merger clearance or authorisation filed with the Commission, a division is formed to exercise the functions and powers of the Commission under the Commerce Act in relation to that matter. This includes any application for clearance or authorisation or any appeal resulting from a Commission decision to grant or decline clearance or authorisation.
Personal Banking Market Study Division	Exercises the powers of the Commission in relation to any reference from the Minister of Commerce and Consumer Affairs of a competition study under the Commerce Act into personal banking services, including any matters arising from or relating to personal banking market study, with the exception of enforcement action such as investigations and proceedings.
Retail Payment System Division	Exercises the Commission's powers and functions under the Retail Payment System Act.
Telecommunications Division	Exercises the Commission's functions and powers under the Telecommunications Act, including determinations in respect of designated multi-network services, pricing review determinations, liability allocation determinations, telecommunications services obligations, cost calculation determinations and investigations about any proposed alterations to the legislation.

Board attendance

Board and governance committee attendance from 01 July 2024 to 30 June 2025.

	Number of Board meetings attended	Number of Audit and Risk Committee meetings attended
Dr John Small (Chair)	●●●●●●●●●●●●	○
Anne Callinan (Deputy Chair)	●●●●●●●●●●	●●●●●●
Tristan Gilbertson	●●●●●●●●●●●●	○
Pierre van Heerden	●●●●●●●●●●●●	●●●●●●
Derek Johnston	●●●●●●●●●●●	○
Bryan Chapple	●●●●●●●●●●●●	○
Vhari McWha	●●●●●●●●●●●●	○

● Meetings attended ○ Not applicable

New Zealand member and committee member remuneration disclosures

The Information below relates to the remuneration and disclosures of New Zealand members and associate members of the Commission.

	2024/25 Actual $000			2023/24 Actual $000		
	Remuneration	**Leave accrued**	**Total**	**Remuneration**	**Leave accrued**	**Total**
J Small	669	47	716	658	48	706
A Callinan	587	(7)	580	481	27	508
T Gilbertson	462	16	478	454	37	491
P van Heerden	462	18	480	443	5	448
D Johnston	337	-	337	353	-	353
J Liava'a	218	-	218	219	-	219
V McWha	358	-	358	358	-	358
N Strong	356	-	356	351	-	351
B Chapple	345	-	345	349	-	349
L Lovell	218	-	218	263	-	263
S Begg	-	-	-	173	-	173
E Welson	-	-	-	24	-	24
R Tau	199	-	199	204	-	204
Total members' remuneration			**4,285**			**4,447**

The Chair (Dr John Small), Deputy Chair (Anne Callinan), Grocery Commissioner (Pierre van Heerden) and Telecommunications Commissioner (Tristan Gilbertson) are in full-time positions and receive leave entitlements. The dollar value of the movement in any accrued leave entitlement is included in the remuneration total above.

All other Commissioners are paid for service on a daily rate set by the Remuneration Authority as follows:

Commissioners' and Associate Commissioners' daily rates

	2024/25 Actual $000	2023/24 Actual $000
Commissioners and Associate Commissioners	1,650	1,630

Commissioners' and Associate Commissioners' additional remuneration

Most Commissioners and Associate Commissioners are entitled to additional remuneration above the daily rate if the number of hours worked on any day exceeds eight hours. The daily rate includes any annual and sick leave entitlement, and no additional payments are made on account of annual leave or sick leave. The Chair, Deputy Chair, Grocery Commissioner and Telecommunications Commissioner are salaried appointments and receive annual leave and sick leave entitlements in addition to their salary. These roles are not entitled to additional pay for additional hours worked.

If acting as a convenor of a division, including preparation time, holding meetings and any other duties in respect of convening a Division as approved by the Chair, an additional rate of $50 per hour is payable for the hours worked as a convenor. The additional hourly rate is paid in addition to the above daily rate paid to the member.

For 2024/25, the remuneration for Commissioners paid for service on a daily rate and Associate Commissioners is capped at $371,000 a year or $460,500 if they act as a convenor of a division.

Other payments in respect of Commissioners and Associate Commissioners

The Commission engages someone external to the organisation to Chair the Audit and Risk Committee (ARC). Warren Allen has held the role of ARC Chair since November 2023. In 2024/25, he was paid $17,600 (gross) for this work.

In accordance with the protections set out in the Commerce Act and Crown Entities Act, the Commission indemnifies members and associate members for certain acts of inactions when carrying out their Commission duties in good faith.

No Commissioners or Associate Commissioners received compensation in relation to cessation.

Te hanganga o te whakahaere
Our organisational structure

The Commission currently comprises of six branches: Competition, Fair Trading and Credit; Infrastructure Regulation; Legal Services; Market Regulation; Organisation Performance and Enablement; and the Office of the Board and Chief Executive. Each branch is led by a General Manager, and as a team, they contribute to making New Zealanders better off by leading a culture of cohesion and focus.

Adrienne Meikle
Chief Executive

- **PJ Devonshire** – Pou Arahi
- **Raj Krishnan** – General Manager, Office of the Board and Chief Executive
- **Anna Moodie** – General Manager, Organisation Performance and Enablement
- **Andrew Riseley** – General Manager, Legal Services/General Counsel
- **Vanessa Horne** – General Manager, Competition, Fair Trading and Credit
- **Nick Russ** – General Manager, Market Regulation
- **Andy Burgess** – General Manager, Infrastructure Regulation

Tō mātou rautaki ohumahi
Our workforce strategy

Our workforce strategy – 'great people, doing the right work, delivered in the best way' – was introduced in April 2025 and outlines how we will work together differently to increase our impact while continuing to build on our strengths. It is based on four key principles of:

- highly capable and talented people
- increased adaptability and mobility
- increased pace of delivery (fit-for-purpose work methods)
- champions of our strategic direction and He Kawa Tauhokohoko

The outcome is to have the right mix of capability/people, working on the right things, in the right way at the right time – delivering effectively and seamlessly on our organisation's priorities in a financially sustainable way. Our strategy is especially important as we continue to evolve how we work to deliver greater pace, agility and impact – enabling us to scale our efforts when needed, trial new approaches, and mobilise expertise from across the Commission to support priority work.

Kia tū hei kaitikumahi pai
Being a good employer

Our workforce strategy incorporates the elements of being a good employer as set out under section 118 of the Crown Entities Act and as arranged under the seven elements established by the New Zealand Human Rights Commission. The table below provides examples of how the Commission provides support to employees and prospective employees.

Initiatives	
Leadership, accountability and culture	• Clear leadership expectations and accountability frameworks, including 360-degree feedback and a targeted leadership development programme to continue to strengthen capability. • Annual goal setting aligned with organisational strategy and values, supported by regular feedback and coaching sessions. • Regular pulse surveys and engagement forums to gather employee feedback and inform leadership decisions. • Organisational values embedded into everyday practices such as recognition programmes that highlight behaviours aligned with our values framework.
Employee development, promotion and exit	• Individual development plans tailored to role requirements and career aspirations. • Internal mobility and secondment opportunities. • Exit interviews to gather feedback and improve employee experience. • A robust learning and development framework aligned to the capabilities needed to deliver the work of the Commission.
Flexibility and work design	• We are primarily a 'work from the office' organisation, with some flexibility. • Flexible working policy and guidelines show our commitment to providing an inclusive work environment, which supports our people to fully contribute and thrive, while maintaining a balance with responsibilities outside of work.
Remuneration, recognition and conditions	• Updated leave policy and guidelines, ensuring alignment with government workforce policy expectations. • We continue to have regard to the Government Workforce Policy Statement, issued in August 2024, on the Government's expectation for employment relations in the public sector.
Harassment and bullying prevention	• Refreshed organisational values framework; refreshed code of conduct; anti-harassment, bullying and discrimination policy; diversity, equality and inclusion policy; and protected disclosures policy all detail expected behaviours and joint responsibilities. This includes details on how employees can safely raise matters of concern. • The content of our key policies is reinforced through our annual declaration process, where we require our employees to acknowledge their compliance with these Commission policies.
Safe and healthy work environment	• Refreshed health and safety policy and framework ensure that we maintain a healthy and safe work environment. We comply with workplace health and safety legislation and have safe operating procedures for potential risks specific to our organisation. • An annual health, safety and wellbeing calendar of events and targeted communications, along with regular reporting, support a focus on continuous improvement. • Sponsorship of several employee-led networks, including for Pasifika, women, neurodiverse and rainbow whānau (and allies). These support the wellbeing and inclusivity of diverse groups.

Ō mātou tāngata i te 30 o Hune 2025
Snapshot of our people on 30 June 2025

Total FTE Organisation wide 2024/25

420.63	44%	54%	2%
Number of employees (FTE)	male	female	other gender/ gender not stated

Total employees (headcount) by geographical location

5%	Remote workers
31%	Auckland
64%	Wellington

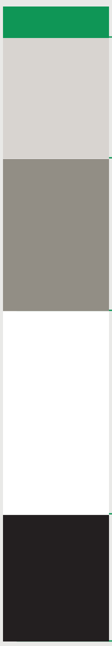
Average tenure

4 the average number of years of experience of our employees (with the commission)

Employee turnover

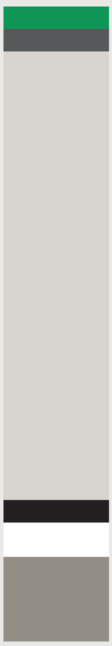
10.8% turnover over 2024/25

Age ranges



61+	**5%**
51-60	**19%**
41-50	**24%**
31-40	**32%**
20-30	**20%**

Ethnicity profile



	2025
Other/Not stated	4%
Pacific Peoples	4%
NZ European/Pākehā	79%
Middle Eastern, Latin American and African	4%
Māori	6%
Asian	15%

Te arotake i kaha me te hauora
Evaluating our capability and health

We constantly monitor our organisation's performance and evaluate our capability and capacity through specific initiatives as set out in our Statement of Intent.

