COMMERCE COMMISSION NEW ZEALAND
*Te Komihana Tauhokohoko*

G.34

# Pūrongo ā-tau Annual Report 2025/2026



**Me mahi tahi tātou mō te oranga o te katoa**

We work as one for the benefit of all

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

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# **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 Board is responsible for establishing, and maintaining, a system of internal control designed to provide reasonable assurance of the integrity and reliability of financial reporting.

In the Board's opinion, the financial statements and statement of performance for the year ended 30 June 2026 fairly reflect the financial position and operations of the Commission.

**Signed on behalf of the Board:**



**John Small**

Chair - Commerce Commission
30 October 2026



**Anne Callinan**

Deputy Chair - Commerce Commission
30 October 2026

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# Tā te Heamana me te Kaiwhakahaere Mātāmua matakupu
Chair and Chief Executive foreword

Kia pai ake te noho o ngā tāngata o Aoteroa i te mea e mahi tika ana ngā mākete, waihoki e kua ngākau titikaha ngā kiritaki me ngā pakihi kia whai wāhi atu ki ngā mākete.

Puta noa i te tau 2025/26 ka mahi te Kōmihana Tauhokohoko ki te whakatairanga whakataetaetanga, te tiaki kiritaki, ki te tautoko hoki i ngā tino ratonga e tika ana mō ngā tāngata o Aotearoa.

Ko te whānuitanga o ā mātou haepapatanga tētahi āhuatanga kē e tautuhi tonu ana i te Kōmihana. Ruarua noa iho ngā kaiwhakawaeture o tāwāhi e noho haepapa ana ki tētahi whānuitanga pēnei rawa o ngā mākete me ngā ratonga hanganga e pātahi ana ki te oranga o ngā kiririrarau. Ko tā mātou i nāianei he whakawaeture, he aroturuki hoki i te whānuitanga o ngā mākete me ngā ratonga hanganga – mai i ngā pēke, ngā taonga hokohoko me ngā utunga, ki te hiko, te whitimamao me ngā ratonga wai. Ki tō mātou titiro ko te rangiwhāwhātanga nei koia te pū o te kaha, ā, e kite tonu ana mātou i ngā hononga hou puta noa i tā mātou nei kete kanorau. Heoi, he rite tonu te aronga atu ki ngā wāhanga katoa o tēnei mahi: arā, te hāpai hua pai ake mō ngā kiritaki, te whakakaha i te whakataetaetanga tōkeke, te whakapūmau hoki i te whakapono me te ngākau titikaha ki ngā mākete me ngā pūnaha waeture.

Ko tēnei tau he tau hirahira mō mātou, kua matatau ake mātou ki te āhua o te whakataetaetanga puta noa i te ōhanga. Tāpiri atu ki tēnā ko te hokinga mai o tā mātou hui Competition Matters ka whakaputaina te tānga tuatahi o te *State of Competition Report* me ngā tūtohu, hei pūtaketake e whai haere ai mātou i ngā whakapainga ake i roto i te whakataetaetanga puta noa i te ōhanga.

Kua kaha anō hoki mātou ki te whakatairanga whakataetaetanga i ngā rāngai e pātahi ana ki ngā pūtea kāinga pērā i te hiko, me te aha kua whakakatia ngā kamupene hiko kia kore ai e aukati i ō rātou hoa tauwhāinga, pērā hoki mō ngā taonga hokohoko ka tahuri mātou ka whakauruhi ai i ngā whakaritenga mō te tukunga hoko waenga, me te taha ki ngā pēke e whakahau ana mātou kia rerekē haere tonu te whakataetaetanga. I te rāngai utunga, e whakaheke tonu ana mātou i ngā utu mā ngā

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

Throughout the 2025/26 year, the Commerce Commission worked to promote competition, protect consumers, and support reliable and efficient essential services for New Zealanders.

The breadth of our responsibilities continues to be one of the Commission's defining features. Few regulators internationally have responsibilities across such a wide span of markets and infrastructure services that affect the everyday life of citizens. We now regulate and monitor a wide range of markets and infrastructure services – from banking, groceries, and payments, to electricity, telecommunications and water services. We consider this breadth to be a source of strength, and continue to find new synergies across our diverse portfolio. Our focus remains consistent across all of this work: supporting better outcomes for consumers, enabling fair competition, and strengthening trust and confidence in markets and regulatory systems.

This year marked an important step in deepening our understanding of competition across the economy. Alongside the return of our Competition Matters conference we published our first *State of Competition Report* and indicators, creating a baseline from which we can track improvements in competition across the economy.

We have also been active in promoting competition in sectors that affect household budgets such as electricity where gentailers are now banned from discriminating against their rivals, groceries where we have pivoted to enforcement of provisions governing wholesale supply, and banking where we are advocating for further pro-competitive change. In the payments sector, we are continuing to push down the cost merchants incur from accepting Mastercard and Visa payments, while keeping an eye on entry and expansion conditions for new digital payment providers.

kaihoko kua whakaae rātou ki ngā utu ā-kāri Mātercard, kāri Visa hoki, me te tirotiro i ngā tikanga whakauru, whakawhānui hoki mā ngā kaituku utunga matihiko hou.

Ka noho tonu te tiaki kiritaki hei whakaarotau matua. Nā mātou i whakangita putanga uruhi nui ki ngā pakihi mō rātou i whakapōhēhe ai i te kiritaki, i whai i ngā tikanga makihuhunu, me te korenga rānei i ū ki ā rātou herenga ā-ture. Nā tēnei mahi a mātou i taea ai ētahi hapa te whakatika mō ngā kiritaki i pāngia e te hapa, me te utu paremata, whakahokinga moni hoki. Ka hāpai ēnei putanga i ngā whanonga pakahi tōkeke, i te whakataetaetanga me te whakamanawa i te kiritaki.

Ka noho tonu ko te hāmana me āna tikanga ā-ture hei huarahi mā mātou e tiaki ai i te whakataetaetanga me te kiritaki. I tēnei tau i whakangita mātou i ngā putanga hirahira i ngā kōti mō ngā take whakataetanga me te tiakitanga kiritaki hoki, ka whāiti mai ko te whanonga ā-kāhui, te utu whakapōhēhē me ngā whanonga makihuhunu. Ko te aronga kē o ēnei kēhi ko te mahi whakahara me te aha nā aua kēhi anō i whakamārama ake i ngā kawatau mō ngā pakihi. He tino tohu ngā whakataunga whakangita kaha hei whakaatu ka hāmenetia te whanonga whakararu whakataetaetanga, whakahara kiritaki rānei.

Mō ngā tino ratonga, ka tautoko tonu mātou ngā waeture e hāpai ana i te kiritaki me ōna pānga wā roa. Nā mātou i kōkiri te whakatinanatanga o ngā waeture ohaoha mō ngā ratonga wai, i whakakaha i te mātai atu i a Watercare, ā, i takatū tonu ki ngā waeturetanga anamata o te rāngai wai whānui. I te taha mō te hiko, i whaikoha ā mātou mahi mā te Energy Competition Task Force ki ngā panonitanga e pai ake ai ngā whiringa mā te kiritaki me te tautoko i te whai wāhitanga mai o te hunga noho kāinga e whakamahi hangarau hou ana, pērā i te waihangatanga kōmaru me te rokiroki ā-pūhiko. Nā mātou hoki i koke i ngā kaupapa ā-waeture e pā ana ki te kapuni, te kaka, ngā tauranga wakarere me ngā pūnaha utu e mārama ake ai te hami me te wāriu mō ngā kiritaki.

He tau panoni whakahaerenga hoki tēnei tau. Whai muri atu ana i te Governance and Effectiveness Review, ka mahi tonu mātou ki te whakararau i ngā tukanga hei whakapai ake i te kaitiakitanga, ngā haepapatanga me

Protecting consumers remained a core priority. We secured significant enforcement outcomes against businesses that misled consumers, engaged in unfair practices or failed to meet their legal obligations. Our work contributed to substantial redress for affected consumers, including compensation and refunds. These outcomes promote fair business conduct, promote competition and support consumer confidence.

Litigation remains one of our most important tools for protecting competition and consumers. This year we secured significant court outcomes across competition and consumer protection matters, including cartel conduct, misleading pricing and unconscionable conduct. These cases addressed specific instances of harm and helped clarify legal expectations for businesses. Strong enforcement outcomes provide an important signal that conduct that undermines competition or harms consumers will be addressed.

In essential services, we continued to support regulation that promotes the long-term interests of consumers. We advanced the implementation of economic regulation for water services, strengthened oversight of Watercare and continued preparing for future regulation of the wider water sector. In electricity, our work through the Energy Competition Task Force contributed to changes intended to improve consumer choice and support participation by households adopting new technologies, including solar generation and battery storage. We also progressed regulatory work across gas, fibre, airports and payment systems to support transparency, investment and value for consumers.

The year was also one of organisational change. Following the Governance and Effectiveness Review, we continued to embed improvements to governance, accountability and decision-making. We introduced new ways of working on 1 October 2025 and spent the remaining nine months of the year embedding them across the organisation to help us operate more effectively as One Commission. These changes have been made possible by our people, whose professionalism, expertise and commitment continue to underpin the Commission's success as we take on new responsibilities.

te whakaoti whakataunga. Nō te 1 o Oketopa 2025, ka whakatakotoria e mātou ētahi tikanga mahi hou, ā, mō ngā marama e iwa o te tau ka whakapau kaha ki te tāmau i aua tikanga mahi anō puta noa i te whakahaere kia tōtika ai te mahi hei Kōmihana Kotahi. Nā te ngaiotanga, te pūkengatanga me te ngākau titikaha o ā mātou tāngata ēnei panonitanga i tutuki ai te kawea o ngā haepapatanga hou e te Kōmihana nei.

Ka takatū hoki mātou ki te whakawhitinga ngāwari, tiakitanga pai hoki o tā mātou mahi taurewa ā-kiritaki ki Te Mana Tātai Hokohoko |Financial Markets Authority. Ka nui te whakahīhī i te mākohakoha, i ngā hononga me te manawanui o ā mātou tāngata ki te kaupapa o te tiakitanga kiritaki mō te  20 tau neke atu. Nā ā rātou mahi anō i hoahoatia ai ngā hanga taurewa, i toko ake ai hoki ngā putanga tōkeke ake mō ngā tāngata o Aotearoa.

Kia tiro whakamua mātou, ko te aronganui ia ko ngā wāhi e tino whai hua ā mātou mahi. Pērā i te hāpai i te whakataetaetanga kia pai ake i roto i ngā mākete mātuatua, te whakarite waeture ratonga wai, te takatū ki ngā haepapatanga hou me te tiaki tonu i te kiritaki mā te whakapāpātanga me te whakaū me te whai kia tika i runga i tā te waeture. Ka whakapau kaha tonu ki te āheitanga, te taunakitanga me ngā papa whakahaere e rite ai mātou ki te tūtakitaki ki ngā wero anamata.

Ka poho kererū mātou ki ngā mahi pai a ō mātou tāngata, ā, ka whakamau tonu mātou ki te tirohanga roa, kia whai wāhi tonu ngā kiritaki me ngā pakihi ki ngā mākete e mahi pai ana.

We also prepared for a smooth and well governed transition of our consumer credit function to the Financial Markets Authority. We're proud of the expertise, relationships and commitment to consumer protection our people have shown over 20 years. Their mahi has helped shape the credit landscape and supported fairer outcomes for New Zealanders.

Looking ahead, we remain focused on the areas where our work can make the greatest difference. This includes supporting more effective competition in key markets, implementing water services regulation, preparing for new responsibilities and continuing to protect consumers through industry engagement and targeted enforcement and regulatory action. We will also continue investing in the capability, evidence and organisational foundations needed to meet future challenges.

We are proud of the contribution our people have made and remain committed to our vision of ensuring consumers and businesses are confident participants in markets that work well.



**John Small**

Chair – Commerce Commission
30 October 2026



**Suzanne Stew**

Chief Executive Officer – Commerce Commission
30 October 2026

# Te Komihana i tētahi tirohanga
The Commission at a Glance

## Who we are

**Total number of FTEs –** 408.2

### In 2025/26, we received a total of $97.87 million in funding and other revenue.

| Revenue – Crown | Revenue – Crown | Other revenue |
|---|---|---|
| General taxes | Industry levies | Interest, fees and recoveries |
| $68.05m | $26.71m | $3.11m |

We spent $99.19 million during the financial year. (A deficit of $1.32 million). The breakdown of this is as follows:

### Our expenditure for 2025/26

| Competition | Consumer | Infrastructure Regulation | Market Regulation | Litigation |
|---|---|---|---|---|
| $13.55m | $22.62m | $24.12m | $25.61m | $13.29m |

### The Regulatory Systems We Steward

We steward three interconnected regulatory systems:




Stewardship means maintaining confidence in these systems over time through principled, transparent, and proportionate decisions, clear expectations, and ongoing evaluation of regulatory performance.

The three regulatory systems describe the areas we steward, rather than separate regulatory functions. Market regulation operates within and across these systems and is particularly prominent in essential infrastructure, where we regulate and monitor markets and regulated sectors to promote outcomes for consumers, businesses and the wider economy.

# Our impact

### Returned money to consumers

Secured refunds and remediation for consumers and took enforcement action where consumers were harmed.

More than $10m returned to customers from Jetstar, Co-operative Bank and Westpac.



### Supported reliable essential services

Set long-term **gas pipeline** revenue limits and laid the foundations for economic regulation of **water services**.

Supporting **greater transparency, accountability and future investment**.



### Delivered for borrowers

Completed our transition out of consumer credit regulation after more than two decades of oversight.



**Nearly**

$100m

returned to consumers, **$12m** secured in penalties and **60+ cases taken** to court over **20 years**.

### Protected vulnerable consumers

Took action where vulnerable consumers were targeted or treated unfairly.

Secured a **two-year lending ban** and unconscionable sales conduct was penalised.

### Removed unnecessary regulation

**Recommended deregulation** where competition now does the job, including parts of telecommunications and the rural copper network.



### Measured competition

Published our first State of Competition Report, establishing a baseline for tracking competition across the economy.

22 years of data analysed.

### Protected competition

Challenged mergers, cartels and conduct that could reduce competition, including in the grocery sector.

$1.2m+

in cartel penalties.



### Protected consumers

Took action across retail pricing, subscriptions, telecommunications and other consumer protection issues,

$5m+

in penalties across major consumer cases, including **$1.1m** penalty against One NZ for breaching the 111 Contact Code.

### Supported more competitive and resilient energy markets

Increased fuel price scrutiny and progressed reforms to improve competitive conditions and resilience in the electricity sector.

**8** initiatives

progressed through the Energy Competition Task Force.

### Reduced payment costs

Proposed new card payment caps to reduce the cost of accepting Mastercard and Visa payments.

**$130m**

estimated annual savings for New Zealand businesses when combined with interchange caps announced in 2025.



# 01

# **Te Horopaki Whakahaere me te Urupare Rautaki** Operating Context and Strategic Response

This section explains the environment in which the Commerce Commission operated in 2025/26, how we responded to Government priorities and emerging challenges, and how we are positioning the organisation for the future.

## Introduction

The environment in which the Commerce Commission operates continued to evolve in 2025/26. Competition, productivity and economic growth remained prominent public policy priorities, while consumers and businesses continued to face affordability pressures and increasing expectations of market performance.

At the same time, significant infrastructure investment requirements, technological change and regulatory reform created new opportunities and challenges across many of the sectors we regulate.

Against this backdrop our focus continues to be on supporting effective competition, protecting consumers, supporting efficient and reliable essential services, and preparing the organisation for future responsibilities. Our response to these conditions is grounded in the legislative responsibilities and regulatory tools entrusted to us.

## Our legislative mandate

The Commission's powers and responsibilities are established through legislation that supports competitive markets, confident consumers, and reliable and efficient essential services. In 2025/26, we exercised functions under the following Acts:

### **Mākete whakataetae** | Competitive Markets

**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).

**Fuel Industry Act 2020**

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

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

**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.

**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, regulates interchange fees of Visa and Mastercard networks and provides other tools to regulate fees, prices and access to networks.

**Telecommunications Act 2001**

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

**Dairy Industry Restructuring Act 2001**

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

### **Tauhokohoko tōkeke** | Fair trade

**Fair Trading Act 1986**

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

Requires that consumers are 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.

### **Ngā Tino Ratonga** | Essential services

**Commerce Act 1986 (Part 4)**

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

Sectors that are currently subject to the provisions of Part 4 are electricity distribution and transmission, gas pipelines, selected airport services and water. For water services, Part 4 also provides for ring-fencing of revenue, setting revenue thresholds and performance requirements regulation.

**Commerce Act 1986 (Part 4A)**

Provides for consumer protection by water services suppliers.