Employee engagement

We regularly gather employee feedback through a workplace survey, which covers key areas such as leadership, strategy, culture, wellbeing, and diversity and inclusion. With approximately 80% participation each survey, the survey provides a representative view of our workforce. Insights from the survey are actively used to inform and improve organisational practices and priorities.

Health, safety and wellbeing of our people

We plan for and promote health, safety and wellbeing initiatives to support our people. Regular monitoring and reporting to the Chief Executive and Board help us track progress and respond quickly to risks.

Following a review of key recommendations from the previous audit, relevant actions have been successfully implemented. These include a refreshed hazard and risk register and improved visibility of our health and safety trained employees. We have a well-established Health and Safety Committee, trained first aiders, fire wardens and mental health champions. Employee wellbeing is supported through regular communications, online resources, e-learning modules, workshops, health checks, flu vaccinations and access to our Employee Assistance Programme (EAP).

Organisational restructure

The organisational change programme began in April 2024, in response to the Government's direction to improve public sector efficiency and reduce costs. The decisions were made in June 2024 and changes to the organisational structure were implemented in September 2024. A total of 52 positions were disestablished, and 20 new positions created, to optimise our functions and operating model to enable the Commission to deliver against its strategic priorities.

Diversity, equity and inclusion in our organisation

Our diversity, equity and inclusion programme is designed to strengthen our diversity and inclusion capability and reflects the Papa Pounamu priority areas. Increased sponsorship of our employee-led networks has boosted participation and delivered initiatives such as Hidden Disabilities membership, a successful Sweat with Pride team and regular organisation-wide events. We support these efforts with accessible resources, workshops and e-learning on our intranet.

In April 2025, we published our Kia Toipoto Action Plan[73] update, outlining progress towards closing gender and ethnic pay gaps and enhancing equity and opportunity in our workforce.

Our workforce diversity is improving, with increased numbers of Māori, Pacific, Asian and Middle Eastern, Latin American and African employees in the last two years. Our Māori workforce has had the greatest increase of these groups, increasing to 6% of the workforce in 2025 (2023: 2.7%, 2024: 5.2%). This includes a 5% increase in Māori leaders (across tiers one to three). We continue to have strong representation of females (43%) at the senior leadership level.

73 https://comcom.govt.nz/__data/assets/pdf_file/0025/365812/Commerce-Commission-Kia-Toipoto-Action-Plan-2021-2024-April-2025.pdf

We regularly measure and report our gender and ethnic[74] pay gaps. Both the gender and ethnic pay gaps have improved significantly in the last 12 months. Our gender and ethnic pay gaps are now the lowest they have been since first being measured (in 2017/18 and 2021/22 respectively).

The pay gaps, and our progress over the last five years, are shown in the table below.

Pay gap	2021	2022	2023	2024	2025
Median pay difference between male and female employees	16.5%	14.9%	14.4%	16.1%	13.9%
Average pay difference between male and female employees	10.8%	11.6%	12.4%	13.4%	10.2%
Median pay difference between European and non-European employees	Not measured	25.0%	21.9%	17.3%	13.5%
Average pay difference between European and non-European employees	Not measured	18.2%	16.0%	13.2%	11.5%

To overcome the occupational segregation that drives our pay gaps, we focus on the pipeline for recruitment of women into higher-banded roles, supported by our approach to flexible working, and enhance our recruitment practices to promote diversity among our candidates. We are closely monitoring horizontal pay gaps for like-for-like roles, to ensure equity among our workforce.

74 Due to the size of our workforce and demographics, we do not have enough data to be able to report pay gaps for specific ethnicities. Instead, we report the ethnic pay gap as a European versus non-European pay gap.

Disclosure statements

Disclosure of cessation payments

During the year ended 30 June 2025, compensation or other benefits paid to 30 employees (2024: nine employees) in relation to cessation totalled $879,925.21(2024: $454,342.71).

Disclosure of employee remuneration paid

The number of employees with total remuneration paid over $100,000 during the year ended 30 June 2025, grouped into $10,000 bands. Total remuneration includes higher duties allowances, cessation payments and any other payment received during the year.

Total Remuneration	2024/25 Actual	2023/24 Actual
$100,000 – $110,000	32	31
$110,001 – $120,000	28	42
$120,001 – $130,000	33	41
$130,001 – $140,000	55	26
$140,001 – $150,000	27	22
$150,001 – $160,000	29	32
$160,001 – $170,000	29	30
$170,001 – $180,000	24	21
$180,001 – $190,000	23	17
$190,001 – $200,000	16	17
$200,001 – $210,000	10	10
$210,001 – $220,000	12	11
$220,001 – $230,000	7	7
$230,001 – $240,000	5	5
$240,001 – $250,000	2	0
$250,001 – $260,000	3	3
$260,001 – $270,000	3	0
$270,001– $280.000	1	0
$280,001 – $290,000	0	2
$290,001 – $300,000	1	1
$300,001 – $310,000	1	0
$320,001 – $330,000	1	1
$350,001 – $360,000	1	0
$360,001 – $370,000	0	1
$410,001 – $420,000	0	1
$460,001 – $470,000	1	0
$480,001 – $490,000	0	1

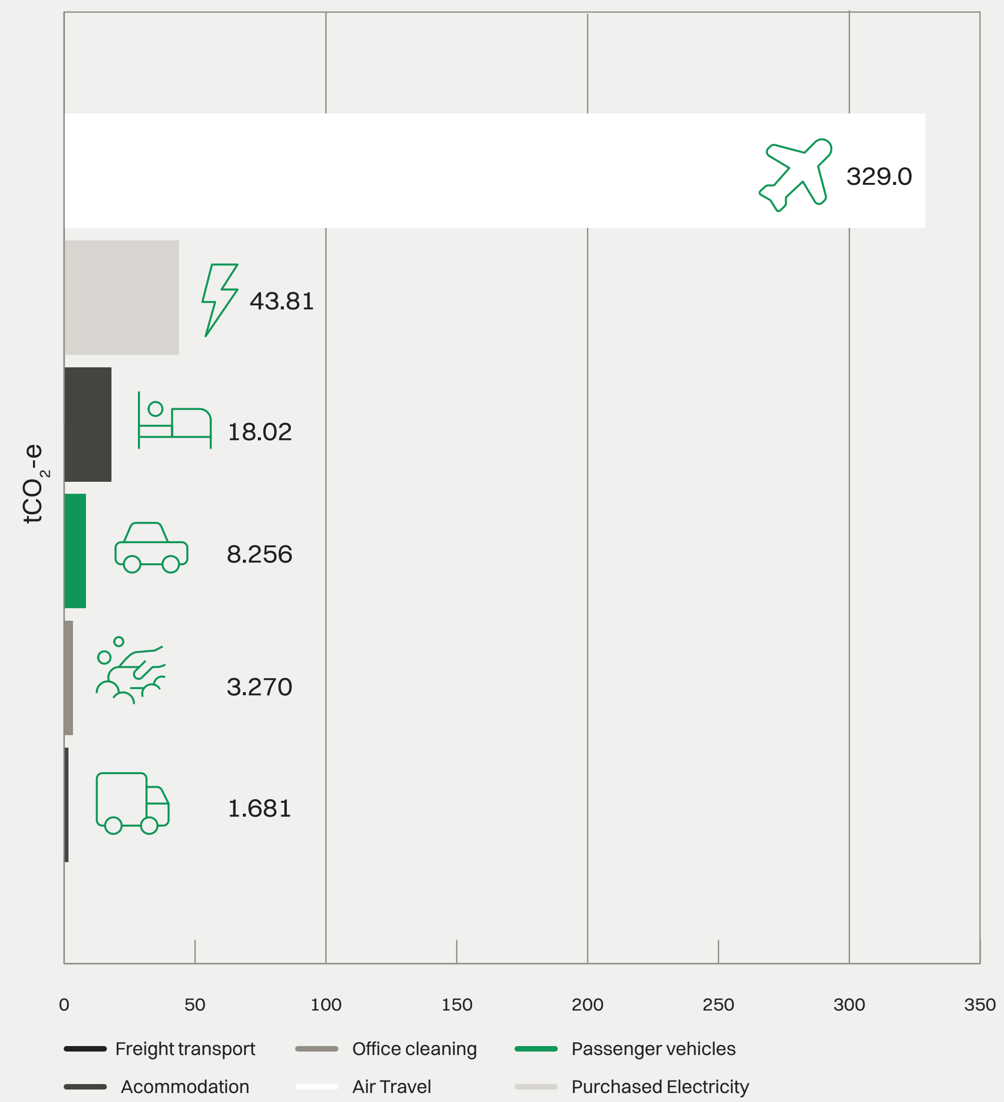
Tō mātou orange taiao, mauroa hoki
Our environmental sustainability progress

Reducing our carbon footprint is important to the Commission, and we know that every little bit counts towards making this a reality. We recognise the impact we have on the environment and are committed to improving our environmental sustainability.

In 2024/25, our total emissions were 404 tCO2e, which is a 20% decrease compared to 508.44 tCO_2e from 2023/24. However, compared to our 2020/21 base year of 250.1 tCO_2e, this is a 62% increase in emissions. This increase can primarily be attributed to an increase in air travel as we continue to provide services to support New Zealand's economic regulatory system and the return to normal levels of business following the COVID-19 lockdowns.

The main emissions sources in the Commission's profile for 2024/25 were air travel, purchased electricity, and accommodation. A full breakdown of the Commission's profile by emission source can be seen in the graph below.

Emissions by source



The Commission's air travel is our largest emissions source. Our air travel has decreased from 440 tCO_2e in 2023/24 to 329 tCO_2e in 2024/25. However, it is likely to remain our largest source. International travel is an expected part of our presence with commerce regulators overseas, and it allows us to build and maintain high-quality international engagement. To help mitigate this, our revised travel policy establishes a threshold for guiding all decisions on the need to travel versus utilising technology solutions. Any travel undertaken must be demonstrated to be necessary and to have a justifiable purpose. We anticipate the use of technology across the organisation will have a positive impact on our emissions from international and domestic flights in 2025/26.

Total tCO_2-e per financial year

The Commission's emissions intensity by full-time equivalent (FTE) staff by financial year

	2024/25	2023/24	2022/23	2021/22	2020/21
FTE staff [75]	420.63	447	428	316	273
Total gross emissions per FTE (tCO_2e)	0.96	1.14	1.19	0.69	0.91

75 FTE staff excludes staff on leave without pay, contractors and casual employees.

06

Ngā tauākī pūtea ā-tau
Annual financial statements

Tirohanga whānui ki ngā tauākī pūtea
Financial statements overview

Overall, the Commission recorded an end of year surplus of $2.4 million. This reflects our prudent financial management, and overarching approach of 'save to invest'.

During 2024/25, we recognised the likely need for greater investment in a number of critical areas e.g. data and insights and made a deliberate choice to save money in 2024/25 in order to start investing in these critical areas in 2025/26. We have reflected this strategic investment in the 2025/26 budget, with the surplus carried over from 2024/25 allowing us to make a start on investing in data and intelligence capability (among other things).

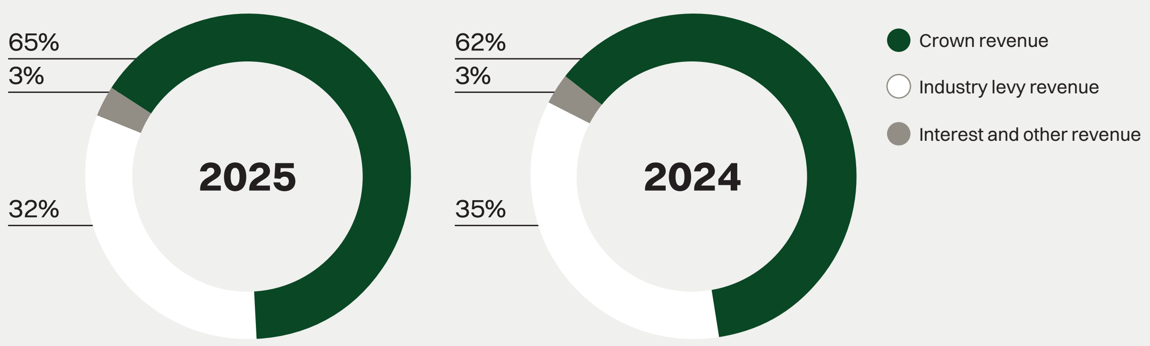
This section provides an overview of our financial performance and financial position for the year ended 30 June 2025.

Revenue

The Commission recorded revenue of $98.07 million for 2024/25 compared to $106.56 million for 2023/24. Overall Crown funding—sourced from general taxation and industry levies—decreased by $8.28 million compared to the previous year. This reduction is primarily due to the phasing of our multi-year appropriations, including those for Telecommunications and Part 4.

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

Revenue contribution

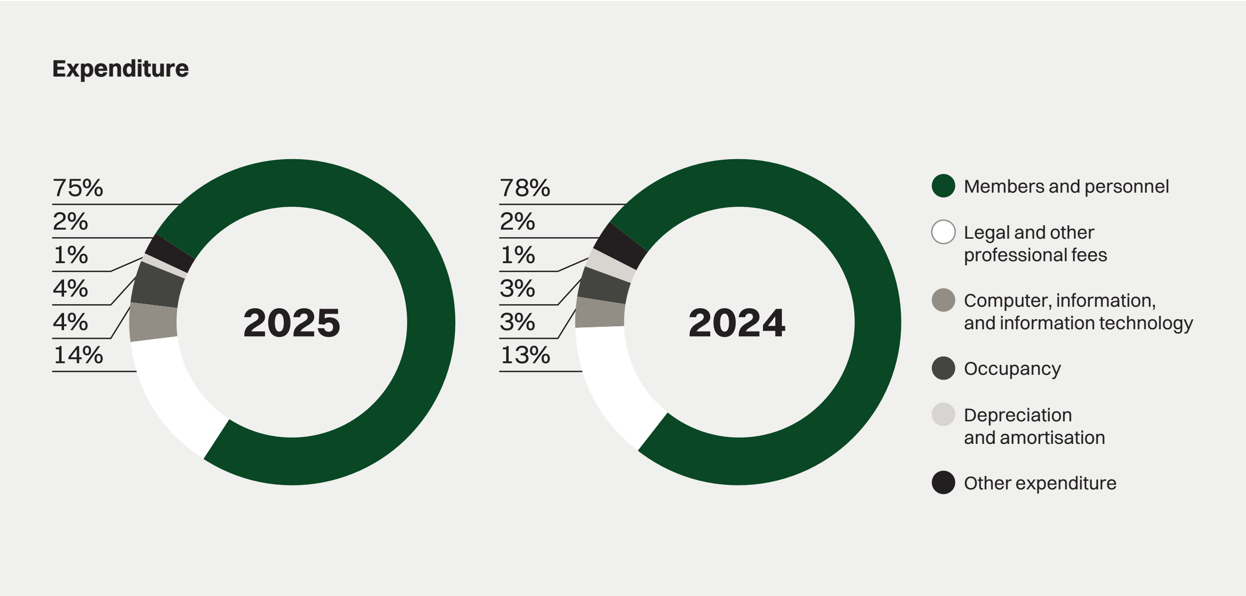


Crown funding through appropriations provides the Commission with the resources to perform its many functions. In 2025, Crown funding sourced from industry levies accounted for 32% of Commission revenue, compared to 35% in 2024. This shift mainly reflects last year's peak of regulatory activity in the electricity, gas, and airports sectors.

Some of our Crown-sourced revenue has restrictions limiting the revenue recognised to the extent that expenditure has been incurred. The Commission may not retain surpluses in relation to any appropriations that are funded through industry levies. If the Commission has received more funding from the Crown for levy recoverable activities than it has incurred in expenditure over the duration of that appropriation (either annual or multi-year), the additional amount will be returned to the Crown. However, the Commission can retain unspent funding received through the Enforcement of General Market Regulation appropriation.

Expenditure

This year, the Commission spent $95.65 million compared to $106.41 million for 2023/24.



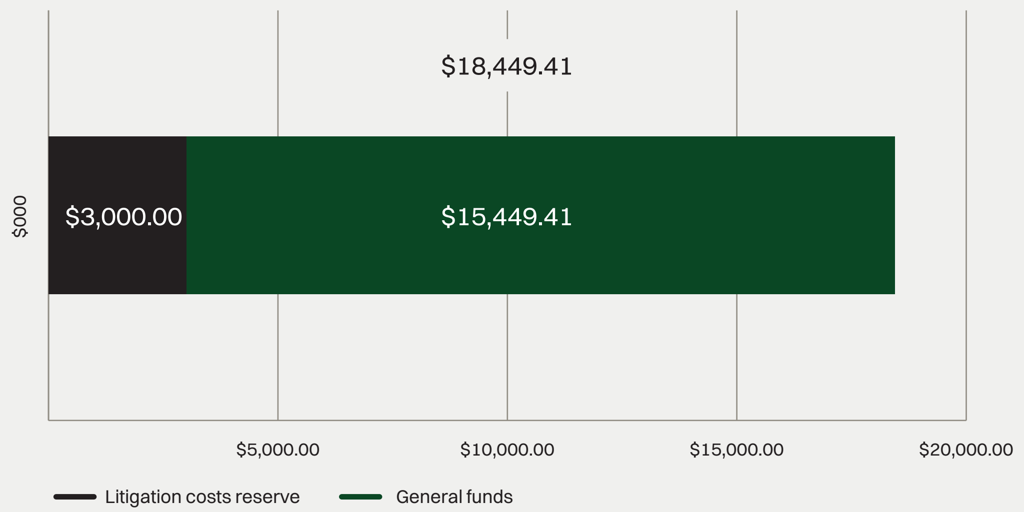
In 2024/25, members and personnel costs accounted for 75% of total expenditure. While this remains the largest cost category, it represents a decrease from 2023/24, primarily due to lower staff numbers following an organisational restructure during the year and a reduction in contractor engagement.

Financial position

The Commission requires sufficient reserve balance to manage litigation risks and other financial risks. These risks can involve significant, unanticipated expenditures in a relatively short timeframe. For example, in order for the Commission to be an effective litigator, it needs to overcommit against its litigation fund. While some litigation settles (meaning lower than expected litigation costs), by overcommitting the litigation fund, we can undertake as much litigation as possible in the knowledge that any overcommitted cost can be fully covered by reserves if all of the litigation proceeds.