**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.

How we exercise these responsibilities is shaped by the economic, technological and regulatory conditions affecting the markets and sectors we oversee.

# Our operating environment

## Competition, productivity and consumer confidence

Competition and productivity remained central themes. Public and government attention continued to focus on markets with a significant impact on household budgets and business costs, including banking, groceries, fuel, retail payments, telecommunications and energy.

Alongside this focus came growing expectations that regulators demonstrate impact, support economic growth, and act where markets are not delivering expected outcomes for consumers or businesses.

## Cost-of-living pressures

Many New Zealand households continued to face pressure from the cost of essential goods and services. These conditions have increased public interest in competition, pricing practices and consumer protection, reinforcing the importance of transparent markets and informed consumer choice.

## Infrastructure investment and resilience

New Zealand's infrastructure sectors face substantial investment requirements to maintain reliability, support growth and strengthen resilience. Balancing affordability with the need for long-term investment remains a significant challenge across the water, energy and telecommunications sectors.

## Technological change

Technology continues to reshape how consumers and businesses interact with markets. Developments such as open banking, digital payments and artificial intelligence are creating opportunities for innovation and competition, while also introducing new regulatory challenges and consumer protection risks.

## Government priorities and our response

The Government's 2025/26 Letter of Expectations highlighted the importance of competition, consumer confidence, infrastructure performance and regulatory effectiveness in supporting economic growth and improving outcomes for New Zealanders.

Particular emphasis was placed on improving competitive conditions in key sectors, supporting open banking, progressing grocery sector reform, overseeing retail payments regulation, implementing water services regulation, contributing to competition law reform and improving organisational effectiveness.

In response to the Minister's expectations, we continued to act as a courageous and effective litigator, progressing a strong pipeline of enforcement investigations and proceedings. This approach supports meaningful accountability and deterrence, while increasing pressure on the resources available for major litigation.

Together, these priorities and wider operating conditions informed our strategic response and the choices we made about where to focus our resources and regulatory tools.

# Our strategic response

## Focusing on areas of greatest impact

We concentrated our resources on areas where competition was not delivering expected outcomes, where consumers faced the greatest risk of harm, or where effective economic regulation could deliver significant long-term benefits.

This included work across banking, groceries, retail payments, telecommunications, energy and water services, alongside targeted consumer protection and competition enforcement activity.

## Enforcement and litigation

Enforcement and litigation remained among our most important tools for influencing market behaviour and maintaining confidence in markets.

During the year we secured significant court outcomes across competition and consumer protection matters, including cartel conduct, misleading pricing, unconscionable conduct and breaches of consumer protection laws. We also completed our first criminal prosecutions for bid-rigging cartel conduct and continued to advance several major litigation matters involving large businesses.

These outcomes addressed individual instances of harm while contributing to broader deterrence. By clarifying legal expectations, increasing the consequences of non-compliance, and reinforcing enforcement activity through proactive communications and stakeholder engagement we helped shape behaviour across sectors and supported fairer, more competitive markets.

## Evolving our regulatory role

Our responsibilities continued to evolve during the year as we adapted to changes in our regulatory portfolio.

During the year, we worked to fulfil our new responsibilities for economic-regulation and consumer-protection regime for water services. This included developing information-disclosure

requirements and strengthening sector wide awareness and capability in relation to the new regulatory requirements. Information gathered through the regime will give us the evidence base needed to support future regulatory decisions, ensuring that increased spending translates into better consumer outcomes.

Together, these developments reflect the increasing breadth and complexity of our role. Throughout this change, we remained focused on supporting well-functioning markets, effective infrastructure regulation, and the areas where we can deliver the greatest impact.

## Strengthening organisational effectiveness

During the year we continued implementing improvements arising from the Governance and Effectiveness Review, including the introduction of new ways of working on 1 October 2025.

These changes were designed to clarify accountability, improve decision-making, increase organisational agility and support a stronger "One Commission" approach. As our responsibilities continue to expand, these improvements are helping us operate more effectively across an increasingly broad and complex portfolio.

Like many public sector organisations, we faced growing expectations to deliver greater impact and value for money within a constrained fiscal environment. Improving organisational effectiveness, prioritising resources and improving productivity remained important components of our response.

We continued investing in the organisational foundations that support effective regulation, including data and analytical capability, information management, workforce development and stakeholder engagement. This work helps ensure we remain well positioned to deliver evidence-led regulation and adapt to emerging challenges and responsibilities.

Building on these organisational improvements, we also continued strengthening the capability and evidence base needed to support effective regulation and future performance.

## Preparing for the future

### Transitioning to our new strategic framework

We completed development of our Statement of Intent (SOI) 2026-2031 and refreshed our strategic framework.

The new framework strengthens our focus on the outcomes we seek to achieve for consumers, businesses and communities. It provides a clearer line of sight between our regulatory activities, the impact we seek to create and the public value we deliver. New outcome indicators and refinements to how we measure and report performance will support implementation of the framework and strengthen our ability to demonstrate the impact of our work.

### Looking ahead

As we implement our SOI 2026–2031 our operating environment will continue to evolve. Competition law reform, the expansion of water services regulation, advances in artificial intelligence and anticipated responsibilities relating to development levies are expected to shape our work over the coming years.

We will remain focused on supporting effective competition, protecting consumers, ensuring consumers receive value from reliable essential services and maintaining trust and confidence in the regulatory systems we administer.

As our responsibilities, regulatory tools and stakeholder expectations continue to grow, we will need to make deliberate choices about where enforcement, litigation, regulatory intervention and organisational investment can deliver the greatest public benefit. By maintaining this focus we will be well positioned to support well-functioning markets and improve outcomes for New Zealand consumers, businesses and communities.

# 02

# **Ngā Tutukitanga ki ngā Whāinga Rautaki** Performance against strategic outcomes

This section assesses progress against the strategic outcomes in our previous Statement of Intent 2023–2027.

This section draws on impact indicators, service performance results and other evidence to explain what changed during 2025/26, how the Commission contributed, where progress remains limited or uncertain, and how the findings informed our Statement of Intent 2026–2031.

Our assessment considers:

- what changed in 2025/26
- the evidence supporting our assessment
- how the Commission contributed to those changes
- areas where progress remains limited or uncertain
- limitations in the available evidence and data
- how the lessons informed our new SOI 2026-2031.

Confidence ratings reflect the quality and strength of available evidence and should be considered alongside the assessment of progress for each outcome.

Risk ratings reflect our assessment of the likelihood that current performance can be sustained, taking account of external factors, emerging risks and implementation challenges. They are specific to this assessment of strategic outcome performance and are not linked to the Commission's organisational risk ratings or risk assessment processes.

Applying this approach, our overall assessment of progress across the four strategic outcomes is summarised below.

## Overall assessment of strategic outcomes

| Strategic outcome | Overall Assessment | Confidence | Risk | Comment |
|---|---|---|---|---|
| **Stewardship** | **Improving** – Most indicators show positive movement or sustained positive performance over time. | **High** – Strong evidence base. Multiple indicators tell a consistent story. | **Low to Medium** - Risks are managed and current performance is likely to be sustained. Active management and monitoring required. | Progress was made in strengthening transparency, engagement and trust in the Commission, and regulatory systems. |
| **Competitive Markets** | | **Medium** – Moderate evidence base. Some indicators are mixed, incomplete or still maturing. | **Medium** - Some risk to sustaining performance. Active management and monitoring required. | Competition strengthened in some sectors, although challenges remain in highly concentrated markets. |
| **Fair Trade** | | | **Low to Medium** - Risks are managed and current performance is likely to be sustained. Active management and monitoring required. | Consumers were better protected through enforcement, remediation and increased awareness of rights and obligations. |
| **Essential Services** | **Stable** - Indicators are generally unchanged, mixed, or show only minor movement. | **High** – Strong evidence base. Multiple indicators tell a consistent story. | **Low** - Risks are managed and current performance is likely to be sustained. | Regulatory frameworks continued to support reliable services, appropriate investment and reasonable returns. |

## Understanding the impact indicator ratings

The impact indicators are one source of evidence informing these assessments and provide a consistent basis for examining change over the Statement of Intent period.

The ratings are based on indicator results across the three-year Statement of Intent period, drawing on data from 2023/24, 2024/25 and 2025/26 where available.

The trend rating reflects the direction of movement over the Statement of Intent period and whether results have generally improved, remained stable or declined over time.

The status rating reflects the overall pattern of results across the three years.

These ratings provide a high-level summary of performance and should be considered alongside the detailed analysis, evidence and performance information presented for each strategic outcome.

**Legend**

| Symbol | Trend | Symbol | Status |
|---|---|---|---|
| ▲ | Trending up / improving performance | ● | Green: meeting or exceeding target |
| ▶ | Stable / little or no change | ● | Amber: stable / mixed performance / requires monitoring |
| ▼ | Trending down / decreasing performance | ● | Red: not meeting target |

# Kaitiakitanga
Stewardship

## The outcome we're seeking

New Zealanders have trust and confidence in the Commission and the regulatory systems we administer.

Consumers, businesses and stakeholders understand our role, trust our decision-making and have confidence we can respond effectively to current and future challenges.

## Our assessment

### Stewardship improved

Available evidence indicates trust and confidence in the Commission improved during the year. Results for reputation, openness and stakeholder engagement all improved, suggesting growing confidence in our role, communication and performance.

We also enhanced our stewardship capability by publishing the first *State of Competition Report* and indicators, beginning governance improvements and developing a new strategic framework.

The strength and consistency of the available evidence across the stewardship indicators supports an assessment that stewardship improved, with high confidence. Evidence relating specifically to Māori perspectives remains limited. Through implementation of our Rautaki Māori (Māori strategy), we are deepening engagement with Māori and working to improve the evidence available to understand Māori experiences and support future assessments.

### Evidence supporting our assessment

The indicators in the table below, and detailed further at Appendix A, help us assess whether trust and confidence in the Commission and the regulatory systems we administer are strengthening over time.

No single measure determines our assessment. We consider the indicators collectively alongside stakeholder feedback, organisational performance and other regulatory evidence.

| Overall assessment | Confidence in assessment | Future Risk |
|---|---|---|
| Improving | High | Low-medium |

| Impact | Indicator | Trend 2023 - 2026[1] | Status 2023-2026[1] |
|---|---|---|---|
| Viewed as a modern and responsive regulator | Public sector reputation index | ▲ | ● |
| Visible and engaging proactively with stakeholders | Perception of openness | ▲ | ● |
| Supporting Māori to achieve their aspirations through our work and engagement | Māori perceptions of the Commission | N/A[2] | N/A[2] |
| Ensuring our processes are open and transparent | Perception of engagement | ▶ | ● |

1 Against SOI 2023-2027. Refer to Appendix A for detailed information on the indicators.
2 Not reported due to small sample size.

## What the indicators tell us

The Commission's Public Sector Reputation Index increased from 65 in 2024/25 to 67 in 2025/26, continuing its improvement from 2023/24. All four reputation pillars improved during the year, with the strongest improvement being in Trust. The index reflects public perceptions across 16 attributes grouped under Trust, Leadership, Social Responsibility and Fairness.

Other survey results also showed improved perceptions of the Commission's openness and engagement. Consumer perceptions of openness increased from 44% to 48%, business perceptions increased from 47% to 53%, and stakeholder perceptions of communication and engagement increased from 57% to 66%.

Taken together, these results indicate improving perceptions of the Commission's trustworthiness, openness and engagement.

A reliable result for Māori respondents was not available because of the small sample size, limiting our ability to assess Māori experiences of the Commission separately. However, the Public Sector Reputation Index found an increase in overall agreement that the Commission works positively with Māori. Improving the quality and coverage of evidence about Māori experiences remains a priority.

## How we contributed

During the year we focused on improving organisational stewardship, accountability and evidence capability while supporting an expanding regulatory portfolio.

Our work included:

- publishing the first *State of Competition Report* and indicators
- completing a new SOI and strategic framework
- commencing implementation of improvements arising from the Governance and Effectiveness Review
- continuing to embed our new operating model and a more integrated One Commission way of working
- establishing capability for water services regulation
- refining our approach to performance measurement and outcome reporting
- implementing our Rautaki Māori to deepen engagement with Māori.

This work improved the Commission's ability to understand market performance, make well-informed decisions, report transparently on its contribution and respond to new and emerging responsibilities.

**CASE STUDY**

### Establishing a broader evidence base through the State of Competition Report

We published New Zealand's first ***State of Competition Report***[3] and indicators. The report provides an evidence-based baseline for assessing competition across the economy and strengthens the evidence available to government, businesses, consumers and the Commission.

#### Why it matters

As a stewardship initiative, the *State of Competition Report* and indicators improve transparency and support informed public discussion about how markets are performing. They also improve the Commission's ability to identify emerging competition issues and assess the impact of regulatory interventions over time.

The report represents an important step in advancing the Commission's role as a steward of New Zealand's competition system.

3 **https://www.comcom.govt.nz/about-us/research/state-of-competition-report-in-new-zealand/**

## Opportunity for further progress

Although the stewardship indicators generally improved, our evidence base is still developing. We need broader and more representative evidence about the perspectives and experiences of the different communities affected by our work. Evidence relating specifically to Māori perspectives and experiences remains limited. Some stewardship measures are also relatively new, and further evidence over time will be needed to determine whether the improvements observed in 2025/26 are sustained and shared across communities.

## What's next

As we implement our SOI 2026–2031, we will strengthen engagement across the communities affected by our work and improve the quality, coverage and representativeness of the evidence used to assess our stewardship. This will include a particular focus on improving our understanding of Māori perspectives and experiences, where the current evidence is limited. We will also continue improving outcome measurement, clarifying accountability and embedding the governance improvements introduced during the year.

# Mākete whakataetae
# Competitive markets

## The outcome we're seeking

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

We work to deter anti-competitive conduct, prevent mergers that can lead to harmful concentrations of market power and identify and reduce barriers that limit effective competition. Our work supports market conditions in which businesses can compete and consumers can benefit from greater choice and better value over time.

## Our assessment

### Evidence suggests competitive conditions improved in several sectors

Telecommunications and retail payments indicators showed positive movement during the year. Business understanding of competition obligations also improved, indicating increased awareness of the conduct expected under competition law.

The evidence was more mixed in other sectors. Grocery market concentration remains high despite signs of increased competitive activity, and some newer regulatory interventions will require continued monitoring to assess whether improvements are sustained over time.

In reaching the overall assessment we placed weight on positive movement across telecommunications, retail payments and business understanding. We also recognised that concentration remains high in the grocery sector and that the available evidence does not demonstrate an economy-wide improvement in competition. These limitations are reflected in our medium confidence rating.

Taken together, the evidence supports an assessment that competitive conditions improved in several sectors, although progress was uneven and significant competition challenges remain. The evidence base is still developing and does not demonstrate an economy-wide improvement in competition. We, therefore, have medium confidence in this assessment.

| Overall assessment | Confidence in assessment | Future Risk |
|---|---|---|
| Improving | Medium | Medium |

| Impact | Indicator | Trend 2023 - 2026[3] | Status 2023-2026[4] |
|---|---|---|---|
| Anti-competitive conduct is deterred | Business understanding of anti-competitive conduct | ▲ | ● |
| | Deterrence case study | ▶ | ● |
| Harmful concentration of market power is prevented | Ex-post review of mergers | ▶ | ● |
| Barriers to entry, harm caused by imbalances in market power and information asymmetries are identified and reduced | Market case studies | N/A | N/A |
| For sectors we regulate this would mean competition improves, resulting in benefits to New Zealanders | A suite of measures is developed and monitored for<br>• groceries,<br>• telecom-munications,<br>• fuel,<br>• retail payments | ▲ | ● |

4 Against SOI 2023-2027. Refer to Appendix A for detailed information on the indicators.

# 61%

**of surveyed businesses understand anti-competitive conduct**
Up from 55% in 2024/25

## Evidence supporting our assessment

The indicators in the table above, and detailed further at Appendix A, help us assess whether competitive conditions are changing over time. They measure business understanding of competition law, market concentration and competitive conditions in key sectors, and whether barriers to entry and expansion are being addressed.

No single measure determines our assessment. We consider the indicators collectively alongside enforcement outcomes, merger decisions, sector monitoring, market studies (also known as competition studies) and other regulatory evidence.

## What the indicators tell us

Competition indicators for telecommunications and retail payments showed positive movement. Broadband concentration declined from 2,040 to 1,782 on the Herfindahl-Hirschman Index[5], while mobile concentration also reduced. These results indicate lower market concentration in telecommunications which can be consistent with improving competitive conditions.

In retail payments, providers outside the four largest acquirers increased their market share from 31% to 42%. Acquirers facilitate payment acceptance for businesses and these services can be provided by banks or other payment facilitators. The growing share of other acquirers suggests that businesses are increasingly using alternatives to the largest providers, potentially increasing competitive pressure.