The Commission maintains its reserves in a combination of cash holdings and non-cash assets, including fixed assets. Cash holdings are held in short term deposits to maximise interest returns on available cash. The Commission's equity (or reserves) as at 30 June 2025 was $18.45 million, a $2.42 million increase in reserves from 30 June 2024. This was an aggregate result of surpluses in the output classes funded through our General Markets appropriation.

Commission Reserves as at 30 June 2025



In prior years, the Registry Function Reserve formed part of the Commission's equity. This reserve was established to collect the accumulated surpluses and deficits of processing fit and proper person applications under the CCCF Act. In 2025, due to the anticipated transfer of the Credit function to the Financial Markets Authority, the accumulated deficit balance of ($0.5 million) the reserve was written off against General Funds as the Commission will no longer be able to recover this deficit in the future.

As a result, the Commission's reserves are now made up of two components.

- Litigation costs reserve – a separate, ring-fenced reserve to help the Commission meet the costs payable in losing a significant litigation case (a contribution towards the costs of the successful party).
- General funds – manages the other broader risks described above (including where the litigation costs reserve is insufficient) and also allows the Commission to invest in fixed and intangible assets.

Our general funds of $15.4 million includes $3.1 million in fixed assets, leaving a cash reserve of $12.3 million, which is required to fund:

- the anticipated $2 million deficit for 2025/26, which reflects deliberate and strategic investments in critical investments such as data and intelligence, which are critical to enhancing our long-term capability and impact
- the overcommitment of our major litigation fund for 2025/26 and outyears
- capital investments required for outyears
- other short-term financial shocks

Ngā tauākī pūtea
Financial statements

Statement of comprehensive revenue and expense

for the year ended 30 June 2025

	Notes	2024/25 Actual $000	2024/25 Budget $000	2023/24 Actual $000
Operating revenue				
Revenue from non-exchange transactions				
Revenue – Crown		94,877	95,634	103,155
Fees and Recoveries – Crown Monitor		248	-	-
Court cost awards		381	-	-
Total revenue from non-exchange transactions		**95,506**	**95,634**	**103,155**
Revenue from exchange transactions				
Fees and recoveries		298	711	511
Interest		1,879	1,426	2,635
Other revenue		389	-	254
Total revenue from exchange transactions		**2,566**	**2,137**	**3,400**
Total operating revenue		**98,072**	**97,771**	**106,555**
Operating expenses				
Commissioners, Associates, and personnel	1	71,815	70,611	82,968
Legal and other professional fees	2	13,230	15,809	13,539
Computer, information, and information technology		3,566	4,238	3,630
Occupancy	3	3,714	3,106	2,881
Depreciation and amortisation		1,434	1,714	1,266
Other expenditure	4	1,890	2,361	2,130
Total operating expenses		**95,649**	**97,839**	**106,414**
Net operating surplus/(deficit) for the year		**2,423**	**(68)**	**141**
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		**2,423**	**(68)**	**141**

The accompanying statement of accounting policies and notes to the financial statements on pages 103 to 125 form part of the financial statements.

Statement of changes in equity

for the year ended 30 June 2025

	Notes	2024/25 Actual $000	2024/25 Budget $000	2023/24 Actual $000
Balance at 1 July		**16,026**	**15,163**	**18,885**
Comprehensive revenue and expense				
Net operating surplus/(deficit)		2,423	(68)	141
Total comprehensive revenue and expense		**2,423**	**(68)**	**141**
Transactions with owner				
Repayment of reserves to the Crown		-	-	(3,000)
Total transactions with owner		**-**	**-**	**(3,000)**
BALANCE AT 30 JUNE		**18,449**	**15,095**	**16,026**

The accompanying statement of accounting policies and notes to the financial statements on pages 103 to 123 form part of the financial statements.

Statement of financial position

as at 30 June 2025

	Notes	2024/25 Actual $000	2024/25 Budget $000	2023/24 Actual $000
Equity				
General funds	5	15,449	12,552	13,528
Registry function reserve	5	-	(457)	(502)
Litigation cost reserve	5	3,000	3,000	3,000
Total equity		**18,449**	**15,095**	**16,026**
Current assets				
Cash and cash equivalents	6	9,109	8,653	15,594
Fees and recoveries receivable		366	218	499
Short-term investments		22,500	12,000	16,000
Prepayments		1,348	1,757	1,926
Total current assets		**33,323**	**22,628**	**34,019**
Non-current assets				
Property, plant and equipment	7	3,117	3,080	2,453
Intangibles	8	-	-	24
Total non-current assets		**3,117**	**3,080**	**2,477**
Total assets		**36,440**	**25,708**	**36,496**
Current liabilities				
Creditors and other payables	9	3,195	2,244	2,552
Accrued expenses		2,155	1,062	1,796
Lease incentive		180	180	229
Provisions	10	43	-	1,163
Penalties and cost awards held in trust	11	-	-	-
Crown funding repayable	12	5,639	1,144	8,321
Employee entitlements	13	6,131	5,813	6,059
Total current liabilities		**17,343**	**10,443**	**20,120**
Non-current liabilities				
Provisions	10	478	-	-
Lease incentive		170	170	350
Total non-current liabilities		**648**	**170**	**350**
Total liabilities		**17,991**	**10,613**	**20,470**
NET ASSETS		**18,449**	**15,095**	**16,026**

The accompanying statement of accounting policies and notes to the financial statements on pages 103 to 123 form part of the financial statements.

Statement of cash flows

for the year ended 30 June 2025

	Notes	2024/25 Actual $000	2024/25 Budget $000	2023/24 Actual $000
Cash flows from operating activities				
Crown funding received		100,516	96,778	112,501
Fees and recoveries received		1,349	672	599
Receipts and prepayment of penalties (net)		-	-	-
Interest received		1,974	1,566	2,678
Commissioners, Associates and personnel payments		(72,635)	(71,709)	(80,688)
Supplier payments		(20,692)	(25,776)	(21,918)
Repayment of Crown funding		(5,321)	(2,398)	(17,676)
Goods and services tax (net)		(102)	(39)	419
Net cash inflow/(outflow) from operating activities	14	**5,089**	**(906)**	**(4,085)**
Cash flows from investing activities				
Investments (deposits)/receipts		(6,500)	4,000	18,000
Property, plant and equipment purchases		(2,074)	(2,336)	(614)
Receipts from Sale of Property, Plant and Equipment		-	1	-
Net cash (outflow)/inflow from investing		**(8,574)**	**1,665**	**17,386**
Cash flows from financing activities				
Repayment of reserves		(3,000)	(3,000)	-
Net cash (outflow)/inflow from investing		**(3,000)**	**(3,000)**	**-**
Net (decrease)/increase in cash and cash equivalents		**(6,485)**	**(2,241)**	**13,301**
Opening cash and cash equivalents		15,594	10,894	2,293
CLOSING CASH AND CASH EQUIVALENTS	6	**9,109**	**8,653**	**15,594**

Repayment of Crown funding includes $5.3 million repayable from the 2023/24 financial year. In 2023/24, the funding repayable from the 2022/23 financial year was $13.7 million.

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

We have presented receipts and payment of penalties and cost awards as a net item because the Commission holds these funds in trust in accordance with agreements.

The accompanying statement of accounting policies and notes to the financial statements on pages 103 to 123 form part of the financial statements.

Tuākī kaupapa kaute
Statement of accounting policies

for the year ended 30 June 2025

Reporting entity

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

The Commission's main objective is to provide services to the Aotearoa New Zealand public, rather than making a financial return. We provide public services to meet our responsibilities under the Commerce Act 1986, the Fair Trading Act 1986, the Dairy Industry Restructuring Act 2001, the Telecommunications Act 2001, the Credit Contracts and Consumer Finance Act 2003, the Fuel Industry Act 2020, the Retail Payment Systems Act 2022, the Grocery Industry Competition Act 2023, and the Local Government (Water Services Preliminary Arrangements) Act 2024.

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

Measurement base and statement of compliance

These financial statements comply with the requirements of the Crown Entities Act and are prepared on a historical cost basis for a going concern in accordance with New Zealand generally accepted accounting practice (GAAP) to comply with Tier 1 PBE accounting standards. The Commission authorised the financial statements for issue on 31 October 2025.

Functional and presentation currency

The Commission's functional and presentation currency is the New Zealand dollars, and all numbers are rounded to the nearest thousand dollars ($000s).

New or amended standards adopted

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1) has been adopted in the preparation of these financial statements. The amendment changes the required disclosures for fees for services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. This new disclosure is included in Note 4.

Other changes in accounting policies

There have been no other changes in the Commission's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

2024 Omnibus Amendments to PBE Standards – Amendments to PBE IPSAS 1

In March 2024, the New Zealand Accounting Standards Board issued the 2024 Omnibus Amendments to PBE Standards. The amendments to PBE IPSAS 1 Presentation of Financial Reports clarify the principles for classifying a liability as current or non-current.

These amendments are effective for accounting periods beginning on or after 1 January 2026, with early adoption permitted for periods beginning before that date but not ending before 21 November 2024.

We have not early adopted these amendments. The impact of applying the amendments is expected to be minimal and will be assessed in more detail closer to the effective date.

Significant accounting policies

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

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

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

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

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

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

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

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

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

Taxation – The Commission is exempt from income tax under section CW 38 of the Income Tax Act 2007.

Budget figures - The budget figures are derived from the statement of performance expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

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

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

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

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

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

Investments – Investments are term deposits issued by Aotearoa New Zealand-registered banks with a Standard and Poor's (or equivalent) credit rating of A minus orgreater, with maturities of more than 90 days and less than twelve months. Investments are initially recognised and measured at fair value, usually the amount invested. After initial recognition, investments are measured at amortised cost. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

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

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

Intangible assets – Computer software that is not integral to the operation of the hardware is recorded as an intangible asset, less accumulated amortisation.

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

Provision – A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount that reflects the current market assessment of the time value of money and the risks specific to the obligation.

Contingencies – As the Commission is a quasi-judicial body, it is engaged in litigation activity which may result in costs being ordered against or in favour of the Commission. The outcome of an order for costs may not be certain until all appeal processes are complete. Therefore, the possibility of a costs award being incurred or received is disclosed firstly as either a contingent liability or a contingent asset, respectively. An award for costs, whether for or against the Commission, is only recognised in the statement of comprehensive revenue and expense when it is probable that there will be a payment or receipt of agreed costs which can be measured reliably.

Comparatives – To ensure consistency with the current year, all comparative information including the budget has been restated or reclassified where appropriate. The budget comparatives are those approved by the Commission at the beginning of the year for inclusion as prospective financial statements in our statement of performance expectations. The budget complies with GAAP and uses accounting policies consistent with those used to prepare these financial statements.

He kōrero tāpiri ki ngā tauākī pūtea
Notes to the financial statements

for the year ended 30 June 2025

1. Commissioners, Associates and personnel

	2024/25 Actual $000	2023/24 Actual $000
Salaries and wages (including annual leave and other entitlements)	67,338	69,715
Defined contribution plan employer contributions	1,789	1,750
Redundancy	(206)	1,459
Recruitment	202	605
Professional development	500	563
Contractors and temporary Staff	1,773	8,337
Other employment-related costs	419	539
TOTAL COMMISSIONERS, ASSOCIATES AND PERSONNEL EXPENDITURE	**71,815**	**82,968**

Employer contributions to defined contribution plans includes payments to KiwiSaver.

The actual redundancy expenditure associated with the organisational change in 2023/24 was lower than the provision made for that year.

The provision was recognised in 2023/24 following an organisational change programme that resulted in reduction in roles and a consolidation of branches across the Commission. These changes gave rise to redundancy obligations, which were accounted for in line with expected costs.

2. Legal and other professional fees

	2024/25 Actual $000	2023/24 Actual $000
Legal consultants	7,222	4,508
Other consultants and experts	3,845	7,159
Specialist support services	2,065	1,850
Other expenses	98	22
TOTAL LEGAL AND OTHER PROFESSIONAL FEES	**13,230**	**13,539**

In 2024/25, the increase in legal consultant expenses compared to the prior year reflects higher activity in Major Litigation during this period. Lower expenditure on other consultants and experts in 2024/25 reflects the end of time-limited programmes in 2023/24 that relied heavily on external experts.

3. Occupancy

	2024/25 Actual $000	2023/24 Actual $000
Operating leases – rent	2,719	2,382
Other occupancy expenses	995	499
TOTAL OCCUPANCY	**3,714**	**2,881**

Other occupancy expenses for 2024/25 included a provision ($0.4 million) for the Commission's Auckland lease carry obligations to reinstate the premises at the end of a lease. This provision was recognised based on an estimate of costs in relation to those leases (refer to Note 10 for further details).

4. Other expenditure

	2024/25 Actual $000	2023/24 Actual $000
Telecommunications	314	485
Travel	900	1,000
Postage, photocopying and stationery	103	119
Publications and knowledge sharing	254	198
Loss on disposal of assets	36	0
Other expenses	180	240
Fees to Auditors		
Fees to Audit New Zealand for audit of financial statements	103	88
TOTAL OTHER EXPENDITURE	**1,890**	**2,130**

5. Equity

The Commission's surplus for the year of $2.4 million (2024: surplus of $0.1 million) flows to our general funds and registry function reserve which equals the Commission's total comprehensive revenue and expenses for the year. In 2024/25 there were no movements in the litigation costs reserve, which is a separate reserve with a maximum balance of $3.0 million.

General Funds

	2024/25 Actual $000	2023/24 Actual $000
Balance at 1 July	**13,528**	**16,209**
Total comprehensive revenue and expense attributable	2,423	319
Less reserves payable to the Crown	-	(3,000)
Transfer from Registry Function Reserve	(502)	-
BALANCE AT 30 JUNE	**15,449**	**13,528**

The Commission's general funds are funds held in reserve as a result of past surpluses in certain output classes, plus an initial capital contribution from the Crown. During the prior year, the Commission recognised an obligation to repay $3.0 million in reserves back to the Crown. The Commission is allowed to retain surpluses from our General Markets appropriation.

Registry function reserve

	2024/25 Actual $000	2023/24 Actual $000
Balance at 1 July	**(502)**	**(324)**
Total comprehensive revenue and expense attributable	-	(178)
Transfer to General Funds	502	-
BALANCE AT 30 JUNE	**-**	**(502)**

The registry function reserve was established in the financial year ending 30 June 2022 to collect the accumulated surpluses and deficits of processing Fit and Proper Person applications under the Credit Contracts and Consumer Finance Act. During the reporting period, the Commission has continued to prepare for the transfer of its Credit function to the Financial Markets Authority (FMA), as proposed through the Credit Contracts and Consumer Finance Amendment Bill. The Commission has agreed with the Crown that the accumulated deficit will not be recovered. Accordingly, the balance has been written off against general funds.

Litigation cost reserve

	2024/25 Actual $000	2023/24 Actual $000
Balance at 1 July	**3,000**	**3,000**
Total comprehensive revenue and expense attributable	-	-
BALANCE AT 30 JUNE	**3,000**	**3,000**

The Commission undertakes major litigation for alleged breaches of legislation, and also defends regulations and rulings it sets under the Acts it administers. The litigation costs reserve is a contingency fund established to manage the impact of adverse cost awards from these cases. The Commission receives up to $0.5 million in funding per year to build a contingency fund of up to $3.0 million to help meet adverse cost awards. The Commission offsets this funding against any adverse cost awards it must pay to other parties during the year.

6. Cash and cash equivalents

	2024/25 Actual $000	2023/24 Actual $000
Cash on hand and at bank	9,109	15,594
Cash held in trust	-	-
BALANCE AT 30 JUNE	**9,109**	**15,594**

While cash and cash equivalents at 30 June 2025 are subject to the expected credit loss requirements of PBE IPSAS 41 Financial Instruments, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

The Commission holds unspent Crown funding received, which is subject to restrictions on how it may be spent and when. We also hold cost awards in trust, a portion of which is payable to the Crown or Commission, while a further portion is held in trust for various parties. As part of the Commission's financial management, portions of these funds may be placed on term deposit or held as cash at bank. See notes 11 and 12 for the relevant amounts.

The Commission's cash balance at year end includes funds held to meet short-term obligations and to manage fiscal risks. These include potential adverse cost awards in litigation, urgent regulatory responses and other unplanned but material expenditures. The Commission's approach to cash management prioritises liquidity and risk mitigation, with term deposits used to optimise returns while maintaining accessibility.

7. Property, plant and equipment

Cost and valuation:

	Computer and office equipment $000	Furniture and fittings $000	Leasehold improvements $000	Motor vehicles $000	Total $000
Balance at 1 July 2023	**4,491**	**1,499**	**3,969**	**51**	**10,010**
Additions	724	3	0	0	727
Disposals	(800)	(1)	0	0	(801)
BALANCE AT 30 JUNE 2024	**4,415**	**1,501**	**3,969**	**51**	**9,936**

	Computer and office equipment $000	Furniture and fittings $000	Leasehold improvements $000	Motor vehicles $000	Total $000
Balance at 1 July 2024	**4,415**	**1,501**	**3,969**	**51**	**9,936**
Additions	916	98	1,091	-	2,105
Disposals	(642)	(38)	(23)	-	(703)
BALANCE AT 30 JUNE 2025	**4,689**	**1,561**	**5,037**	**51**	**11,338**

Accumulated depreciation and impairment losses:

	Computer and office equipment $000	Furniture and fittings $000	Leasehold improvements $000	Motor vehicles $000	Total $000
Balance at 1 July 2023	**3,112**	**1,114**	**2,780**	**51**	**7,057**
Depreciation expense	767	126	334	0	1,227
Elimination on disposal	(800)	(1)	0	0	(801)
BALANCE AT 30 JUNE 2024	**3,079**	**1,239**	**3,114**	**51**	**7,483**

	Computer and office equipment $000	Furniture and fittings $000	Leasehold improvements $000	Motor vehicles $000	Total $000
Balance at 1 July 2024	**3,079**	**1,239**	**3,114**	**51**	**7,483**
Depreciation expense	769	108	523	-	1,400
Impairment Loss	10	-	-	-	10
Elimination on disposal	(636)	(34)	(2)	-	(672)
BALANCE AT 30 JUNE 2025	**3,222**	**1,313**	**3,635**	**51**	**8,221**

Carrying amounts:

	Computer and office equipment $000	Furniture and fittings $000	Leasehold improvements $000	Motor vehicles $000	Total $000
As at 1 July 2023	1,379	385	1,189	-	2,953
As at 1 July 2024	1,336	262	855	-	2,453
BALANCE AT 30 JUNE 2025	**1,467**	**248**	**1,402**	**-**	**3,117**

There is no restriction over the title of the Commission's assets. No property, plant and equipment assets are pledged as security for liabilities.