Business understanding of anti-competitive conduct increased from 55% to 61%, while understanding of the obligations under Parts 2 and 3 of the Commerce Act, which prohibits anti-competitive conduct and mergers, increased from 42% to 44%.

The picture was less positive in groceries. The national retail grocery market remained highly concentrated, with only a small change in concentration during the year. While supplier protections, monitoring and regulatory information were strengthened, significant structural barriers remain.

Overall, the indicators present a mixed picture. While some measures suggest competition has strengthened, others indicate competitive pressure has weakened, meaning there is no clear evidence of an economy-wide improvement in competition. Our State of Competition Report provides a broader assessment of competitive conditions across the New Zealand economy.

## How we contributed

We used enforcement, merger oversight, market monitoring, inquiries and sector-specific regulation to protect the competitive process and address barriers to competition.

Our work included:

- taking enforcement action against cartel conduct
- assessing merger-clearance applications and investigating potentially anti-competitive mergers
- investigating potential anti-competitive conduct
- engaging with businesses and sectors, providing information and education, and promoting understanding of competition law and regulatory obligations
- publishing the first *State of Competition Report* and indicators
- implementing new interchange-fee caps and supporting retail-payment system reforms
- continuing work to support increased competition in banking and payment services
- strengthening grocery supplier protections and refocusing wholesale market work toward supplier rebates, discounts and payments following the Wholesale Supply Inquiry
- monitoring telecommunications markets and recommending deregulation where our assessment indicated competition and technological change had reduced the need for regulatory intervention
- increasing fuel-price monitoring and reporting in response to global market disruption, alongside monitoring wholesale supply arrangements
- commencing enforcement proceedings against Mobil in relation to alleged non-compliance with transparency requirements under the Fuel Industry Act

5 The Herfindahl-Hirschman Index (HHI) measures the degree of concentration within a market by considering the relative market shares of all firms. Higher values indicate greater concentration, while lower values indicate a less concentrated market.

This work addressed specific anti-competitive conduct, improved information about market performance and supported conditions in which businesses can enter, expand and compete. The contribution of individual interventions to market outcomes can take time to emerge and often cannot be isolated from wider economic, technological and commercial developments.

**CASE STUDY**



### Deterring cartel conduct in the freight and courier sector

The Commission secured penalties of more than $1.2 million through the High Court against Aramex and GoSweetSpot after both admitted engaging in cartel conduct involving customer allocation and price-fixing arrangements.

#### Why it matters

Cartel conduct can increase costs, reduce innovation and limit consumer choice. Enforcement outcomes such as these reinforce expectations that businesses must compete independently and increase the consequences of non-compliance, contributing to broader deterrence. This contributes to the competitive markets outcome by protecting the competitive process itself.

**CASE STUDY**



### Improving transparency and competition in the grocery sector

The grocery regulatory regime was established to address concerns about market concentration, supplier bargaining power and barriers facing emerging competitors. During the year, we reviewed and updated the Grocery Supply Code, completed grocery monitoring activities, established the Consumer Complaints Disclosure Standard and progressed the Wholesale Supply Inquiry.

#### Why it matters

Grocery markets remain highly concentrated and structural change takes time. Our focus this year was on improving transparency, strengthening supplier protections and increasing visibility of barriers to competition. This work expanded the evidence base for future decisions and improved understanding of wholesale supply arrangements, supplier experiences and market dynamics.

While market concentration remains high, these activities are intended to support conditions that may enable stronger competition over time.

CASE STUDY



## Competition reducing the need for telecommunications regulation

We recommended deregulation of fibre voice services, mobile termination access services and copper services after concluding that competition and technological change had reduced the need for continued regulatory intervention. We continued monitoring telecommunications markets and assessing whether additional services no longer require regulation.

### Why it matters

Economic regulation may no longer be necessary where competition is effective enough to protect the long-term interests of consumers. Evidence from telecommunications markets indicates concentration continued to decline during the year.

Our recommendations reflected our assessment that competition and technological change had reduced the need for regulation of these services. They also demonstrated the importance of adapting regulatory settings, including reducing regulation, as market conditions change.

### Opportunity for further progress

Competition remains weak in some sectors, and structural barriers continue to constrain market outcomes. The grocery sector remains highly concentrated and newer regulatory interventions are still emerging and require monitoring to assess whether improvements are sustained.

Competition outcomes can take several years to emerge and are influenced by broader economic conditions, technological change and decisions by market participants. This makes it difficult to isolate the effect of individual regulatory interventions.

Market concentration indicators provide useful insights into competitive conditions, but they offer only a partial picture. A reduction in market concentration can be consistent with stronger competition but does not by itself demonstrate consumers are receiving better prices, quality or choice. Our assessment, therefore, draws on market indicators alongside enforcement, monitoring and other regulatory evidence.

### What's next

We will continue focusing on markets where competition appears weak or barriers to entry and expansion limit outcomes for consumers and businesses.

Priorities will include cartel enforcement, non-notified mergers, market concentration, grocery, retail payments, and competitive conditions in monitored and regulated sectors. We will also continue developing and publishing the evidence needed to understand changes in competition and assess the public benefits associated with our interventions.

# Tauhokohoko tōkeke
Fair Trade

## The outcome we're seeking

Consumers and businesses can participate confidently in markets.

Consumers have the information they need to understand their rights, make informed decisions and avoid harm. Businesses understand their obligations and compete fairly. Through education, engagement, compliance and enforcement we seek to reduce consumer harm and support confidence in markets. This in turn supports competition outcomes.

## Our assessment

### Fair Trade performance improved

Evidence indicates positive movement in consumer understanding of rights and business understanding of regulatory obligations alongside significant enforcement outcomes and consumer remediation.

During the year the Commission secured outcomes that provided redress to affected consumers, addressed harmful conduct and clarified expectations of fair business behaviour. However, consumer confidence was unchanged, participation in lender education seminars declined following a reduction in the number of seminars held ahead of the anticipated transfer of consumer credit regulation to the Financial Markets Authority, and consumer harm remains difficult to measure across the economy.

In reaching the overall assessment we placed weight on improved consumer understanding, sustained business understanding and direct evidence of remediation and enforcement outcomes. These results indicate progress in areas that the Commission can influence more directly. However, unchanged consumer confidence and the limitations in measuring the overall prevalence of consumer harm temper the assessment and are reflected in our medium confidence rating.

Taken together, the available evidence supports an assessment that progress was made towards the Fair Trade outcome. The mixed indicator results and limitations in measuring consumer harm mean we have medium confidence in this assessment.

## Evidence supporting our assessment

The indicators in the table below, and detailed further at Appendix A, help us assess whether consumers have the information they need to make informed choices, businesses understand their obligations, and consumer interests are being protected.

No single measure determines our assessment. We consider these indicators collectively alongside enforcement results, remediation outcomes and other regulatory evidence.

| Overall assessment | Confidence in assessment | Future Risk |
|---|---|---|
| Improving | Medium | Low-Medium |

| Impact | Indicator | Trend 2023 - 2026[4] | Status 2023-2026[6] |
|---|---|---|---|
| Consumers have the information they need to know their rights and make informed choices | Consumer understanding of their rights | ▲ | ● |
| Businesses have the information they need to know their obligations | Business understanding of obligations and consequences | ▲ | ● |
| | Lender seminar attendance | ▼ | ● |
| Consumer interests are protected | Consumer confidence | ▶ | ● |
| | Business understanding of consequences of non-compliance | ▲ | ● |

6 Against SOI 2023-2027. Refer to Appendix A for detailed information on the indicators.

58%

**of consumers surveyed understand their rights**
Up from 56% in 2023/24

## What the indicators tell us

Consumer understanding of rights increased from 56% to 58%. Business understanding of regulatory obligations remained high at 85%, compared with 84% for the previous Fair Trading Act measure, while understanding of the consequences of non-compliance increased from 58% to 61%. Consumer confidence remained at 41%, while lender seminar attendance declined from 28.5% to 20.5% reflecting a reduction in online webinars.

Taken together, the indicators show positive movement in consumer understanding and some aspects of business awareness, but a mixed picture across the full set of measures.

We considered these indicators alongside evidence from enforcement and remediation outcomes. During the year, the Commission's action contributed to refunds, compensation and other redress, while court outcomes addressed specific instances of harm and clarified legal obligations. This included more than $1 million returned or made available to consumers following action involving Jetstar.

This demonstrates tangible results from specific interventions but does not provide a complete measure of consumer harm across the economy or establish that overall harm has reduced.

## How we contributed

We focused on conduct that risked causing significant consumer harm, particularly where consumers were misled, vulnerable consumers were affected or informed decision-making was undermined.

Key areas of activity included:

- addressing misleading pricing and promotional practices
- investigating subscription and membership services
- taking action against unconscionable conduct
- monitoring and enforcing consumer credit obligations
- addressing product-safety risks
- addressing misleading and deceptive online trading practices
- providing information and education to help consumers understand their rights and businesses understand their obligations
- engaging with consumers, businesses and other stakeholders to identify emerging issues and promote compliance.

Through enforcement, education and engagement this work provided redress in specific cases, clarified business obligations and helped consumers understand and exercise their rights. The wider effects of these activities on consumer confidence and harm are difficult to isolate and may take time to emerge.

# 61%

**of businesses surveyed understand the consequences of non-compliance**
Up from 58% in 2023/24

CASE STUDY



## Protecting consumers affected by flight disruptions

More than $1 million was returned to affected consumers and Jetstar was fined $2.25 million following action by the Commission. The case involved misleading information about consumers' entitlement to compensation when flights were delayed or cancelled for reasons within the airline's control.

### Why it matters

Consumers cannot exercise their rights if they do not receive accurate information. This case provided redress to affected consumers, clarified passenger rights and reinforced expectations that businesses clearly communicate consumers' legal entitlements.

CASE STUDY



## Strengthening expectations around fair business conduct

The Commission secured New Zealand's first successful prosecution for unconscionable conduct against HouseSmile. The case involved repeated unsolicited sales calls to an elderly consumer with dementia. HouseSmile was fined $60,000 and ordered to pay $7,500 for emotional harm.

### Why it matters

The decision was the first court outcome under the Fair Trading Act's prohibition on unconscionable conduct and provided initial judicial guidance on its application. It reinforced expectations about the conduct of businesses dealing with vulnerable consumers and the protections available where conduct substantially departs from accepted standards of business conduct.

CASE STUDY



## Supporting informed consumer choice through transparent pricing

More than 125,000 consumers were affected by CityFitness's misleading pricing practices, which generated approximately $1.6 million in additional revenue through a compulsory fee that was not included in advertised prices. CityFitness was fined $1.12 million. The Commission also pursued separate action involving misleading pricing and promotional practices by Pak'nSave stores.

Together, these matters reinforced expectations that advertised prices should accurately reflect what consumers will pay.

### Why it matters

Clear and accurate pricing information supports informed consumer choice and fair competition between businesses. These outcomes addressed the pricing practices concerned and clarified expectations for businesses.

CASE STUDY



## Protecting consumers from unsafe products

We took enforcement action against The Warehouse for selling a children's toy available in three varieties, that did not comply with a mandated product safety standard. The toy was marketed for young children and contained small parts that failed the mandatory small-parts test posing a choking risk to children under three years of age. The Warehouse was fined $234,000 and entered into enforceable undertakings to improve its compliance with the product safety standard for toys.

### Why it matters

Children's products must meet mandatory product safety standard requirements before they are supplied. This case addressed a specific risk of serious harm and reinforced expectations that retailers and suppliers maintain robust systems to assess products safety, verify their compliance, and meet applicable mandatory product safety standards.

## Opportunity for further progress

Consumer markets continue to evolve rapidly. Digital marketing, subscription models, artificial intelligence and online sales channels create risks that can be difficult to identify and address quickly.

Consumer harm also remains difficult to measure across the economy. Some indicators are perception-based and may not fully capture the experiences of vulnerable consumers, who can be less likely to participate in surveys or raise concerns.

Enforcement outcomes, remediation and awareness measures provide useful evidence, but no single measure offers a complete view of consumer outcomes. They demonstrate results in particular cases but do not establish whether the prevalence or severity of consumer harm has reduced overall. Our assessment, therefore, draws on multiple sources of evidence and regulatory insight.

## What's next

We will continue to focus on conduct that causes significant consumer harm, particularly where vulnerable consumers are affected or where informed decision-making is undermined.

Priority areas will include pricing and promotions, subscription services, product safety, digital markets and emerging technology-related risks. This includes monitoring and responding to deceptive online trading practices, such as ghost shopfronts and other websites that may mislead consumers about a trader's identity, location or products.

We will continue using education, engagement, compliance and enforcement to clarify business obligations, help consumers exercise their rights and support confidence in markets. We will also continue to improve the evidence used to understand consumer experiences, harm and the effects of our interventions.

# Ngā Tino Ratonga
Essential services

## The outcome we're seeking

Consumers receive quality and value from reliable essential services.

We regulate and monitor electricity transmission and distribution services, gas pipeline services, fibre, water and specified airport services to support reliable services, efficient investment, transparency and accountability while limiting the ability of regulated suppliers to earn excessive returns at consumers' expense. Over time, this contributes to infrastructure services that operate in consumers' long-term interests.

## Our assessment

### Performance across regulated essential services remained generally stable

Available evidence indicates consumers continued to receive reliable electricity, gas, fibre and airport services. Most reliability and service-quality indicators remained stable or improved during the year, while returns across most regulated sectors fell within a range consistent with benchmark costs-of-capital.

We also implemented new electricity regulatory settings, set the next gas distribution price-quality path, progressed fibre and airport regulatory work, and established important foundations for water services regulation.

In reaching the overall assessment, we placed weight on the generally stable or improving results across the established regulated sectors. Adverse or sector-specific results require continued monitoring but did not indicate a general deterioration across essential services. We did not use water-services evidence to infer mature provider or consumer outcomes because the new regulatory regime is still being established.

Taken together, the indicators support an assessment that performance across regulated essential services remained stable during the year. The relative strength and breadth of evidence available for established regulated sectors gives us high confidence in this assessment, although some areas require continued monitoring.

| Overall assessment | Confidence in assessment | Future Risk |
|---|---|---|
| Stable | High | Low |

| Impact | Indicator | Trend 2023-2026[7] | Status 2023-2026[5] |
|---|---|---|---|
| Essential services providers are delivering services of appropriate quality at reasonable cost | Reliability of essential services (electricity distribution, electricity transmission, gas distribution, gas transmission, fibre and airports) measures are maintained | ▶ | ● |
| The performance of essential services is monitored and reported on to enable effective public scrutiny | Total unique views on key dashboards/ reports produced | ▶ | ● |
| The ability to extract excessive profits for essential infrastructure is limited | Weighted average industry returns compared to weighted average cost of capital by sector:<br>• Electricity<br>• Gas<br>• Fibre<br>• Airports | ▶ | ● |

7 Against SOI 2023-2027. Refer to Appendix A for detailed information on the indicators.

**160,000km**

**of electricity network**

Supporting the delivery of reliable electricity services to customers through our economic regulation

CASE STUDY



### Establishing the foundations for water services regulation

This work formed part of establishing the new water-services regulatory regime. The establishment of information-disclosure requirements will improve our understanding of provider performance, investment and service quality, improving transparency and providing an evidence base for future regulatory decisions.

#### Why it matters

As the regime is still being developed, its wider effects on provider behaviour and consumer outcomes are not yet measurable. Over time, the information collected will support greater transparency, public scrutiny and assessment of whether regulated providers are acting in consumers' long-term interests.

## Evidence supporting our assessment

The indicators in the table above, and detailed further at Appendix A, help us assess whether consumers receive quality and value from reliable essential services. They measure service quality and reliability, public access to regulatory information, and whether regulated suppliers' returns remain within reasonable bounds.

No single measure determines our assessment. We consider the indicators collectively alongside regulatory decisions, supplier disclosures, sector monitoring and other evidence.

## What the indicators tell us

Most service-quality and reliability indicators remained stable or improved. Electricity distribution reliability improved, electricity transmission performance was generally strong, gas reliability remained broadly stable, fibre services continued to provide high levels of reliability and airport service quality improved.

Returns across most regulated sectors were consistent with benchmark cost-of-capital levels. This indicates that across the periods measured most regulated suppliers' returns remained within the bounds assessed through the Commission's monitoring. However, returns are only one part of assessing whether regulated services are delivering long-term benefits to consumers.

Some results require continued attention. Returns for information-disclosure-only fibre providers remained above benchmark levels, HVDC availability was temporarily affected by equipment failure. Overall usage of regulatory dashboards and reports declined, however, usage improved for the fibre and gas sector dashboards and reports. We have continued to make improvements to our suite of analytical tools over recent years.