8. Intangibles

The Commission holds licenses for software, including certain applications which have restrictions on their use. No intangible assets are pledged as security for liabilities.

Cost:

	Acquired software $000	Total $000
Balance at 1 July 2023	**346**	**346**
Additions	-	-
Disposals	-	-
BALANCE AT 30 JUNE 2024	**346**	**346**

	Acquired software $000	Total $000
Balance at 1 July 2024	**346**	**346**
Additions	-	-
Disposals	-	-
BALANCE AT 30 JUNE 2025	**346**	**346**

Accumulated amortisation and impairment losses:

	Acquired software $000	Total $000
Balance at 1 July 2023	**283**	**283**
Amortisation expense	39	39
Disposals	-	-
BALANCE AT 30 JUNE 2024	**322**	**322**

	Acquired software $000	Total $000
Balance at 1 July 2024	**322**	**322**
Amortisation expense	24	24
Disposals	-	-
BALANCE AT 30 JUNE 2025	**346**	**346**

Carrying amounts:

	Acquired software $000	Total $000
At 1 July 2023	63	63
At 1 July 2024	24	24
BALANCE AT 30 JUNE 2025	**-**	**-**

9. Creditors and other payables

	2024/25 Actual $000	2023/24 Actual $000
Payables under exchange transactions		
Creditors	1,273	573
Total payables under exchange transactions	**1,273**	**573**
Payables under non-exchange transactions		
PAYE and other taxes withheld for payment to the Crown	1,071	930
Goods and services tax payable to the Crown	851	1,049
Total payables under non-exchange transactions	**1,922**	**1,979**
TOTAL CREDITORS AND OTHER PAYABLES	**3,195**	**2,552**

10. Provisions

	2024/25 Actual $000	2023/24 Actual $000
Current		
Restructuring Provision	43	1,163
Total Current Provisions	**43**	**1,163**
Non-Current		
Restructuring Provision	86	-
Lease Make-Good Provision	392	-
Total Non Current Provisions	**478**	**-**
TOTAL PROVISIONS	**521**	**1,163**

Movements for each class of provisions are as follows:

	Lease Make-Good Provision $000	Restructuring provision $000	Total $000
BALANCE AT 1 July 2023			
Additional Provision made	-	1,163	1,163
Amounts used	-	-	-
Unused Amounts Reversed	-	-	-
BALANCE AT 30 June 2024	**-**	**1,163**	**1,163**
Additional Provision made	392	210	602
Amounts used	-	(754)	(754)
Unused Amounts Reversed	-	(490)	(490)
BALANCE AT 30 June 2025	**392**	**129**	**521**

Restructuring Provision:

The final decision for the organisational change programme was made in June 2024. The provision represents the estimated costs for redundancy payments.

Lease Make Good Provision:

The Commission's Auckland lease carry obligations to reinstate the premises at the end of a lease on 30 September 2031. This provision recognised an estimate of costs in relation to those leases.

11. Penalties and cost awards held in trust

	2024/25 Actual $000	2023/24 Actual $000
Balance at the beginning of the year		
Court cost awards compensation received (or recognised as receivable), and interest earned	6,391	512
Infringement fees received (or receivable) and paid to the Crown (net)	-	-
Court cost awards, compensation, and interest paid out	(6,391)	(512)
BALANCE AT THE END OF THE YEAR	**-**	**-**

Penalties and cost awards held in trust are civil penalties and cost awards received by the Commission but payable to another party. This is generally the Crown, but can also be compensation received for third parties, or civil penalties and cost awards held in trust while a litigation case continues. The Commission may also be entitled to a portion of court cost awards received. The Commission is not entitled to any of the penalties received but acts as an agent for the Crown in collecting and forwarding the penalties received.

Infringement fees are issued to various parties for breaches of legislation we enforce. The Crown receives the proceeds of the infringements issued. Any Fair Trading Act infringements unpaid after a certain length of time are transferred to the Ministry of Justice for collection. Infringements issued under the Telecommunications Act 2001 are collected by the Commission.

The Commission receives cost awards and compensation for third parties through our investigations and litigation activities. Cost awards are split between the Crown and the Commission, in proportion to the funding each contributes to the costs of pursuing the investigation or litigation. This split occurs once the investigation or litigation is complete, and the total cost of the case is known. Interest is earned and paid on all cost awards and settlements received.

Components of penalties and cost awards held in trust:

	2024/25 Actual $000	2023/24 Actual $000
Infringement fees due to the Crown (including receivable)	0	0
Court cost awards and compensation due to Crown or other parties	0	0
BALANCE AT THE END OF THE YEAR	**0**	**0**

In general, penalties received by the Commission must be paid to the Crown within seven days of receipt, unless the penalties received are subject to an arrangement while litigation continues.

Where there are cases involving several parties, settlements can be received from some parties while others continue to defend. As a result, reliable estimates of total cost awards or settlements due to the Crown are not possible. These estimates can change substantially as the case progresses. In these situations, the Commission records a provision for the cost awards due to the Commission or the Crown which equals any cost awards received for that case. Once a case is finished and the total cost of the case and funds to distribute are known, the amount receivable and the amount due to the Crown are recognised, instead of a provision.

If we receive compensation settlements to pay to several third parties (e.g., customers of a business we investigate), we recognise the whole amount as a payable to third parties when we receive the settlement.

Infringement fees received are paid to the Crown every four months.

12. Crown funding repayable

	2024/25 Actual $000	2023/24 Actual $000
Net Crown appropriations drawn down	99,780	111,282
Less total Commission recognised Revenue - Crown	(94,877)	(103,155)
Less appropriation repaid during the year	-	(3,500)
Appropriation repayable to the Crown (excluding GST)	**4,903**	**4,627**
GST on appropriation repayable	736	694
Total appropriation repayable to the Crown	**5,639**	**5,321**
Comprised of:		
Dairy	*1,205*	*895*
Electricity line services	*1,605*	*998*
Gas pipeline services	*172*	*1,265*
Major litigation	*820*	*97*
Market Studies (also known as competition studies)	*371*	*133*
Specified airports services	*157*	*320*
Telecommunications (including fibre)	*1,309*	*1,613*
Add Prior year Crown funding retained in reserves repayable	-	3,000
TOTAL CROWN FUNDING REPAYABLE	**5,639**	**8,321**

The Commission receives funding from the Crown via appropriations. The Commission receives its appropriations quarterly according to a funding profile agreed at the start of the financial year. This funding is recognised as revenue only to the extent that expenditure is incurred in the output classes we are funded for. At the end of the year, the difference between funding drawn down and total expenditure by the Commission is recorded as a payable with the Crown.

The amount of $5.6 million forms part of the Commission's current cash balance and is scheduled for repayment to the Crown in November once the financial statements are finalised. This portion of the cash held is required to be repaid, and therefore not available for discretionary use.

The presence of repayable Crown funding within the Commission's cash holdings reflects the timing differences between appropriation drawdowns and expenditure. These funds are held temporarily and returned to the Crown once final expenditure is confirmed, in accordance with legislative and appropriation requirements.

In 2023/24, as part of the Government's Budget 2024 initiatives, the Commission was required to make one-off return of $3 million of reserve to the Crown.

13. Employee entitlements

	2024/25 Actual $000	2023/24 Actual $000
Accrued salaries and wages	2,029	1,792
Annual leave	3,952	4,117
Accrued performance and at-risk incentives	150	150
TOTAL EMPLOYEE ENTITLEMENTS	**6,131**	**6,059**

14. Reconciliation of operating surplus for the year to net cash inflows from operating activities

	2024/25 Actual $000	2023/24 Actual $000
Operating surplus for the year	**2,423**	**141**
Non-cash items:		
Depreciation and amortisation	1,434	1,266
Lease incentives recognised	(229)	(101)
Total non-cash items	**1,205**	**1,165**
Items classified as investing or financing activities:		
Loss on sale of property, plant and equipment	31	-
Total items classified as investing or financing activities	31	0
Change in statement of financial position items		
Fees and recoveries receivable	133	(148)
Prepayments	578	211
Creditors and other payables	643	588
Accrued expenses	328	111
Provisions	(642)	1,163
Crown funding repayable	318	(8,330)
Penalties and cost awards held in trust	-	-
Employee entitlements	**72**	**1,014**
Total change in statement of financial position items	**1,430**	**(5,391)**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**5,089**	**(4,085)**

15. Critical accounting judgements and estimates

In authorising these financial statements for issue the Commission has ensured that:

- all specific accounting policies needed to properly understand these financial statements are disclosed
- all adopted accounting policies are appropriate
- all accounting policies were applied consistently throughout the year.

When applying the accounting policies, the Commission is required to make certain judgements and estimates.

Contingencies

The Commission is party to several significant litigation cases and appeals as a result of its enforcement and quasi-judicial role. In undertaking significant litigation, the Commission is faced with the risk of losing, and as a result having to pay a significant cost award.

The Commission has assessed the likelihood of the appeals being successful and of costs being awarded against, or in favour of, the Commission.

Cost awards that are likely to result in a future receipt or payment of cost awards have been recognised as at 30 June 2025 in the statement of comprehensive revenue and expense. The Commission has also disclosed its contingent liabilities and assets as a result of cost awards that may possibly result in a future receipt or payment of costs as at 30 June 2025 (see note 16).