## How we contributed

We maintained and developed regulatory settings intended to support reliable services, efficient investment and accountability across the essential infrastructure sectors we regulate.

Our work included:

- improving electricity distribution and transmission regulatory settings relating to network revenue, service quality, investment and information disclosure
- setting the fourth gas distribution price-quality path in the context of declining gas supplies and demand and the energy transition to renewables
- progressing the first review of the fibre input methodologies and preparing for Chorus' next price-quality path
- reviewing airport regulatory arrangements and assessing airport pricing and investment decisions
- establishing information-disclosure requirements for regulated water service providers and continuing our role as Crown Monitor of Watercare.
- responding to legal challenges concerning the 2023 input methodologies review relating to airport and gas services

This work improved the information available and updated the regulatory settings used to monitor infrastructure performance and hold regulated providers accountable. The effects of regulatory decisions on investment, service quality and consumer outcomes often emerge over several years and are influenced by supplier decisions and wider economic conditions.

**310,000+**

**gas customer connections**
Connected to regulated gas distribution networks

# 1.5 million+

**fibre customer connections**

Supporting quality fibre connections to homes and businesses across New Zealand through our economic regulation

## Opportunity for further progress

Infrastructure resilience, affordability and future investment requirements remain challenges across several sectors. Gas networks face uncertainty associated with declining supply and demand, and the broader energy transition. The outcome of the First Gas appeal identified amendments required to the gas input methodologies. The Commission has appealed the High Court's decision to the Court of Appeal. The High Court found in the Commission's favour for the airports' appeal and the airlines judicial review against the airport services input methodologies. The airports and airlines have each appealed the separate High Court decisions to the Court of Appeal. We have committed to consider whether amendments are required to address technical errors that the airports had identified during the appeals.

Returns for information-disclosure-only fibre providers remained above benchmark levels and require continued monitoring.

Evidence for established regulated sectors is generally strong, but some indicators rely on information disclosed by suppliers and provide only a partial view of consumer experience and long-term sector performance. Reliability, service quality and supplier returns are important indicators but do not provide a complete measure of the value consumers receive or the affordability of essential services.

## What's next

We will continue developing the water services regulatory framework and implementing future consumer-protection and price-quality arrangements where warranted. This will include oversight of Wellington's new water services provider, Tiaki Wai, under the additional economic-regulation and information-disclosure requirements applying to it, alongside our continuing Crown Monitor role for Watercare.

Across established sectors we will prepare for future electricity regulatory decisions, monitor gas-sector transition risks, progress fibre and airport regulatory work and develop cross-sector resilience principles.

Our focus will remain on ensuring regulatory settings support the investment needed to maintain reliable services and deliver long-term benefits for consumers and communities. We will also continue improving the evidence used to understand affordability, service quality and consumer outcomes.

**CASE STUDY**



### Improving transparency and scrutiny of airport investment decisions

We reviewed airport regulation following concerns about whether existing arrangements provided sufficient visibility of major investment decisions. The review examined whether stronger forms of regulation were warranted and identified opportunities to improve information disclosure and the timing of regulatory scrutiny.

#### Why it matters

Consumers ultimately bear airport infrastructure costs through prices and charges. More timely and accessible information can help airlines, consumers and other stakeholders assess whether proposed investments are justified and whether they are expected to provide long-term benefits at a reasonable cost.

The review identified opportunities to improve transparency and accountability, and considered whether more intrusive regulation would provide additional benefits that justified its costs.

# 03

# Pārongo tutukitanga mutunga tau mō ngā pūtea tuku mai
# Year-end performance information on appropriations

This section reports the services the Commerce Commission delivered in 2025/26, its performance against the measures and targets in the Statement of Performance Expectations 2025/26, and the resources used. It should be read with Section 1, Operating Context and Strategic Response, and Section 2, Performance against strategic outcomes.

## How this section fits with the rest of the report

| Section | Role in the performance story |
|---|---|
| **Section 1:** Operating Context and Strategic Response | Explains the environment in which we operated, the Government's priorities, and how the Commission responded. |
| **Section 2:** Performance against strategic outcomes | Assesses what changed and the Commission's contribution under Stewardship, Competitive markets, Fair Trade and Essential services. |
| **Section 3:** Year-end performance information on appropriations | Reports what we delivered, performance against SPE measures and targets, and the resources used. |
| **Section 6:** Annual Financial Statements | Reports the Commission-wide financial position and results and provides the financial statements to which this section is reconciled. |

Together, these sections explain the context in which we operated, what we sought to achieve, what we delivered, what changed, and the resources applied. The output measures in this section should not be read as standalone evidence of wider market or consumer outcomes.

## Overall service performance

All applicable Statement of Performance Expectations measures were achieved in 2025/26. Delivery volumes were particularly high in consumer protection and enforcement, telecommunications, electricity lines and gas pipeline services. We also established key elements of the new water-services regulatory regime. We maintained strong performance against timeliness and internal quality-assurance measures.

These results demonstrate delivery of the regulatory services for which the Commission is directly accountable. They do not, by themselves, show that every market or consumer outcome improved during the year. Wider outcomes are influenced by market behaviour, economic and technological conditions, the actions of other organisations, and the time required for regulatory interventions to take effect. For the broader assessment, refer to Section 2: Mākete whakataetae | Competitive markets, Tauhokohoko tōkeke | Fair Trade, and Ngā Tino Ratonga | Essential services. Kaitiakitanga | Stewardship provides the related assessment of trust, transparency, engagement and organisational stewardship.

Expenditure was below budget in several regulated sectors because work was rephased or less external specialist support was required than anticipated. The effect of these variances on delivery is explained under the relevant output.

The following information explains the reporting basis, judgements and standards applied in presenting these results.

## Statement of compliance and basis of preparation

Section 3 constitutes the Commission's audited statement of performance and includes the year-end performance information reported for the relevant appropriations. Section 2 provides strategic outcome information and contextual analysis, and Appendix A provides the detailed impact indicators supporting that analysis. Neither Section 2 nor Appendix A forms part of the audited statement of performance, unless information is expressly identified as audited.

The service performance information in this section has been prepared in accordance with PBE FRS 48 Service Performance Reporting. It reports actual performance against the measures and targets published in the Commission's Statement of Performance Expectations 2025/26 and includes comparative information where available.

The performance measures principally assess the quantity, quality and timeliness of the regulatory services delivered through each output. Financial information is presented with each output to show the resources applied to those services. The output-class financial information has been prepared on a basis consistent with the annual financial statements and is reconciled to the statement of comprehensive revenue and expense at the end of this section.

Where a measure depended on an event that did not occur, such as a ministerially initiated market study or a determination with a statutory deadline, it is reported as not applicable and the reason is explained. An outcome above a minimum activity target is not automatically treated as better performance. It may reflect changes in demand, scope, timing or case mix.

## Significant judgements in preparing service performance information

The measures reported are those published in the Statement of Performance Expectations 2025/26. In presenting the results, we grouped measures by output class and statutory function because this reflects how services are planned, funded and governed. We supplemented the measures with narrative information where it is needed to explain material variances, changes in activity, delivery context, or the relationship between services delivered and strategic outcomes.

Judgement has been applied in determining:

- which variations in performance or expenditure are sufficiently significant to explain
- when results above a minimum activity target indicate increased workload rather than improved performance
- how to describe the Commission's contribution without attributing wider market outcomes solely to its work
- how to aggregate financial information while retaining meaningful links to the services delivered
- when prior-year narrative or trend information is relevant to understanding current performance.

The output measures do not provide a complete assessment of regulatory impact. Section 2 provides the Commission's strategic outcome assessments, and Appendix A provides the detailed impact indicators supporting those assessments. References to Section 2 and Appendix A provide contextual links.

## Approach to methodology disclosure

Methodologies are provided where the measurement basis or evaluation method is material to understanding the reported result. This includes measures involving significant definitions, timing rules, inclusion criteria or evaluative judgement.

A separate methodology is not provided for straightforward counts or percentages where the measure wording, target, result and accompanying explanation make the basis of measurement clear. Methodologies for new measures are included where readers need additional information to understand what is counted, how performance is calculated or how achievement is assessed.

Performance and expenditure are reported in the following pages by output class.

## Competition, market studies and consumer

This output class area covers functions under Parts 2, 3, 3A and 5 of the Commerce Act 1986, the Fair Trading Act 1986, and the Credit Contracts and Consumer Finance Act 2003.

### Appropriation funding

| | 2025/26 Estimates $000 | 2025/26 Supplementary Estimates $000 | 2025/26 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 | 12,075 | 12,075 | 12,075 | - |
| Enforcement of Consumer Regulation | | | | |
| Revenue - Crown | 18,077 | 20,892 | 20,892 | - |
| **Total** | **30,152** | **32,967** | **32,967** | **-** |
| **Vote Business, Science and Innovation: Competition Studies** | | | | |
| Revenue - Crown | 1,482 | 1,482 | 1,374 | (108) |

# Output: Competition

**5/5**

## Primary strategic outcome: Mākete whakataetae | Competitive markets.

### What this output delivers

Through merger assessments, investigations and enforcement activity we protect the competitive process and address conduct or transactions that may harm competition. This supports markets in which businesses compete on merit and consumers and businesses can benefit from greater choice, innovation, quality and value.

### Overall performance

All applicable measures were achieved. We completed 18 Commerce Act matters, slightly more than in 2024/25, and improved the proportion of competition investigations decided within 18 months from 79% to 92%. All relevant enforcement responses met internal process quality standards.

### Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| Percentage of merger clearance decisions made within 40 working days when no Statement of Issues is published | 75% | ● | 100% | 0% |
| **Methodology:** We use this measure to show whether merger-clearance applications are decided within the expected timeframe. We include applications decided during the year where no Statement of Issues was published. Working day 0 is the registration date. The result is the percentage decided by working day 40, after applying any formally agreed extension or excluded period. | | | | |
| Average number of working days from date of decision to date of publication of reasons for declined merger clearance applications | 10 days | ● | N/A[8] | 18 days |
| **Methodology:** We use this measure to show how promptly we publish reasons after declining a merger-clearance application. We include applications declined during the year and count working days from the decision date to publication; same-day publication is zero days. The result is the total working days divided by the number of declined applications. We report N/A if there were none. | | | | |
| Number of Commerce Act 1986 matters completed | 5-20 | ● | 18 | 17 |
| **Methodology:** We use this measure to show the volume of Commerce Act work brought to a completed outcome. We count each cartel, other competition or litigation matter once when its approved outcome is recorded as complete, including matters started in an earlier year. We do not count contacts or individual steps within a matter separately. | | | | |
| Percentage of competition investigations decided within 18 months of the investigation being opened | 75% | ● | 92% | 79% |
| **Methodology:** We use this measure to show whether competition investigations are completed within a reasonable timeframe. We include all investigations decided during the year, including those opened earlier, and measure from the recorded opening date to the authorised outcome date. The result is the percentage decided within 18 months. | | | | |
| Percentage of investigations involving a court action, statutory undertaking or negotiated settlement response, meeting the Commission's internal process quality standards | 100% | ● | 100% | 100% |
| **Methodology:** We use this measure to provide assurance that significant enforcement decisions follow the required review and approval processes. We include investigations concluded during the year with court action, a statutory or enforceable undertaking, or a negotiated settlement. The result is the percentage with evidence that all required quality-assurance and approval steps were completed before the final decision. | | | | |

8 No declined mergers in 2025/26.

## What the results tell us

Eight merger-clearance applications were assessed. Any applications that did not require a Statement of Issues was decided within 40 working days. One application was declined, with reasons published on the same day as the decision. Because the published measure records working days elapsed after a decision, there was no qualifying result to report.

The investigation timeliness result indicates progress in resolving matters within expected timeframes while maintaining the governance and quality controls applied to court action, statutory undertakings and negotiated settlements.

## Resources used

Competition work is funded through *Vote Business, Science and Innovation* under the *Enforcement of General Market Regulation* appropriation category of the *Enforcement of General Market Regulation multi-category* appropriation.

Operating expenses were $0.752 million below budget, mainly because less external specialist support was required than anticipated. This variance reflected lower external support requirements and did not affect delivery of the planned work programme.

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| **Operating revenue** | | | |
| Revenue - Crown | 12,075 | 12,075 | 11,651 |
| Other revenue | 214 | 456 | 318 |
| **Total operating revenue** | **12,289** | **12,531** | **11,969** |
| **Total operating expenses** | **12,900** | **12,148** | **11,405** |
| **SURPLUS / (DEFICIT)** | **(611)** | **383** | **564** |

# Output: Market Studies

N/A

**Primary strategic outcomes:** Mākete whakataetae | Competitive markets; Kaitiakitanga | Stewardship.

## What this output delivers

Market studies provide independent analysis of how markets are functioning and identify factors that may be limiting competition. The appropriation also supports follow-up, monitoring and related competition analysis arising from completed studies, and maintains capability for future statutory studies.

### Overall performance

No Part 3A market study was initiated or under way during 2025/26, so the SPE timeliness measure was not applicable. The absence of a statutory study was not a delivery failure because initiation depends on a formal request or decision under the Commerce Act.

## Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| All competition studies undertaken are completed within agreed timeframes | Achieved | N/A | N/A | Achieved |

## What the results tell us

Resources were used to follow up previous market-study recommendations and provide related competition analysis. This included monitoring progress on recommendations from the Personal Banking Services Market Study, engaging with Parliament's Finance and Expenditure Committee inquiry into banking competition, contributing analysis of domestic aviation competition, and undertaking an initial competition assessment of house insurance as part of the Council of Financial Regulators (CoFR) joint agencies' work looking into insurance affordability.

These activities maintained the evidence base and capability needed for future market studies, but they are not reported as completion of a statutory market study.

## Resources used

Market studies are funded through *Vote Business, Science and Innovation* under the *Competition Studies* appropriation.

Operating expenses were $0.100 million below budget. The variance reflected lower external support requirements and did not affect delivery of the planned work programme.

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| **Operating revenue** | | | |
| Revenue - Crown | 1,482 | 1,374 | 2,264 |
| Other revenue | 20 | 28 | 61 |
| **Total operating revenue** | **1,502** | **1,402** | **2,325** |
| **Total operating expenses** | **1,502** | **1,402** | **2,325** |
| **SURPLUS / (DEFICIT)** | **-** | **-** | **-** |

## Output: Consumer (including Fair Trading and Credit)

8/8

**Primary strategic outcomes:** Tauhokohoko tōkeke | Fair Trade.

### What this output delivers

Through education, monitoring, investigations, licensing and enforcement we promote compliance with consumer-protection legislation and help consumers make informed decisions and participate confidently in markets.

### Overall performance

All measures were achieved. We completed 515 matters, 39 or 8% more than in 2024/25, while maintaining investigation timeliness and full compliance with internal process quality standards. Consumer-credit responsibilities remained with the Commission throughout the reporting period and transferred to the Financial Markets Authority on 1 July 2026.

### Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| **Fair Trading** | | | | |
| Number of product safety and consumer information standards matters completed | At least 75 | ● | 169 | 105 |
| **Methodology:** We use this measure to show the volume of product-safety and consumer-information work completed. We count each matter once when an outcome is recorded during the year, including education, compliance, enforcement and no-further-action outcomes. We do not count individual steps within the same matter separately. | | | | |
| Number of Fair Trading Act 1986 matters completed | At least 175 | ● | 205 | 188 |
| **Methodology:** We use this measure to show the volume of Fair Trading Act work brought to a completed outcome. We count each matter once when its approved outcome is recorded as complete, including education, compliance, enforcement and no-further-action outcomes. We do not count complaints, contacts or individual steps within the same matter separately. | | | | |
| Percentage of Fair Trading Act 1986 investigations decided within 12 months of the investigation being opened | 95% | ● | 97% | 98% |
| Percentage of investigations involving a court action, statutory undertaking or negotiated settlement response meeting the Commission's internal process quality standards[9]. | 100% | ● | 100% | 100% |
| **Methodology**: We use this measure to provide assurance that significant enforcement decisions follow the required review and approval processes. We include investigations concluded during the year with court action, a statutory or enforceable undertaking, or a negotiated settlement. The result is the percentage with evidence that all required quality-assurance and approval steps were completed before the final decision. | | | | |
| **Credit** | | | | |
| Number of Credit Contracts and Consumer Finance Act 2003 matters completed | At least 50 | ● | 141 | 183 |
| **Methodology:** We use this measure to show the volume of CCCF Act work brought to a completed outcome. We count each matter once when its approved outcome is recorded as complete, including education, compliance, enforcement and no-further-action outcomes. We do not count individual steps within the same matter separately. | | | | |
| Percentage of Credit Contracts and Consumer Finance Act 2003 investigations decided within 18 months of the investigation being opened | 95% | ● | 96% | 97% |
| **Methodology:** We use this measure to show whether CCCF Act investigations are completed within a reasonable timeframe. We include all investigations decided during the year, including those opened earlier, and measure from the recorded opening date to the authorised outcome date. The result is the percentage decided within 18 months. | | | | |

9 This measure captures investigations that had an outcome decided during the reporting period, regardless of when the investigation was opened. Investigations may have commenced in the current or a prior reporting year.

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| Percentage of investigations involving court action, statutory undertaking or negotiated settlement response meeting the Commission's internal process quality standards | 100% |  | 100% | 100% |
| **Methodology:** We use this measure to provide assurance that significant enforcement decisions follow the required review and approval processes. We include investigations concluded during the year with court action, a statutory or enforceable undertaking, or a negotiated settlement. The result is the percentage with evidence that all required quality-assurance and approval steps were completed before the final decision. | | | | |
| 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 | 95% |  | 100% | 100% |
| **Methodology:** We use this measure to show whether complete fit-and-proper person applications are processed promptly. We include applications decided during the year where all required information was received and no conditions were imposed. The result is the percentage decided within 60 working days from the date the application became complete. | | | | |

## What the results tell us

Activity was above all minimum volume targets. Product-safety and consumer-information matters increased from 105 to 169, while Fair Trading Act matters increased from 188 to 205. Credit matters reduced from 183 to 141 but remained well above the minimum target as the Commission retained responsibility until 30 June 2026.

The increase in product safety and consumer-information matters related to an increase in lower level educative advice work, for example, to a number of traders in relation to online unit pricing, magnetic chess sets and sunscreen[10].

Despite the additional year of consumer-credit delivery, 97% of Fair Trading Act investigations and 96% of credit investigations were decided within target timeframes. All relevant enforcement responses met internal quality standards, and all eligible fit-and-proper applications for credit providers were processed within 60 working days.

## Resources used

Consumer work is funded through *Vote Business, Science and Innovation* under the *Enforcement of General Market Regulation* category of the *Enforcement of General Market Regulation* multi-category appropriation.

Operating expenses were $3.028 million above the original budget because the transfer of consumer-credit regulation occurred later than originally anticipated. The additional Crown revenue recognised for the continued function partly funded this expenditure.

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| **Operating revenue** | | | |
| Revenue – Crown | 18,077 | 20,892 | 20,211 |
| Other revenue | 409 | 655 | 715 |
| **Total operating revenue** | **18,486** | **21,547** | **20,926** |
| **Total operating expenses** | **19,595** | **22,623** | **20,994** |
| **SURPLUS / (DEFICIT)** | **(1,109)** | **(1,076)** | **(68)** |

**Note:** From 1 July 2026, responsibility for consumer credit regulation transferred to the Financial Markets Authority. Consumer credit measures and results will therefore no longer be reported by the Commission in future annual reports.

10 Note this is not an exhaustive list but examples where we contacted a number of traders about the same issue

# Economic Regulation

This output-class area covers the Commission's functions under the Grocery Industry Competition Act 2023, Telecommunications Act 2001, Fuel Industry Act 2020, Retail Payment System Act 2022, Dairy Industry Restructuring Act 2001, water-services legislation, and Part 4 of the Commerce Act 1986.

## Appropriation funding

| 2025/26 Funding | 2025/26 Estimates $000 | 2025/26 Supplementary Estimates $000 | 2025/26 Actual $000 | Difference Actual vs Supplementary Estimates $000 |
|---|---|---|---|---|
| **Vote Business, Science and Innovation: Regulation of Telecommunications Services 2026-2029 (MYA)** | | | | |
| Cumulative funding to 1 July 2025 | - | - | - | - |
| Revenue – Crown | 14,384 | 14,752 | 13,679 | (1,073) |
| **Cumulative funding to 30 June 2026** | **14,384** | **14,752** | **13,679** | **(1,073)** |
| Remaining appropriation | 44,623 | 44,255 | 45,328 | 1,073 |
| **Total appropriation** | **59,007** | **59,007** | **59,007** | **-** |
| **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 2025 | 11,406 | 10,010 | 10,010 | - |
| Revenue - Crown | 9,173 | 8,500 | 8,124 | (376) |
| **Cumulative funding to 30 June 2026** | **20,579** | **18,510** | **18,134** | **(376)** |
| Remaining appropriation | 24,459 | 26,528 | 26,904 | 376 |
| **Total appropriation** | **45,038** | **45,038** | **45,038** | **-** |
| **Vote Business, Science and Innovation: Regulation of Gas Pipeline Services 2024–2029 (MYA)** | | | | |
| Cumulative funding to 1 July 2025 | 3,617 | 3,468 | 3,468 | - |
| Revenue - Crown | 3,127 | 3,276 | 3,245 | (31) |
| Cumulative funding to 30 June 2026 | 6,744 | 6,744 | 6,713 | (31) |
| Remaining appropriation | 8,267 | 8,267 | 8,298 | 31 |
| **Total appropriation** | **15,011** | **15,011** | **15,011** | **-** |

| 2025/26 Funding | 2025/26 Estimates $000 | 2025/26 Supplementary Estimates $000 | 2025/26 Actual $000 | Difference Actual vs Supplementary Estimates $000 |
|---|---|---|---|---|
| **Vote Business, Science and Innovation: Regulation of Specified Airport Services 2024–2029 (MYA)** | | | | |
| Cumulative funding to 1 July 2025 | 1,000 | 864 | 864 | - |
| Revenue - Crown | 427 | 507 | 427 | (80) |
| **Cumulative funding to 30 June 2026** | **1,427** | **1,371** | **1,291** | **(80)** |
| Remaining appropriation | 1,336 | 1,392 | 1,472 | 80 |
| **Total appropriation** | **2,763** | **2,763** | **2,763** | **-** |
| **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 | 1,238 | (1,110) |
| **Vote Business, Science and Innovation: Enforcement of General Market Regulation – Grocery Industry Monitoring and Enforcement (MCA)** | | | | |
| Revenue - Crown | 7,286 | 7,286 | 7,286 | - |
| **Vote Business, Science and Innovation: Regulation of Water Services** | | | | |
| Revenue - Crown | 6,500 | 6,500 | 6,500 | 0 |

## Output: Grocery Sector Regulation

2/2

**Primary strategic outcomes:** Mākete whakataetae | Competitive markets; Tauhokohoko tōkeke | Fair Trade.

### What this output delivers

We regulate the grocery sector to promote competition, transparency and fair conduct. Monitoring, reporting and regulatory guidance support scrutiny of sector performance and compliance with the Grocery Industry Competition Act 2023.

#### Overall performance

Both measures were achieved. Three monitoring and insights reports were published against a minimum target of one, and two regulatory products were published as planned.

### Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| Number of monitoring and insights reports published under the Grocery Industry Competition Act 2023[11] | At least 1 | | 3 | 2 |
| Number of regulatory products published under the Grocery Industry Competition Act 2023[12] | At least 2 | | 2 | N/A |

**Methodology:** We use this measure to capture the outputs of our regulatory rule-related functions under the Grocery Industry Competition Act 2023. We count regulatory products as regulatory rules made, reviewed, or amended, recommendations made on regulatory rules, and guidance and reports published about compliance with regulatory rules.

### What the results tell us

The three monitoring and insights reports comprised two Annual Grocery Monitoring Reports, both counted in this reporting year because of reporting-cycle timing, and a fact sheet outlining options for stronger wholesale regulation. The annual reports provided updated evidence on competition and market performance, supporting public and policy scrutiny. The fact sheet informed consideration of potential approaches to stronger wholesale regulation.

The two regulatory products were the Commission's review of the Grocery Supply Code, which informed decisions about strengthening supplier protections and fair conduct, and the Consumer Complaints Disclosure Standard, which established reporting requirements to improve the visibility of consumer concerns and sector accountability.

Together, these products increased the information available about grocery-sector performance, supplier protections, and consumer complaints. They provide an evidence base for public and policy scrutiny, regulatory oversight, and decisions about whether further intervention may be required. As these are output-based measures, the results demonstrate delivery of the planned monitoring and regulatory products but do not, on their own, demonstrate changes in competition or other grocery-sector outcomes.

The number of monitoring and insights reports remained consistent with 2023/24 and was one higher than in 2024/25. The regulatory-product measure was introduced for 2025/26, so no comparable results are available for earlier years.

11 This is a reword of the 2024/25 measure "Number of reports completed as a part of the Commission's obligations under the Grocery Industry Competition Act 2023" to better reflect the range of monitoring and insights reports produced through market regulation functions.
12 New measure added for 2025/26 as we initiated the regulation management function of the grocery regime.

## Resources used

Grocery sector regulation is funded through *Vote Business, Science and Innovation* under the *Grocery Industry Monitoring and Enforcement* appropriation.

Operating expenses were $0.177 million below budget. The variance reflected lower external support requirements and did not affect delivery of the planned work programme.

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| Operating revenue | | | |
| Revenue – Crown | 7,286 | 7,286 | 7,286 |
| Other revenue | 112 | 119 | 166 |
| **Total operating revenue** | **7,398** | **7,405** | **7,452** |
| **Total operating expenses** | **7,899** | **7,722** | **7,341** |
| **SURPLUS / (DEFICIT)** | **(501)** | **(317)** | **111** |

# Output: Telecommunications

4/4

**Primary strategic outcomes:** Mākete whakataetae | Competitive Markets; Ngā Tino Ratonga | Essential Services.

## What this output delivers

We promote competition and regulate telecommunications markets through determinations, codes, monitoring and information disclosure. This supports reliable services, regulatory certainty, transparency and value for consumers and businesses.

### Overall performance

All measures were achieved. Thirteen regulatory products and 21 monitoring and insights reports were published, above the minimum targets, and all determinations subject to statutory deadlines were completed on time.

## Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| Number of regulatory products published under the Telecommunications Act 2001 | At least 9[13] | ● | 13 | 12 |
| Percentage of Telecommunications Act 2001 determinations completed by statutory deadlines | 100% | ● | 100% | 100% |
| **Methodology:** We use this measure to show whether determinations completed during the year under the Telecommunications Act 2001 met the completion date required by the relevant provision of the Act, including any lawful extension. | | | | |
| Number of monitoring and insights reports published under the Telecommunications Act 2001 | At least 14[14] | ● | 21 | 22 |
| Quality assurance processes for determinations and code amendments are in place and applied[15] | 100% | ● | 100% | 100% |

## What the results tell us

Delivery remained high despite lower targets reflecting the planned 2025/26 work programme. Thirteen regulatory products were published, four above target, reflecting the phasing of the telecommunications deregulation programme and an additional determination relating to Chorus' third price-quality path. These products supported targeted and proportionate regulation and provided greater regulatory certainty.

Twenty-one monitoring and insights reports were published, seven above target. The additional volume reflected changes in work-programme phasing and discretionary reporting in response to emerging regulatory priorities, strengthening transparency and oversight of telecommunications markets.

All determinations subject to statutory deadlines were completed on time, and quality-assurance processes were applied to all relevant determinations and code amendments. This supported timely, robust and evidence-based regulatory decision-making.

13 The target decreased from 11 in 2024/25 to 9 in 2025/26, reflecting the expected timing and volume of regulatory products planned for delivery
14 The target decreased from 18 in 2024/25 to 14 in 2025/26, reflecting the expected timing and volume of monitoring and information products planned for publication
15 Determinations and code amendments are publications under the broader category of regulatory product. Every determination and code amendment must follow a quality assurance process.

## Resources used

Telecommunications activities are funded through *Vote Business, Science and Innovation* under the *Regulation of Telecommunications Services* appropriation.

Operating expenses were $1.020 million below budget. The variance reflected lower external support requirements and did not affect delivery of the planned work programme.

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| Operating revenue | | | |
| Revenue – Crown | 14,752 | 13,679 | 16,051 |
| Other revenue | 186 | 240 | 351 |
| **Total operating revenue** | **14,938** | **13,919** | **16,402** |
| **Total operating expenses** | **14,938** | **13,919** | **16,402** |
| **SURPLUS / (DEFICIT)** | **-** | **-** | **-** |

# Output: Fuel

1/1

**Primary strategic outcome:** Mākete whakataetae | Competitive Markets.

## What this output delivers

We monitor fuel markets to improve transparency and understanding of pricing, supply and competitive conditions. This information supports informed decisions by consumers, market participants and policymakers.

### Overall performance

The measure was achieved. Five monitoring and insights reports were published against a minimum target of four. The formal report count was lower than the eight reports published in each of the previous two years, while weekly fuel-price monitoring was introduced during 2025/26.

## Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| Number of monitoring and insights reports published under the Fuel Industry Act 2020 | At least 4 |  | 5 | 8 |

## What the results tell us

Five monitoring and insights reports were published, one above target. In addition to the planned quarterly reports, the Commission introduced weekly fuel-price monitoring and reporting in response to the conflict in the Middle East and its effect on global and New Zealand fuel prices. The additional monitoring increased transparency and provided timely information to support the Commission's assessment of emerging pricing concerns during a period of significant uncertainty and disruption.

## Resources used

Fuel-market monitoring is funded through *Vote Business, Science and Innovation* under the *Enforcement of General Market Regulation* appropriation.

Operating expenses were $0.116 million below budget, primarily because less was spent on public reports, advice to officials and external support. This was partly offset by higher compliance and enforcement expenditure.

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| Operating revenue | | | |
| Revenue – Crown | 3,064 | 3,064 | 3,064 |
| Other revenue | 39 | 43 | 68 |
| **Total operating revenue** | **3,103** | **3,107** | **3,132** |
| **Total operating expenses** | **2,873** | **2,757** | **3,046** |
| **SURPLUS / (DEFICIT)** | **230** | **350** | **86** |

# Output: Water Services

3/3

**Primary strategic outcome:** Ngā Tino Ratonga | Essential Services.

## What this output delivers

We are establishing economic regulation for water services to improve transparency, accountability and performance. Initial determinations and information-disclosure requirements create the foundation for future monitoring, consumer protection and price-quality regulation.

### Overall performance

All measures were achieved. Two determinations were delivered, all determinations subject to statutory requirements were completed on time, and quality-assurance processes were applied to all relevant decisions.

## Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| Number of determinations (includes determinations, clarifications, reviews, codes and amendments)[16] | At least 1 | ● | 2 | N/A |
| **Methodology:** We use this measure to show the formal regulatory decisions and instruments delivered for water services during the year. We count each final determination or amendment once when it is published under the Local Government (Water Services Preliminary Arrangements) Act 2024 or the Commerce Act 1986. We do not count drafts or minor administrative corrections. Separately published instruments are counted separately. | | | | |
| Percentage of Part 4 of the Commerce Act 1986 determinations completed by statutory deadlines | 100% | ● | 100% | N/A[17] |
| **Methodology:** We use this measure to show whether water-services determinations are completed within the deadlines set in legislation. We include determinations made under Part 4 of the Commerce Act 1986 during the year that had a statutory deadline. The result is the percentage completed by the applicable deadline, including any lawful extension. We report N/A if no determination had a statutory deadline. | | | | |
| Quality assurance processes for determinations and code amendments are in place and applied | 100% | ● | 100% | N/A |
| **Methodology:** We use this measure to provide assurance that water services determinations and amendments follow the required review and approval processes. We assess each determination or amendment completed under the Local Government (Water Services Preliminary Arrangements) Act 2024 or the Commerce Act 1986 against the quality-assurance requirements that apply to it. The result is the percentage with evidence that the required process was in place and applied. | | | | |

## Measures removed

| Measure | Comment | 25/26 Actual | 24/25 Actual |
|---|---|---|---|
| Prepare a foundational information disclosure regime for local government water services providers to meet statutory timeframes | This was a transitional measure for 2024/25 covering establishment of the foundational information disclosure regime. It was not retained for 2025/26 because that establishment activity had been completed and was replaced by measures covering delivery under the new regulatory framework. | N/A | Achieved |

16 The target determination involves setting the initial information disclosure requirements for water service providers.
17 This measure was introduced in the Statement of Performance Expectations 2025/26. The N/A reflects the absence of directly comparable results for 2024/25, not the absence of a determination subject to a statutory deadline.

## What the results tell us

The two determinations set the regulatory instruments needed to implement the Water Services framework by establishing information disclosure requirements for regulated water service suppliers. The second determination related to information disclosure requirements applying to Wellington Water required after ministerial recommendation via Order in Council, resulting in performance above the minimum target.

The current Water Services measures were introduced for 2025/26 and therefore have no directly comparable prior-year results. A transitional measure reported in 2024/25 is disclosed separately above.

## Resources used

Water Services regulation is funded through *Vote Business, Science and Innovation under the Enforcement of General Market Regulation* appropriation.