16. Contingent liabilities and assets

The Commission regularly has several matters before the court that may lead to future assets or future liabilities. Where no judgment has been issued in a proceeding, our general presumption is that the outcome is rarely sufficiently predictable to register the case as giving rise to either a contingent asset or liability.

Litigation cases in which the Commission is involved are either civil cases (both as prosecutor and as a defendant when other parties appeal our decisions) or criminal prosecutions. Criminal prosecutions under the Fair Trading Act, Credit Contracts and Consumer Finance Act, sections 80E, 82B, 86B, 87B, 100 and 103 of the Commerce Act and the Crimes Act are not disclosed, because if the Commission is successful in a criminal prosecution, any cost awards are payable to the Crown. Similarly, if the Commission is unsuccessful, very rarely will costs be ordered against the Commission. If costs are ordered against the Commission in a criminal case the costs are paid by the Crown.

We do not treat penalties as contingent assets of the Commission, as any penalties if received will be payable to the Crown.

Contingent liabilities as at 30 June 2025:

Eagle M.A.N Group

In May 2025, the High Court found that Eagle M.A.N breached provisions of the Credit Contracts and Consumer Finance Act in civil proceedings brought by the Commission. Eagle M.A.N has appealed the decision, and the Commission has filed a cross-appeal. The hearing is scheduled for 16 July 2026.

No costs were awarded in the High Court. However, both parties have sought costs in relation to the appeal. If Eagle M.A.N is successful, the Court may award costs against the Commission.

Contingent liabilities as at 30 June 2024:

There were no contingent liabilities.

Contingent assets as at 30 June 2025:

Viagogo

In March 2024, the High Court declared that Viagogo GmbH (t/a Viagogo, formerly viagogo ag), a Swiss-based online ticket reseller, breached various sections of the Fair Trading Act in relation to all six causes of action in civil proceedings brought by the Commission. Both parties agreed in September 2024 on the payment of $562,321 to the Commission in respect of the costs of the High Court action.

Viagogo has appealed the judgment, and the Commission intends to defend the appeal. The Court of Appeal hearing took place on 14-15 October 2025. If the Commission is unsuccessful in the appeal, there is a chance of a cost award against the Commission.

One NZ – 111 Contact Code Compliance

The Commission brought proceedings against One NZ for breaches of the 111 Contact Code.
The parties have agreed jointly to recommend to the court a penalty of $1.1 million and a cost contribution of $100,000 payable to the Commission. A Court hearing was held on 30 October 2025, with judgment reserved.

Any penalty is payable to the Crown, but a cost contribution represents a contingent asset for the Commission pending finalisation of the Court's decision.

The Co-operative Bank Ltd

The Commission is in advanced negotiations with The Co-operative Bank Ltd regarding alleged breaches of the Credit Contracts and Consumer Finance Act. The parties are expected to agree jointly to recommend to the court a penalty of $2.482 million and a cost contribution of $100,000 payable to the Commission.

The penalty is payable to the Crown, but the cost contribution represents a contingent asset for the Commission, pending finalisation of the agreement.

Contingent assets as at 30 June 2024

Viagogo

In March 2024, The High Court declared that Viagogo GmbH (t/a Viagogo, formerly viagogo ag), a Swiss-based online ticket reseller breached various sections of the Fair Trading Act in relation to all six causes of action in civil proceedings brought by the Commission. Both parties agreed in September 2024 on the payment of $562,321 to the Commission in respect of the costs of the High Court action.

Viagogo has appealed the judgment, and the Commission intends to defend the appeal. The Court of Appeal hearing is set for October 2025. If the Commission is unsuccessful in the appeal, there is a chance of a cost award against the Commission.

17. Financial instruments

The carrying amounts of each class of financial assets and liabilities are:

Monetary assets:

	2024/25 Actual $000	2023/24 Actual $000
Financial assets measured at amortised cost		
Cash and cash equivalents	9,109	15,594
Fees and recoveries receivable	366	499
Short-term investments	22,500	16,000
TOTAL MONETARY ASSETS	**31,975**	**32,093**

Monetary liabilities:

	2024/25 Actual $000	2023/24 Actual $000
Financial liabilities measured at amortised cost		
Creditors	3,195	2,552
Penalties and cost awards held in trust	-	-
Crown funding repayable	5,639	8,321
TOTAL MONETARY LIABILITIES	**8,834**	**10.873**

Financial instruments include cash and cash equivalents, receivables, investments, and payables resulting from day-to-day operations. There are risks inherent with all financial instruments and risk management policies are used to mitigate the exposure to market risk comprising liquidity risk, credit risk, interest rate risk and currency risk.

Liquidity risk

Liquidity risk is the risk of not having enough liquid funds (e.g., cash) available, leading to difficulty in making debt payments on their due date. As Crown funding is received quarterly in advance and the Commission actively manages its cash position, the Commission does not have a material risk in meeting its day-to-day obligations as they fall due.

Credit risk

Credit losses may occur if a third-party defaults on obligations owed to the Commission, resulting in the Commission suffering a financial loss. Financial instruments which potentially subject the Commission to risk consist of cash and bank balances, receivables, and investments (bank deposits). The maximum credit risk exposure is represented by the carrying amount of each monetary asset in the statement of financial position.

The Commission does not have a material credit risk for receivables due from third parties. All other receivables are due from the Crown. Cash not immediately needed to settle obligations as they fall due is invested with Aotearoa New Zealand-registered banks with appropriate credit ratings. Limits are in place restricting deposit terms, individual deposit amounts, currency, and the level of deposits with any one registered bank. The Commission is not exposed to any concentrations of credit risk, other than an exposure to the Aotearoa New Zealand banking sector. No collateral is required to be held as security against amounts owed to the Commission.

Interest rate risk

As interest rates change, the fair value of interest-bearing bank deposits may change, and future cash inflows will fluctuate. In accordance with the Commission's cash management policy, there are limits on the terms of all interest-bearing deposits, ensuring that deposits mature within 12 months (short-term). There are no other market risks.

The financial instruments carrying amount closely approximates their fair values as at 30 June 2025 and 30 June 2024. The average interest rate on interest-bearing term deposits over the year was 5.30% (2024: 5.60%). A 1% (100 basis points) change in interest rates, with all other factors unchanged, would increase or decrease earnings by $134,692 (2024: $236,999).

Currency risk

Currency risk results from fluctuations in the value of future cash outflows because of changes in foreign exchange rates. The Commission engages overseas experts and purchases specialist goods and services from foreign suppliers, requiring payment in a range of foreign currencies. The transactions are not hedged and are translated into New Zealand dollars at the exchange rate (spot) obtained when the invoices are paid. With all other factors unchanged, a 10% increase in exchange rates would decrease expenditure by $109,563 (2024: $118,303), while a 10% decrease in exchange rates would increase expenditure by $133,910 (2024: $144,593).

18. Operating (non-cancellable) leases

Operating (non-cancellable) lease payments due:

	2024/25 Actual $000	2023/24 Actual $000
Within 1 year	2,806	2,534
Within 1 to 2 years	2,825	1,784
Within 2 to 5 years	2,714	1,633
After 5 years	1,201	-
TOTAL OPERATING (NON-CANCELLABLE) LEASES DUE	**9,546**	**5,951**

The future operating (non-cancellable) lease payments consists of the contractual amounts due for leased premises, car parks, and office equipment, being the monthly rent plus our share of operating expenses.

The Commission leases offices in Auckland and Wellington. The Wellington lease is due for renewal in 2027 with the right to renew for a further term of six years. There are three leases for the Auckland office which expire on 30 September 2031. The Commission will not make any decisions on renewal in Wellington and Auckland until closer to the initial term expiry.

19. Capital expenditure commitments

The amount of contractual commitments for the acquisition of property, plant, and equipment at the reporting date is:

	2024/25 Actual $000	2023/24 Actual $000
Furniture and fittings	-	-
Leasehold improvements	34	-
TOTAL CAPITAL EXPENDITURE COMMITMENTS	**34**	**-**

20. Related party transactions

The Commission is an independent Crown entity, primarily monitored by the Ministry of Business, Innovation and Employment on behalf of the Minister of Commerce and Consumer Affairs and the Minister for Media and Communications.

Related party transactions with other government entities ((for example Crown entities or government departments) that are related parties, where the transactions are within a normal supplier relationship on normal commercial terms, or normal operating arrangements between government agencies made on the same terms have not been disclosed.

There were no other related party transactions during the year (2024: $nil).

Key management personnel

	2024/25 Actual $000	**2023/24 Actual $000**
Commissioners and Associates remuneration	4,285	4,447
Senior Leadership Team remuneration	2,601	3,255
TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION	**6,886**	**7,702**

	2024/25 Actual No. of FTEs	**2023/24 Actual No. of FTEs**
Commissioners and Associates	9.4	10.4
Senior Leadership Team	8.3	10.1
TOTAL KEY MANAGEMENT PERSONNEL FULL-TIME EQUIVALENTS	**17.7**	**20.5**

Key management personnel comprise Commissioners and Associate Commissioners, the Chief Executive Officer, and the members of the Senior Leadership Team.

21. Capital management

The Commission's capital is its equity, which is made up of general funds and other reserves as disclosed in note 5. Equity is represented by net assets.

The Commission is subject to the financial management and accountability provisions of the Crown Entities Act, which impose restrictions on borrowings, acquisition of securities, issuing of guarantees and indemnities, and the use of derivatives.

The Commission manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure the Commission effectively achieves its objectives and purpose, while remaining a going concern.

22. Significant events after balance date

As an enforcement agency and regulator, the Commission is regularly involved in litigation and often has a large number of matters before the court. Several financially insignificant matters have been progressed or finalised by 31 October 2025. Significant matters are disclosed below.

Eagle M.A.N Group

Prior to balance date, the High Court issued a judgment in civil proceedings brought by the Commission against Eagle M.A.N under the Credit Contracts and Consumer Finance Act. The judgment included an order for a pecuniary penalty. Eagle M.A.N has appealed the decision, and the penalty has not been paid. The final amount may vary depending on the outcome of the appeal. In October 2025, a hearing date was set for July 2026.

As any penalty received is payable to the Crown, the Commission does not recognise a contingent asset. This matter is a non-adjusting event after the balance date.

One NZ – 111 Contact Code Compliance

One NZ has admitted contraventions of the 111 Contact Code under section 156A(1)(p) of the Telecommunications Act. A penalty hearing was held on 30 October 2025, with judgment reserved. The Commission and One NZ jointly recommended a $1.1 million penalty (payable to the Crown) and a $100,000 cost contribution to the Commission. The matter is a non-adjusting event after the balance date.

Alderson Logistics Limited

In September 2024, the Commission and Alderson Logistics Limited signed a settlement agreement to resolve civil penalty proceedings under section 83 of the Commerce Act. The agreement required Alderson Logistics initially to endeavour to divest the acquired business. As the parties have now agreed that no suitable purchaser exists and so Alderson Logistics will no longer be required to pursue a divestment, the settlement agreement provides that the parties will jointly recommend a penalty of $420,000 to the Auckland High Court. The penalty hearing has been scheduled for 3 February 2026. No order as to costs will be sought. This matter is a non-adjusting event after the balance date.

Sweetspot Group Limited and Aramex New Zealand Holdings Limited

In October 2025, the Commission signed settlement agreements with Sweetspot Group Limited and Aramex New Zealand Holdings Limited to resolve potential civil penalty proceedings under section 30 of the Commerce Act. The parties will jointly recommend penalties of $525,000 and $700,000 respectively to the High Court. These amounts are subject to court approval, and no penalty hearing has been scheduled. This matter is a non-adjusting event after the balance date.

The Co-operative Bank Ltd

Following year-end, the Commission continued negotiations with The Co-operative Bank Ltd regarding alleged breaches of the Credit Contracts and Consumer Finance Act. The parties are expected to agree to a jointly recommended pecuniary penalty of $2.482 million (payable to the Crown) and a $100,000 contribution to the Commission's litigation costs. The matter is a non-adjusting event after the balance date.

23. Explanation of significant variances against budget

Significant variations from the budgeted figures in the Statement of Performance Expectations 2023/24 are set out in the table below. Explanations for each variance are found underneath.

	Note	2024/25 Actual $000	2024/25 Budget $000	Variance $000
Statement of comprehensive revenue and expense				
Legal and Other Professional Fees	1	13,230	15,809	(2,579)
Occupancy	2	3,714	3,106	608
Statement of financial position				
General Funds	3	15,449	12,552	2,897
Short Term Investments	4	22,500	12,000	10,500
Creditors	5	3,195	2,244	951
Accrued Expenses	6	2,155	1,062	1,093
Crown Funding Repayable	7	5,639	1,144	4,495
Provisions – Non Current	8	478	-	478
Statement of cash flows				
Crown Funding Received	9	100,516	96,778	3,738
Fees and Recoveries Received	10	1,349	672	677
Supplier Payments	11	(20,692)	(25,776)	5,084
Repayment of Crown Funding	12	(5,321)	(2,398)	(2,923)
Investments (Deposits)/Receipts	13	(6,500)	4,000	(10,500)

Explanatory notes

1) Legal and other professional fees were $2.6 million lower than budget mainly due to a lower than budgeted expenditure on external support for delivering work in our Part 4 (electricity, gas and airports) and telecommunications output classes.
2) Occupancy expenditure exceeded budget by $0.6 million primarily due to a $0.4 million lease make-good provision established following the renewal of the Auckland office lease (see Note 10). The remaining variance reflects increased rental costs under the new lease terms.
3) General funds were $2.9 million higher than budget, primarily due to the surpluses generated in current and prior years. This was partially offset by the write-off of the registry function reserve against general funds following the Commission's agreement with the Crown regarding the anticipated transfer of the credit function to the Financial Markets Authority.
4) Short-term investments exceeded budget by $10.5 million mainly due to higher than budgeted Crown repayable ($4.5 million) and the 2024/25 surplus ($2.4 million) being invested prior to repayment after balance date. This reflects the Commission's strategy to maximise interest returns on available cash until repaid or utilised.
5) The creditors and other payables balance was $1.0 million higher than budget. This variance is attributable to the timing of expenditure, with a greater proportion of costs incurred towards the end of the financial year.
6) The accrued expenses balance was $1.0 million higher than budget. This variance is attributable to the timing of expenditure, with a greater proportion of costs incurred towards the end of the financial year.
7) Crown funding repayable was $4.5 million greater than budget mainly due to underspends in some of our levy-funded output classes (see note 12).
8) Non-current provisions of $0.5 million relate to the lease make-good provision established this year upon renewal of the Auckland lease, and a residual redundancy amount owing to a staff member still employed on a fixed-term agreement whose role was permanently disestablished during the organisational change 2024/25.
9) Crown funding received was $3.7 million higher than budget primarily due to additional funding for the regulation of water services work initiated during the year.
10) Fees and recoveries received were $0.7 million above budget mainly reflecting services provided to the Crown Monitor of Water, which was initiated during the year.
11) Supplier payments were $5.1 million below budget mainly due to lower than budgeted operating expenditure and timing of payments.
12) Repayment of Crown funding was $2.9 million greater than budget due to a higher than estimated Crown funding repayable balance in the prior year.
13) Investment receipts were $10.5 million below budget due to more cash on hand to invest (see variance explanation 4 above).

Kuputaka mō ngā tauākī pūtea
Financial statements glossary

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

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

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

Te Pūrongo a te kaitātari kaute Motuhake
Independent auditor's report

To the readers of the Commerce Commission's financial statements and performance information for the year ended 30 June 2025

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Commerce Commission's annual financial statements and performance information for the year ended 30 June 2025

The Auditor-General is the auditor of Commerce Commission (the Commission). The Auditor-General has appointed me, Ingrid Harris, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the annual financial statements that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expenses, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 99 to 123;
- the performance information that consists of:
  - the statement of performance and the end of year performance information for appropriations for the year ended 30 June 2025 on pages 43 to 76.

Opinion

In our opinion:

- The annual financial statements of the Commission:
  - fairly present, in all material respects:
    - its financial position as at 30 June 2025; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- The statement of performance fairly presents, in all material respects, the Commission's service performance for the year ended 30 June 2025. In particular, the statement of performance:
  - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Commission for each class of reportable outputs; determined in accordance with generally accepted accounting practice in New Zealand; and

- fairly presents, in all material respects, for each class of reportable outputs:
  - the actual performance of the Commission;
  - the actual revenue earned; and
  - the output expenses incurred

  as compared with the forecast standards of performance, the expected revenues, and the proposed output expenses included in the Commission's statement of performance expectations for the financial year; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

- The end-of-year performance information for appropriations:
  - fairly presents, in all material respects:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Our audit was completed on 31 October 2025. This is the date at which our opinion is expressed.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board for the annual financial statements and the performance information

The preparation of the financial statements and performance information of the Commission is the responsibility of the Board.

The Board is responsible on behalf of the Commission for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. This includes preparing performance information that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare annual financial statements, a statement of performance, and the end-of-year performance information for appropriations that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, the Board is responsible on behalf of the Commission for assessing the Commission's ability to continue as a going concern.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the annual financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations.

For the budget information reported in the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, our procedures were limited to checking that the information agreed to the Commission's statement of performance expectations or to the Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2025.

We did not evaluate the security and controls over the electronic publication of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We evaluate whether the statement of performance and the end-of-year performance information for appropriations:

    - provide an appropriate and meaningful basis to enable readers to assess the actual performance of the Commission in relation to the forecast performance of the Commission (for the statement of performance) and what has been achieved with the appropriation by the Commission (for the end-of-year performance information for appropriations). We make our evaluation by reference to generally accepted accounting practice in New Zealand; and

    - fairly present the actual performance of the Commission and what has been achieved with the appropriation by the Commission for the financial year.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board.

- We evaluate the overall presentation, structure and content of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, including the disclosures, and whether the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, and our auditor’s report thereon.

Our opinion on the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Commission in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

For the year ended 30 June 2025 and subsequently, the Convenor of the Commission’s Audit and Risk Committee is also the independent Chair of the Auditor-General’s Audit and Risk Committee. The Auditor-General’s Audit and Risk Committee is regulated by a Charter that specifies that it provides independent advice to the Auditor-General and does not assume any management functions. There are appropriate safeguards to reduce any threat to auditor independence, as a member of the Auditor-General’s Audit and Risk Committee (when acting in this capacity) has no involvement in, or influence over, the audit of the Commission.

Other than the audit, and the relationship with the Auditor-General’s Audit and Risk Committee, we have no relationship with or interests in the Commission.

[redacted]

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