Operating expenses were $0.581 million below budget, mainly because Watercare Crown Monitor activity required less expenditure than anticipated. This did not affect the scope or timing of monitoring delivered during the year. Levy revenue was correspondingly lower because it is recognised based on expenditure incurred. Internal implementation costs were slightly higher than expected, producing a $0.095 million deficit funded from the Commission's general reserve.

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| **Operating revenue** | | | |
| Revenue - Crown | 6,500 | 6,500 | 2,232 |
| Other revenue | 1,530 | 854 | 303 |
| **Total operating revenue** | **8,030** | **7,354** | **2,535** |
| **Total operating expenses** | **8,030** | **7,449** | **2,145** |
| **SURPLUS / (DEFICIT)** | **-** | **(95)** | **390** |

# Output: Retail Payment Systems

2/2

**Primary strategic outcome:** Mākete whakataetae | Competitive markets.

## What this output delivers

Through monitoring, reporting and regulatory intervention, we promote competition, efficiency and innovation in retail payment systems and support better outcomes for consumers, merchants and payment-service providers.

### Overall performance

Both measures were achieved. Three monitoring and insights reports and one regulatory product were published, delivering the programme set out in the Statement of Performance Expectations.

## Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| Number of monitoring and insights reports published under the Retail Payment System Act 2022 | At least 3 | | 3 | 2 |
| Number of regulatory products published under the Retail Payment System Act 2022 | At least 1 | | 1 | N/A |

## What the results tell us

Three monitoring and insights reports were published, meeting the target. They provided information on open banking, merchant service fees, and card payment preferences and costs, supporting transparency and oversight of market developments. One regulatory product was also published, meeting the target and supporting implementation of the regulatory framework. As this measure was introduced in 2025/26, no prior-year comparison is available.

Together, these products support regulatory oversight and decision-making. As these are output-based measures, the results demonstrate delivery of the planned monitoring and regulatory products but do not, on their own, demonstrate changes in competition outcomes.

## Resources used

Retail payment systems activities are funded through V*ote Business, Science and Innovation under the Enforcement of General Market Regulation* appropriation.

Operating expenses were $0.290 million below budget. The variance reflected lower external support requirements and did not affect delivery of the planned work programme.

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| Operating revenue | | | |
| Revenue – Crown | 4,576 | 4,576 | 4,576 |
| Other revenue | 61 | 67 | 97 |
| Total operating revenue | 4,637 | 4,643 | 4,673 |
| Total operating expenses | 4,637 | 4,347 | 4,396 |
| SURPLUS / (DEFICIT) | - | 296 | 277 |

# Output: Specified Airport Services

**Primary strategic outcome:** Ngā Tino Ratonga | Essential Services.

3/3
Applicable measures

## What this output delivers

We regulate specified airport services through information disclosure, determinations and monitoring. This enables scrutiny of pricing, investment and service performance where competition is limited.

### Overall performance

All applicable measures were achieved. Three determinations were completed against a minimum target of two, two planned reports were delivered, and quality-assurance processes were applied to all relevant decisions. No determination had a statutory deadline during the year.

## Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| Number of determinations (includes determinations, clarifications, reviews and amendments) | At least 2 | ● | 3 | 2 |
| Percentage of Part 4 of the Commerce Act 1986 determinations completed by statutory deadlines | 100% | N/A | N/A18 | N/A |
| Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to:<br>• summary and analysis reports for Auckland International Airport's Fourth Price Setting Event<br>• Wellington International Airport's Fifth Price Setting Event | At least 2[19] | ● | 2 | 2 |
| Quality assurance processes for determinations and code amendments are in place and applied | 100% | ● | 100% | 100% |

## What the results tell us

We delivered our planned programme of determinations and reporting activities, including cost of capital determinations and publishing a summary and analysis report relating to Wellington Airport's fifth price setting event. In addition, we made non-material amendments to the information disclosure requirements which resulted in the target for determinations being exceeded.

The statutory-deadline measure was not applicable because none of the determinations completed during the year was subject to such a deadline.

18 There were no determinations with statutory deadlines in 2025/26.
19 The target decreased from 3 in 2024/25 to 2 in 2025/26, reflecting the work programme for 2025/26

## Resources used

Specified Airport Services activities are funded through *Vote Business, Science and Innovation* under the *Regulation of Airport Services (2024-2029)* appropriation.

Operating expenses were close to budget. Higher spending on determinations was largely offset by lower expenditure on compliance, enforcement, public reporting and advice to officials.

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| **Operating revenue** | | | |
| Revenue – Crown | 427 | 427 | 864 |
| Other revenue | 6 | 9 | 25 |
| **Total operating revenue** | **433** | **436** | **889** |
| **Total operating expenses** | **433** | **436** | **889** |
| **SURPLUS / (DEFICIT)** | **-** | **-** | **-** |

# Output: Electricity Lines Services

4/4

**Primary strategic outcome:** Ngā Tino Ratonga | Essential Services.

## What this output delivers

We regulate electricity distribution businesses and the national grid where competition is limited. Price-quality regulation, information disclosure and monitoring are intended to support reliable services, efficient investment and reasonable costs over time.

### Overall performance

All measures were achieved. Twelve determinations and 11 reports were completed, both materially above the minimum targets, quality-assurance processes were applied to all relevant decisions, and all determinations subject to statutory deadlines were completed on time.

## Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| Number of determinations (includes determinations, clarifications, reviews, codes and amendments) including but not limited to:<br>• Electricity Distribution Businesses default price-quality path from 1 April 2025<br>• Transpower individual price quality path for 2025-2030<br>• Information Disclosure amendment for Electricity Distribution Businesses<br>• Electricity Distribution Businesses price-quality path re-opener | At least 4[20] |  | 12 | 22 |
| Percentage of Part 4 of the Commerce Act 1986 determinations completed by statutory deadlines | 100% |  | 100% | 100% |
| Number of reports completed (monitoring reports, summary and analysis reports and information disclosure reports) including but not limited to:<br>• performance summaries for Electricity Distribution Businesses<br>• Transpower database update<br>• Aurora Energy Factsheet for year 3 | At least 7[21] |  | 11 | 7 |
| Quality assurance processes for determinations and code amendments are in place and applied | 100% |  | 100% | 100% |

## What the results tell us

We delivered our planned programme of determinations and reporting activities, including cost of capital determinations, assessing a major capex proposal for Transpower, and publishing sector performance trends reports and analysis. In addition, we made decisions relating to demand-driven work which resulted in our targets being exceeded, this included reopening the relevant price-quality path for individual EDBs, amendments to input methodologies and information disclosure requirements, and publishing expert reports on EDB productivity and efficiency.

The number of determinations was lower than the unusually high number of 22 completed in 2024/25 due to the phasing of our regulatory regime.

20 The target decreased from 7 in 2024/25 to 4 in 2025/26, reflecting the expected volume of Electricity Lines determinations planned for delivery.
21 The target increased from 5 in 2024/25 to 7 in 2025/26, reflecting the expected timing and volume of reports planned for delivery.

## Resources used

Electricity Lines Services activities are funded through *Vote Business, Science and Innovation* under the *Regulation of Electricity Lines Services (2024-2029)* appropriation.

Operating expenses were $1.131 million below budget. Some determinations work and associated external support were deferred to future years, while spending on public reports and advice to officials was higher than expected. The multi-year appropriation was re-profiled to align funding with the revised timetable, reducing Crown revenue. Other revenue was above budget because the customised price-quality path programme began earlier than planned.

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| **Operating revenue** | | | |
| Revenue – Crown | 9,527 | 8,124 | 10,010 |
| Other revenue | 137 | 409 | 380 |
| **Total operating revenue** | **9,664** | **8,533** | **10,390** |
| **Total operating expenses** | **9,664** | **8,533** | **10,390** |
| **SURPLUS / (DEFICIT)** | **-** | **-** | **-** |

# Output: Gas Pipeline Services

4/4

**Primary strategic outcome:** Ngā Tino Ratonga | Essential Services.

## What this output delivers

We regulate gas pipeline services where competition is limited. Price-quality regulation, information disclosure and monitoring support reliable services, efficient investment and reasonable costs during a period of changing demand.

### Overall performance

All measures were achieved. Nine determinations were completed against a minimum target of five, three reports were delivered as planned, quality-assurance processes were applied to all relevant decisions. and all determinations subject to statutory deadlines were completed on time.

## Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| Number of determinations (includes determinations, clarifications, reviews, codes and amendments) | At least 5[22] | | 9 | 6 |
| 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:<br>• performance summaries for gas distribution<br>• trends in gas pipeline businesses<br>• information disclosure by gas pipeline businesses | At least 3[23] | | 3 | 4 |
| Quality assurance processes for determinations and code amendments are in place and applied | 100% | | 100% | 100% |

## What the results tell us

We delivered our planned programme of determinations and reporting activities, including setting the 2026 gas default price-quality path, cost of capital determinations, amendments to information disclosure requirements, and publishing sector performance analysis. We made additional decisions relating to amendments to the input methodologies which resulted in the determinations target being exceeded.

22 The target increased from 2 in 2024/25 to at least 5 in 2025/26, reflecting the expected timing and volume of determinations planned for delivery.
23 The target decreased from 4 in 2024/25 to at least 3 in 2025/26, reflecting the expected timing and volume of reports planned for delivery.

## Resources used

Gas Pipeline Services activities are funded through *Vote Business, Science and Innovation* under the Regulation of Gas Pipeline Services (2024-2029) appropriation.

Operating expenses were close to budget. Higher spending on determinations, compliance and enforcement was offset by lower expenditure on public reporting and advice to officials.

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| **Operating revenue** | | | |
| Revenue - Crown | 3,299 | 3,245 | 3,468 |
| Other revenue | 42 | 61 | 129 |
| **Total operating revenue** | **3,341** | **3,306** | **3,597** |
| **Total operating expenses** | **3,341** | **3,306** | **3,597** |
| **SURPLUS / (DEFICIT)** | **-** | **-** | **-** |

# Output: Dairy

1/1

**Primary strategic outcome:** Mākete whakataetae | Competitive Markets.

## What this output delivers

We independently review Fonterra's milk price setting under the Dairy Industry Restructuring Act 2001. The work supports transparency and confidence that the statutory milk price setting framework is being applied.

### Overall performance

The measure was achieved. Two monitoring and insights reports were published, consistent with the annual statutory cycle and with each of the previous two years.

## Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| Number of monitoring and insights reports published under the Dairy Industry Restructuring Act 2001 | At least 2 |  | 2 | 2 |

## What the results tell us

The Commission delivered both dairy monitoring reports required under the Dairy Industry Restructuring Act. The reports concluded that Fonterra's 2024/25 base milk price calculation and 2025/26 Milk Price Manual were consistent with the statutory purpose of the Act. The reviews provided transparency over Fonterra's farm gate milk price setting processes and supported confidence that these processes were consistent with contestability in the market for purchasing farmers' milk.

## Resources used

Dairy regulation is funded through *Vote Business, Science and Innovation* under the *Enforcement of Dairy Sector Regulation and Monitoring of Milk Price Setting* appropriation.

Operating expenses were $0.121 million below budget. The variance reflected lower external support requirements and did not affect delivery of the planned reports delivery of the planned work programme.

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| **Operating revenue** | | | |
| Revenue – Crown | 1,360 | 1,238 | 1,300 |
| Other revenue | 19 | 20 | 29 |
| **Total operating revenue** | **1,379** | **1,258** | **1,329** |
| **Total operating expenses** | **1,379** | **1,258** | **1,329** |
| **SURPLUS / (DEFICIT)** | **-** | **-** | **-** |

# Output: Major Litigation

1/1

**Primary strategic outcomes:** Mākete whakataetae | Competitive Markets; Tauhokohoko tōkeke | Fair Trade; Ngā Tino Ratonga | Essential Services.

## What this output delivers

The major litigation fund supports significant and complex cases across competition, consumer-protection and economic-regulation functions. It enables the Commission to pursue litigation that meets approved criteria and cannot reasonably be absorbed within ordinary output funding.

### Overall performance

The measure was achieved. Litigation funding was used in accordance with approved criteria, and eight new matters across competition, consumer protection and economic regulation were approved for support during the year.

## Performance against measures

| Measure | Target | Status | 25/26 Actual | 24/25 Actual |
|---|---|---|---|---|
| Litigation funds are used in accordance with the litigation fund criteria | Achieved |  | Achieved | Achieved |

**Methodology:** We use this measure to show whether the major litigation fund is used for its approved purpose. We assess approvals and expenditure against the funding agreement and internal guidance. Achieved means each funded matter met the eligibility, approval and permitted-cost requirements. The measure does not assess the outcome of the litigation.

## What the results tell us

The measure provides assurance that access to the fund was governed by the approved criteria. The number of approvals provides context on activity but does not show the outcome of proceedings, many of which extend across reporting periods.

Internally sourced litigation funding supports cases initiated through the Commission's own enforcement and regulatory work. Externally sourced funding supports eligible costs that cannot be met from ordinary baselines.

## Resources used

This funding supports the Commission's direction as a more courageous regulator, enabling us to pursue significant matters within our statutory mandate and risk appetite where litigation is the appropriate response.

Major litigation is funded through the *Vote Business, Science and Innovation* multi-category appropriation for *Commerce Commission Litigation Funds*, which includes internally and externally sourced litigation. Funding supports both internal capability and external legal costs, depending on the nature of cases.

Funding for internally sourced litigation was lower than the supplementary estimate, reflecting the timing and nature of litigation activity. Expenditure for externally sourced litigation was higher than anticipated due to increased activity across Credit, Competition and Regulation litigation matters. The resulting deficit in externally sourced litigation was funded from our general litigation reserve. Despite variations in expenditure across litigation categories, litigation funding continued to support our strategic enforcement priorities.

## Appropriation funding

| | 2025/26 Estimates $000 | 2025/26 Supplementary Estimates $000 | 2025/26 Actual $000 | Difference Actual vs Supplementary Estimates $000 |
|---|---|---|---|---|
| **Commerce Commission internally sourced litigation** | | | | |
| Revenue - Crown | 5,670 | 6,112 | 5,779 | (333) |
| **Commerce Commission externally sourced litigation** | | | | |
| Revenue - Crown | 6,262 | 6,500 | 6,500 | - |
| **Total** | 11,932 | 12,612 | 12,279 | (333) |

## Internally Sourced Litigation

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| **Operating revenue** | | | |
| Revenue - Crown | 5,668 | 5,779 | 5,875 |
| Other revenue | 84 | 146 | 154 |
| **Total operating revenue** | **5,752** | **5,925** | **6,029** |
| **Total operating expenses** | **5,752** | **5,925** | **6,029** |
| **SURPLUS / (DEFICIT)** | **-** | **-** | **-** |

## Externally Sourced Litigation

| | 25/26 Budget $000 | 25/26 Actual $000 | 24/25 Actual $000 |
|---|---|---|---|
| **Operating revenue** | | | |
| Revenue - Crown | 6,262 | 6,500 | 6,025 |
| Other revenue | - | - | - |
| **Total operating revenue** | **6,262** | **6,500** | **6,025** |
| **Total operating expenses** | **6,262** | **7,363** | **6,025** |
| **SURPLUS / (DEFICIT)** | **-** | **(863)** | **-** |

## Output Class Financial Results and Reconciliation

The financial information presented by output class is prepared on a basis consistent with the Commission's financial statements. Revenue and expenditure have been allocated to output classes using the Commission's cost allocation methodologies and are intended to provide an indication of the resources applied to each service area.

This table shows net financial results by output class over the SOI period and reconciles to the statement of comprehensive revenue and expense.

| Output class | 2025/26 Revenue | 2025/26 Expenditure | 2025/26 (surplus / deficit) | 2024/25 (surplus / deficit) |
|---|---|---|---|---|
| Competition | 12,531 | 12,148 | 383 | 564 |
| Market Studies | 1,402 | 1,402 | - | - |
| Consumer (fair trading and credit) | 21,547 | 22,623 | (1,076) | 995 |
| Telecommunications | 13,919 | 13,919 | - | - |
| Electricity Lines Services | 8,533 | 8,533 | - | - |
| Gas Pipeline Services | 3,306 | 3,306 | - | - |
| Specified Airport Services | 436 | 436 | - | - |
| Fuel | 3,107 | 2,757 | 350 | 86 |
| Retail Payment Systems | 4,643 | 4,347 | 296 | 277 |
| Dairy | 1,258 | 1,258 | - | - |
| Grocery Sector Regulation | 7,405 | 7,722 | (317) | 111 |
| Water Services | 7,354 | 7,449 | (95) | 390 |
| Internally Sourced Litigation | 5,925 | 5,925 | - | - |
| Externally Sourced Litigation | 6,500 | 7,363 | (863) | - |
| **Total** | **97,866** | **99,188** | **(1,322)** | **2,423** |
| **Net operating surplus from statement of comprehensive revenue and expense** | | | **(1,322)** | **2,423** |

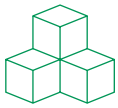
# 04

# **Ngā tāngata, te āheinga me te ahurea** People, Capability and Culture

This section explains how the Commerce Commission maintained and enhanced the organisational capability needed to deliver its regulatory responsibilities in 2025/26. It covers the people, systems, culture and organisational foundations that support our work and help ensure we can respond effectively to changing priorities and future challenges.

## People, Capability and Culture at a Glance

During 2025/26, we continued to strengthen the organisational capability, systems and culture that support effective regulatory delivery. This included investing in leadership, workforce capability, organisational effectiveness, data and technology, while maintaining a strong focus on employee wellbeing, inclusion and good stewardship of public resources. Together, these improvements help ensure the Commission remains well positioned to deliver its expanding responsibilities and respond to future challenges.

1  embedding **a refreshed strategic framework** and performance measurement approach

2  **enhancing organisational capability** through improvements in data, technology and information management

3  completing **structural changes** to support a more agile and financially sustainable operating model

4  enhancing **leadership capability**, increasing **workforce mobility** and expanding **career pathways** through leadership development, succession planning and talent initiatives

5  maintaining **high levels of employee engagement** during organisational change

6  **reducing the average gender pay gap from 10.2% to 9.8%** and the **average ethnic pay gap from 11.5% to 8.4%**, the lowest levels recorded since measurement began

7  supporting **employee wellbeing, inclusion and organisational culture** through diversity and inclusion programmes, employee-led networks, and wellbeing initiatives

8  **environmental sustainability performance** maintained, operational emissions increased 3% during the year but remained 18% below the 2022/23 baseline, despite increased international travel and engagement activity during the year.

Underpinning these developments are the values and behaviours that shape our culture, guide how we work together and support the way we deliver our regulatory responsibilities.

## Our Values

Our values framework, He Kawa Tauhokohoko, continues to guide how we work together, make decisions and deliver our responsibilities. It brings together our organisational values, kaupapa and te ao Māori principles, and supports the culture and behaviours required to achieve our strategic outcomes.

These values are reflected in the strategic enablers that support our people, regulatory delivery and organisational performance.

### **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

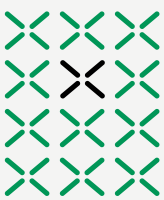
**Kaitiakitanga**

We are aware of responsibilities as stewards of commerce

#### Our Values

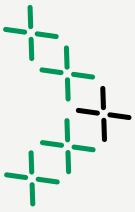
**He toa takitini**

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



## Strategic Enablers

Our organisational capability is supported by six strategic enablers that help ensure we remain effective, responsive and fit for the future. These enablers support our regulatory performance and our ability to respond to changing priorities, emerging risks and future opportunities.

### Strategy

In 2025/26 we improved the integration of strategic planning, performance measurement and organisational accountability. The introduction of a refreshed strategic framework and updated performance measures improved alignment between organisational priorities, delivery and reporting. These changes support a stronger focus on outcomes and provide a clearer basis for demonstrating the impact of our work.

*What's next*

During 2026/27 we will focus on embedding the updated strategic framework and increasing the use of performance information to support decision-making, organisational learning and continuous improvement.

### Information, data and technology

In 2025/26 we continued to enhance our information, data and technology capability to support evidence-based decision-making and efficient regulatory delivery. Progress included improvements in data and analytics, information management, digital tools and automation. We also improved cyber security controls and completed Microsoft 365 accreditation, improving organisational resilience and reducing technology-related risk.

*What's next*

We will focus on completing the transition to SharePoint, improving data governance and embedding appropriate governance arrangements for AI-enabled tools and technologies. We will also continue to standardise our technology environment, reducing reliance on bespoke systems to improve efficiency, lower complexity, and align with the Government Digital and Data Direction's (GDDA) expectations for common, reusable digital platforms and services, migrating to GDDA common solutions where appropriate.

### Partnerships and stakeholder engagement

Strong relationships are essential to effective regulation. During the year we continued to build engagement with consumers, businesses, regulated entities, government agencies and international regulatory partners. Stakeholder feedback indicates improved perceptions of the Commission's communication, transparency and engagement. Initiatives such as the State of Competition Report and indicators, and the Competition Matters conference increased the visibility of our work and supported informed discussion on competition and regulatory issues.

*What's next*

We will continue deepening engagement with consumers, small businesses and industry bodies. We will also increase in-person engagement opportunities and improve awareness of product safety and consumer protection issues.

### Rautaki Māori

We continued to build on our capability to engage with and deliver for Māori through increased focus on incorporating Māori perspectives into our work, decision-making and engagement activities. This has supported a more integrated approach to considering Māori perspectives across the organisation.

*What's next*

We will continue building organisational capability and improving how Māori perspectives are reflected in our regulatory practice, decision-making and engagement.

### Resource stewardship

Resource stewardship remained a focus as the Commission responded to predicted fiscal pressures and a changing operating environment. During the year the Board and senior leadership considered options for maintaining delivery while supporting long-term financial sustainability, including the prudent use of reserves and active management of organisational costs.

*What's next*

We will strengthen our forecasting and long-term financial planning and improve financial literacy across the organisation to support effective decision-making, prioritisation and sustainable resource allocation.

### People leadership

We continued to enhance leadership capability through clearer leadership expectations, development initiatives and greater focus on performance and development conversations. Progress was also made in succession planning, talent development and cross-functional collaboration, supporting a more connected, adaptable and high-performing organisation.

*What's next*

We will continue to improve workforce planning, mature succession management and enhance the capability of our leaders to support our people, our future workforce needs and our organisational priorities.

Our workforce strategy gives effect to these enablers by focusing on the capability, capacity and culture needed to deliver our priorities.

## Workforce Strategy and Capability

The Commission's workforce strategy, *Great people, doing the right work, delivered in the best way*, is focused on ensuring we have the capability, capacity and culture required to deliver our priorities effectively and sustainably.

In 2025/26 we increased workforce mobility, enhanced leadership capability and expanded employee development opportunities while continuing to embed shared expectations through He Kawa (our customs). We also introduced an annual recognition awards programme to celebrate individuals and teams who demonstrate our organisational values in undertaking their work.

These initiatives support the attraction, development and retention of a skilled, engaged and adaptable workforce.

### Employee engagement

Employee engagement remained stable and above the Peakon government sector benchmark, supported by regular pulse surveys and ongoing action in response to employee feedback.

Insights from these surveys informed initiatives to clarify priorities, address workload pressures and strengthen organisational communication. These efforts reinforced trust, supported organisational culture and improved confidence that employee feedback leads to meaningful action.

### Health, safety and wellbeing

We continued to prioritise health, safety and wellbeing through regular initiatives, monitoring, reporting and governance oversight.

An active Health and Safety Committee, representing all branches, supported organisational health and safety initiatives and promoted awareness across the organisation. Our Employee Assistance Programme, wellbeing initiatives and employee feedback mechanisms provided practical support and insights to help people perform at their best. Flexible working arrangements and development opportunities continued to support employee wellbeing, capability development and retention. Staff networks also provided opportunities for connection, peer support and inclusion across the organisation.

These initiatives help create a healthy, safe and supportive workplace where people can thrive and do their best work.

### Employee development

Employee development remains supported through our Growth & Development Framework, which provides a consistent approach to career development, capability building and performance growth.

During the year we introduced our first annual progression process to improve consistency, fairness and transparency when recognising employees already performing at the next level within their role.

### Organisational design

We continued embedding our new operating model, designed to support a more integrated One Commission approach to delivering our regulatory responsibilities. This included organisational changes across four of our six branches. The changes supported greater collaboration, increased delegation down from the Board, improved workforce flexibility and clarified accountability and helped align resources to organisational priorities. They also contributed to fiscal savings while supporting the Commission's long-term effectiveness and sustainability. The remaining organisational changes will be completed during 2026/27.

Alongside building the workforce capability needed for effective delivery, we remained focused on meeting our responsibilities as a good employer.

## Being a good employer

The Commission is committed to meeting its obligation to be a good employer. During 2025/26 we supported a safe, inclusive and equitable workplace through our workforce development, health and safety, employee engagement, flexible working, diversity and inclusion, equal employment opportunities and pay-equity initiatives.

### Diversity, equity and inclusion in our organisation

Our diversity, equity and inclusion programme supports our commitment to an inclusive workplace and aligns with the Papa Pounamu (from the Public Service Commission) diversity and inclusion programme priority areas. Employee-led networks remain an important part of this work, promoting awareness, connection and practical improvements across the organisation.

In 2025/26 our Neurodiversity Network was recognised as a finalist in the New Zealand Diversity Awards. We also continued our membership of the Hidden Disabilities Sunflower programme and progressed initiatives to improve workplace accommodations. Our mentoring programme continued to support the development and progression of a diverse workforce, with women making up 73% of mentee participants.

We continue to monitor workforce diversity and pay equity to inform people and remuneration decisions. During the year we introduced a talent dashboard that provides greater visibility of pay gaps across roles and salary bands, supporting more informed recruitment, remuneration and progression decisions.

As at 30 June 2026, the average gender pay gap reduced from 10.2% to 9.8% and the average ethnic pay gap reduced from 11.5% to 8.4% - the lowest levels recorded since measurement began. The median ethnic pay gap also continued to improve, reducing to 11.6%.

The pay gaps and our progress over the past five years are shown in this table:

| **Pay Gaps**[24] | **2026** | **2025** | **2024** | **2023** | **2022** |
|---|---|---|---|---|---|
| Median pay difference between male and female employees | 14.4% | 13.9% | 16.1% | 14.4% | 14.9% |
| Average pay difference between male and female employees | 9.8% | 10.2% | 13.4% | 12.4% | 11.6% |
| Median pay difference between European and non-European employees | 11.6% | 13.5% | 17.3% | 21.9% | 25.0% |
| Average pay difference between European and non-European employees | 8.4% | 11.5% | 13.2% | 16.0% | 18.2% |

The reduction in average gender and ethnic pay gaps reflects our continued focus on equitable recruitment, remuneration and development practices. While the trends are positive we recognise there is more work to do to address the structural factors that contribute to pay gaps over time. We will continue to monitor pay equity, increase diversity within talent pipelines and support equitable progression opportunities across the organisation.

24 For gender pay gaps, the percentages represent the extent to which remuneration for male employees exceeds remuneration for female employees. For ethnic pay gaps, the percentages represent the extent to which remuneration for European employees exceeds remuneration for non-European employees.

## Snapshot of our people on 30 June 2026

### Number of employees (FTE)

**408.2**

**420.63** 2024/2025

**44.4%**

male

**54.4%**

female

**1.2%**

other gender/
gender not stated

### Total employees (headcount) by geographical location

**4.3%** Remote workers

**33.0%** Auckland

**62.7%** Wellington



### Average tenure

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

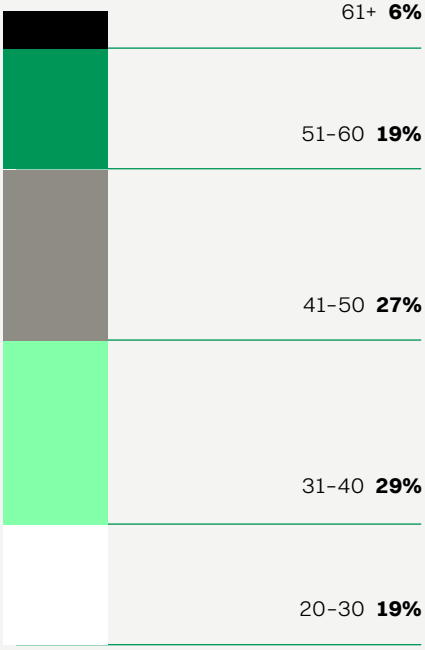
**4** 2024/2025

### Employee turnover

**13.1%**

**10.8%** 2024/2025

### Age ranges




61+ **5%** 51-60 **19%** 41-50 **24%** 31-40 **32%** 20-30 **20%** 2024/2025

### Ethnicity profile



Note: Employees can identify with up to three ethnicities and so the totals for ethnic distribution will add up to more than 100%, aligned with the Public Service Commission's guidance on this metric

| | |
|---|---|
| Other/Not stated | 1% |
| Pacific Peoples | 6% |
| NZ European/Pākehā | 76% |
| Middle Eastern, Latin American and African | 4% |
| Māori | 6% |
| Asian | 15% |

Other/Not stated **4%** Pacific Peoples **4%**
NZ European Pākehā **79%**
Middle Eastern, Latin American and African **4%**
Māori **6%** Asian **15%** 2024/2025

## Employee Remuneration

The table below shows the number of employees who received total remuneration over $100,000 during the year, grouped into $10,000 bands. The figures reflect total remuneration paid during the year rather than contracted annual salaries, and include higher duties allowances, cessation payments, annual leave paid on departure and other employment-related payments.

As a result, year-on-year movements between remuneration bands may reflect one-off payments associated with acting arrangements or employee departures rather than changes in underlying salary levels. While some movement occurred in the higher remuneration bands, the proportion of employees on salaries above $200,000 decreased slightly from 10.8% to 10.1%.

| Total remuneration | 2025/26 Actual | 2024/25 Actual |
|---|---|---|
| $100,000 - $110,000 | 30 | 32 |
| $110,001 - $120,000 | 27 | 28 |
| $120,001 - $130,000 | 42 | 33 |
| $130,001 - $140,000 | 49 | 55 |
| $140,001 - $150,000 | 28 | 27 |
| $150,001 - $160,000 | 20 | 29 |
| $160,001 - $170,000 | 33 | 29 |
| $170,001 - $180,000 | 26 | 24 |
| $180,001 - $190,000 | 19 | 23 |
| $190,001 - $200,000 | 18 | 16 |
| $200,001 - $210,000 | 16 | 10 |
| $210,001 - $220,000 | 11 | 12 |
| $220,001 - $230,000 | 12 | 7 |
| $230,001 - $240,000 | 6 | 5 |
| $240,001 - $250,000 | 6 | 2 |
| $250,001 - $260,000 | 1 | 3 |
| $260,001 - $270,000 | 5 | 3 |
| $270,001 - $280,000 | 3 | 1 |
| $280,001 - $290,000 | 1 | 0 |
| $290,001 - $300,000 | 1 | 1 |
| $300,001 - $310,000 | 1 | 1 |
| $310,001 - $320,000 | 1 | 0 |
| $320,001 - $330,000 | 2 | 1 |
| $340,001 - $350,000 | 1 | 0 |
| $350,001 - $360,000 | 0 | 1 |
| $370,001 - $380,000 | 1 | 0 |
| $390,001 - $400,000 | 1 | 0 |
| $460,001 - $470,000 | 0 | 1 |
| $540,001 – $550,000 | 1 | 1 |

### Cessation payments

Compensation or other benefits were paid to 16 employees (2025: 30 employees) in relation to cessation, totalling $923,818 (2025: $879,925).

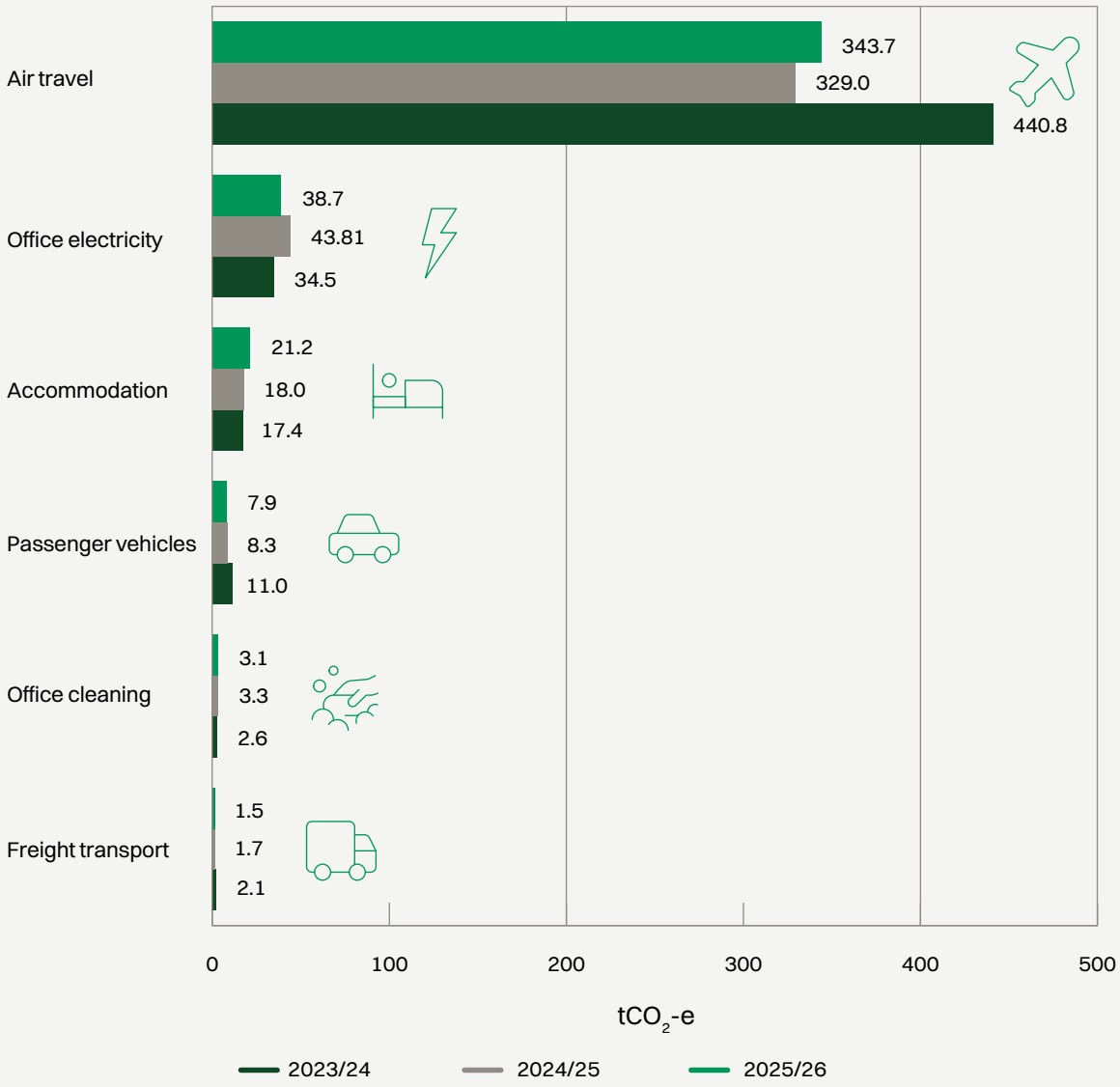
## Environmental Sustainability

The Commerce Commission is committed to reducing our environmental impact and improving sustainability across our operations.

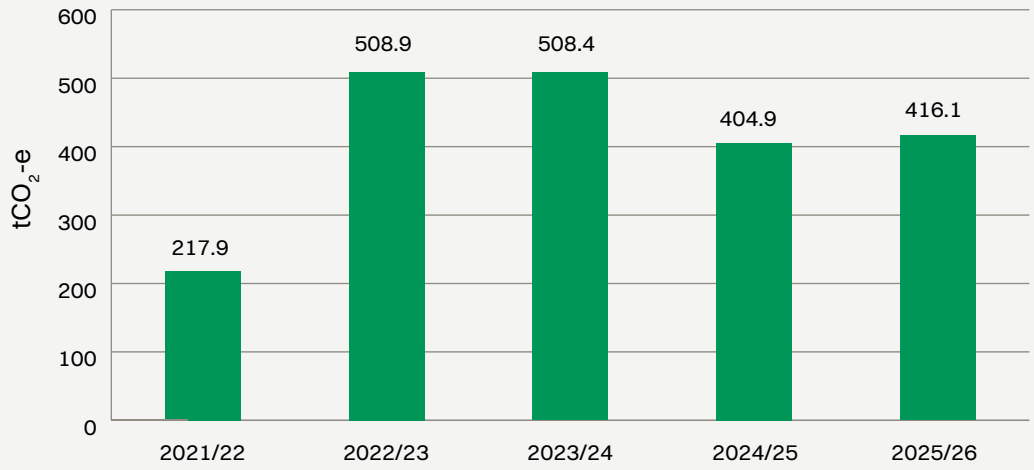
Reported emissions cover our operational greenhouse gas emissions, including air travel, electricity, vehicles, freight transport and office cleaning services.

Total emissions for 2025/26 were 416.1 $tCO_2$-e, an increase of 3% compared with 2024/25. Air travel remained our largest source of emissions and was the primary driver of the increase, reflecting increased international engagement activity during the year. Emissions from office electricity, passenger vehicles, office cleaning and freight transport all decreased, but not enough to offset the increase in travel-related emissions.

**Emissions by source $tCO_2$-e**



**Total emissions by financial year ($tCO_2$-e)**




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

| | 2025/26 | 2024/25 | 2023/24 | 2022/23 | 2021/22 | 2020/21 |
|---|---|---|---|---|---|---|
| FTE staff[25] | 408.2 | 420.63 | 447 | 428 | 316 | 273 |
| Total gross emissions per FTE (tCO2e) | 1.02 | 0.96 | 1.14 | 1.19 | 0.69 | 0.91 |

Overall emissions remain 18% lower than the 2022/23 baseline of 508.9 $tCO_2$-e. Though emissions increased slightly during the year, largely due to increased international engagement activity, the Commission will continue to identify opportunities to reduce operational emissions while balancing the travel and engagement requirements needed to deliver its regulatory functions effectively.

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

# 05

# **Kaitiakitanga me te Whakahaerenga** Governance and Organisation

This section provides information about the Commerce Commission, our governance arrangements and the leadership and accountability framework that supports our work. It outlines our role and responsibilities, governance and organisational structure, key leadership changes in 2025/26 and statutory disclosures relating to Commissioners and remuneration. These arrangements help ensure we remain accountable, effective and well positioned to deliver on our regulatory responsibilities.

## About the Commission

The Commerce Commission is an independent Crown entity responsible for promoting competition and fair trading and protecting the long-term interests of consumers in Aotearoa New Zealand. The Commission exercises its statutory functions and regulatory decision-making independently, supported by governance arrangements that promote effective oversight and organisational accountability. Further information about the Commission's role, responsibilities and operating context is provided in Section 1.

## Governance

The Commission is governed by a Board appointed under the Crown Entities Act 2004. The Board is made up of Commissioners, who are responsible for the overall performance of the Commission and for exercising its statutory powers, functions and duties. Commissioners are also responsible for exercising the Commission's regulatory decision-making functions under the legislation it administers, supported by Associate Commissioners appointed in specific areas.

The Board sets strategic direction and oversees performance, risk and organisational capability, delegating day-to-day management to the Chief Executive.

In 2025, the Commission completed an independent Governance and Effectiveness Review led by Dame Paula Rebstock. The review found the Commission was performing well but identified opportunities to improve our governance arrangements as our responsibilities continued to expand. In 2025/26, we implemented a number of the review's recommendations, including changes to governance structures, delegation arrangements and ways of working. Implementation and evaluation of the remaining recommendations will continue in 2026/27.

Much of the Commission's governance is exercised through a committee structure that supports effective decision-making across its regulatory functions and organisational responsibilities. The Audit and Risk Committee supports the Board's oversight of risk, assurance and financial management. Regulatory committees provide governance oversight and decision-making across the Commission's statutory functions and regulated sectors. The Board retains ultimate responsibility and accountability for decisions made under delegated authority.

Associate Commissioners are appointed to support the Commission's work in specific areas but are not members of the Board.

These arrangements continued to evolve during 2025/26 as the Commission responded to changes in its regulatory responsibilities and organisation.

## Legislative and organisational changes

During the year the Commission prepared for a number of regulatory and organisational changes, including the transfer of responsibility for consumer credit regulation to the Financial Markets Authority (FMA) from 1 July 2026. This included transferring regulatory functions, information, stakeholder relationships and specialist capability to ensure continuity for consumers, lenders and other stakeholders. The change marked the end of our 20-year role as the consumer credit regulator and concluded a significant programme of work to support a seamless transition to the FMA.

## Leadership changes

We experienced several governance and leadership changes during 2025/26.

At Board level, Commissioner Vhari McWha resigned after making a significant contribution across infrastructure regulation, competition analysis and market design. Responsibility for her portfolio was transitioned across the Board to ensure continuity of governance and regulatory oversight.

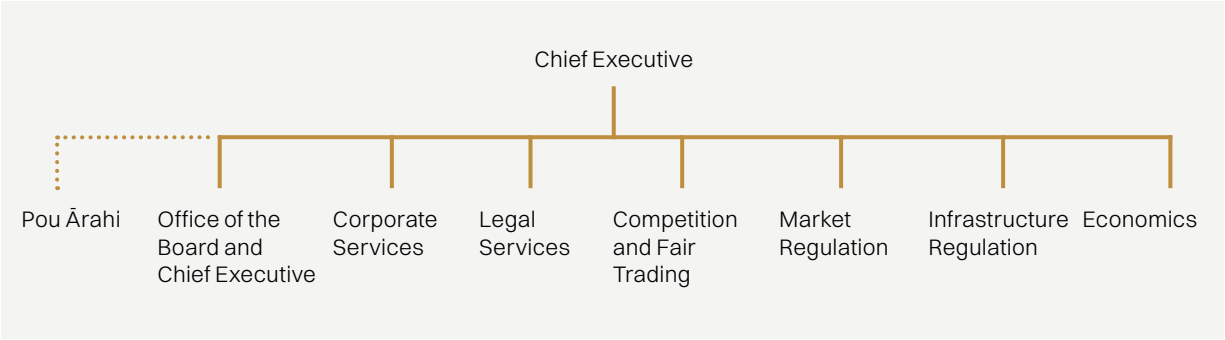
We farewelled Chief Executive Adrienne Meikle following more than seven years of leadership. During her tenure, the Commission more than doubled in size as our responsibilities expanded across competition, consumer protection, market regulation and infrastructure regulation. Adrienne played a significant role in strengthening the Commission's capability, supporting our evolution as a multi-functional regulator and helping build a more integrated and cohesive organisation.

Suzanne Stew was appointed Chief Executive for a five-year term, commencing 4 May 2026. Suzanne joined us during a period of significant organisational change, including implementation of the Governance and Effectiveness Review recommendations and preparation for the transfer of consumer credit regulation to the FMA.

Following these changes, the Commission's organisational structure at the end of the reporting year is shown on the following page.

## Organisation structure

The Commission's organisational structure supports the delivery of its regulatory responsibilities and aligns leadership accountability with organisational priorities.




## Board members

The following information sets out the composition of the Board during 2025/26 and related attendance and remuneration disclosures.

| Name | Role | First appointed | Current term | Board meetings attended | Audit and Risk Committee meetings attended | 25/26 Remuneration ($000) |
|---|---|---|---|---|---|---|
| Dr John Small | Chair | Dec 2022 | Jul 2025 – Jul 2030 | 11 of 13 | Not a member | 663 |
| Anne Callinan | Deputy Chair | Jul 2023 | Jul 2023 – Jul 2028 | 11 of 13 | 6 of 6 | 599 |
| Tristan Gilbertson | Telecom-munications Commissioner | Jun 2020 | Jun 2025 – Jun 2030 | 12 of 13 | Not a member | 483 |
| Pierre van Heerden | Grocery Commissioner | Jul 2023 | Jul 2023 – Jul 2028 | 12 of 13 | 6 of 6 | 441 |
| Dr Derek Johnston | Commissioner | Nov 2019 | Nov 2024 – Oct 2027 | 13 of 13 | Not a member | 330 |
| Bryan Chapple | Commissioner | Aug 2022 | Jun 2023 – Jun 2028 | 12 of 13 | Not a member | 373 |
| Vhari McWha | Commissioner (to Jan 2026) | Jun 2023 | Jun 2023 – Jan 2026 | 8 of 8 | Not a member | 192 |

### Associate Commissioners

Associate Commissioners support the Commission's work in specific areas by providing specialist expertise and participating in regulatory decision-making where required.

| Associate Commissioners | Remuneration ($000) |
|---|---|
| Nathan Strong | 355 |
| Loretta Lovell | 219 |
| Rakihia Tau | 228 |
| Joseph Liava'a (until 31 Dec 2025) | 119 |

### Commissioners' and Associate Commissioners' daily rates

| Daily rate ($) | 25/26 | 24/25 |
|---|---|---|
| Commissioners and Associate Commissioners | $1,650 | $1,650 |

### Commissioners' and Associate Commissioners' additional remuneration

Commissioners and Associate Commissioners are paid a daily rate set by the Remuneration Authority. This rate includes an allowance in lieu of annual and sick leave, and additional remuneration may be payable where hours worked exceed a full day (8 hours).

The Chair, Deputy Chair, Grocery Commissioner and Telecommunications Commissioner are salaried appointments and receive annual and sick leave entitlements. These roles are not eligible for additional payments.

Where Commissioners act as convenors of divisions, an additional hourly rate may be paid.

For 2025/26, remuneration for Commissioners and Associate Commissioners paid on a daily rate is capped at $371,000 per annum, or $460,500 where convenor responsibilities apply.

### Other payments in respect of Commissioners and Associate Commissioners

The Commission engages an external Chair of the Audit and Risk Committee (ARC). In 2025/26, Warren Allen was paid $17,600 (gross) for this role.

The Commission indemnifies Commissioners and Associate Commissioners in accordance with the Commerce Act and Crown Entities Act.

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

## Cross-appointments with the Australian Competition and Consumer Commission

Under the Single Economic Market Outcomes Framework agreed in 2000 between the New Zealand and Australian Governments, members of each country's competition agency may be cross-appointed to the other agency. The arrangement supports greater consistency in how the two regulators approach competition and consumer issues across the Tasman.

Cross-appointed members of the Commission are appointed as Associate Commissioners and typically contribute to matters involving Australian businesses, including merger determinations.

There are currently two members of the Australian Competition and Consumer Commission cross-appointed to the Commission:

- Anna Brakey
- Stephen Ridgeway

## Disclosures of interests

All Commissioners are required to disclose actual, potential and perceived conflicts of interest to the Minister of Commerce and Consumer Affairs (or, for Telecommunications Commissioners, the Minister for Media and Communications).

The Board maintains a conflicts of interest process and register for all Commissioners. Interests are regularly reviewed to ensure the Commission's independence is maintained and to determine whether any Commissioner should be excluded from consideration of a matter.

# 06

# **Ngā tauākī pūtea ā-tau**
# Annual Financial Statements

This section reports the Commerce Commission's financial performance and financial position for the year ended 30 June 2026. It includes the audited financial statements and supporting notes, providing transparency about the revenue received, resources used and reserves maintained to support our regulatory responsibilities.

# Financial statements overview

The Commission reported a deficit of $1.3 million for the year ended 30 June 2026. This result was consistent with the Commission's strategic decision to utilise savings accumulated in prior years to invest in critical organisational capabilities, including intelligence, data and technology.

The deficit reflects a deliberate 'invest to save' approach adopted in response to the Commission's long-term fiscal outlook. Savings generated through prudent financial management in earlier years have enabled the Commission to invest in priority initiatives that strengthen its future effectiveness and operational capability without requiring additional Crown funding.

While the Commission continues to operate in a constrained fiscal environment, its financial position remains sound. The Commission will continue in the 2026/27 financial year to utilise a portion of its accumulated reserves to fund targeted capability investments while ensuring an underlying sustainable long-term financial position.

This section provides an overview of our financial performance and financial position for the year ended 30 June 2026.

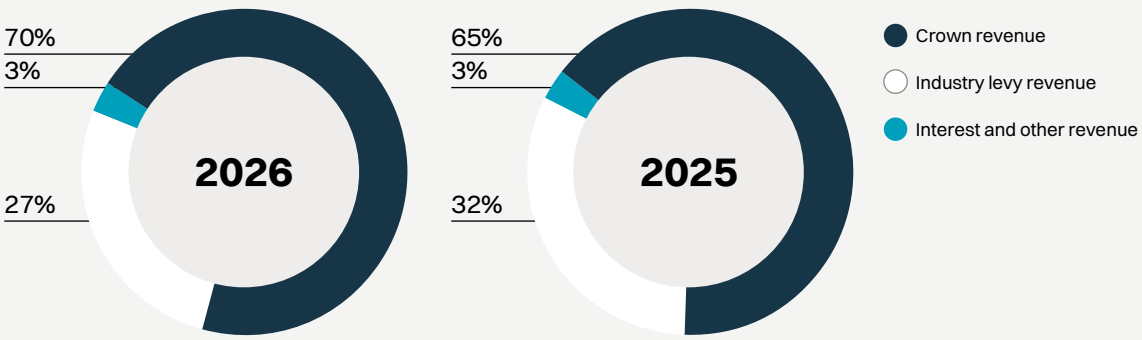
## Revenue

The Commission recorded revenue of $97.87 million in 2025/26, compared with $98.07 million in 2024/25. The slight decrease primarily reflects the phasing of multi-year appropriations, including Telecommunications and Part 4 funding, partially offset by increased funding for Water Regulation.

The majority of the Commission's revenue comes from Crown funding, derived from a combination of general taxation and industry levies, supplemented by interest income, court cost awards and application fees. Crown funding through appropriations provides the resources necessary for the Commission to carry out its regulatory and enforcement functions

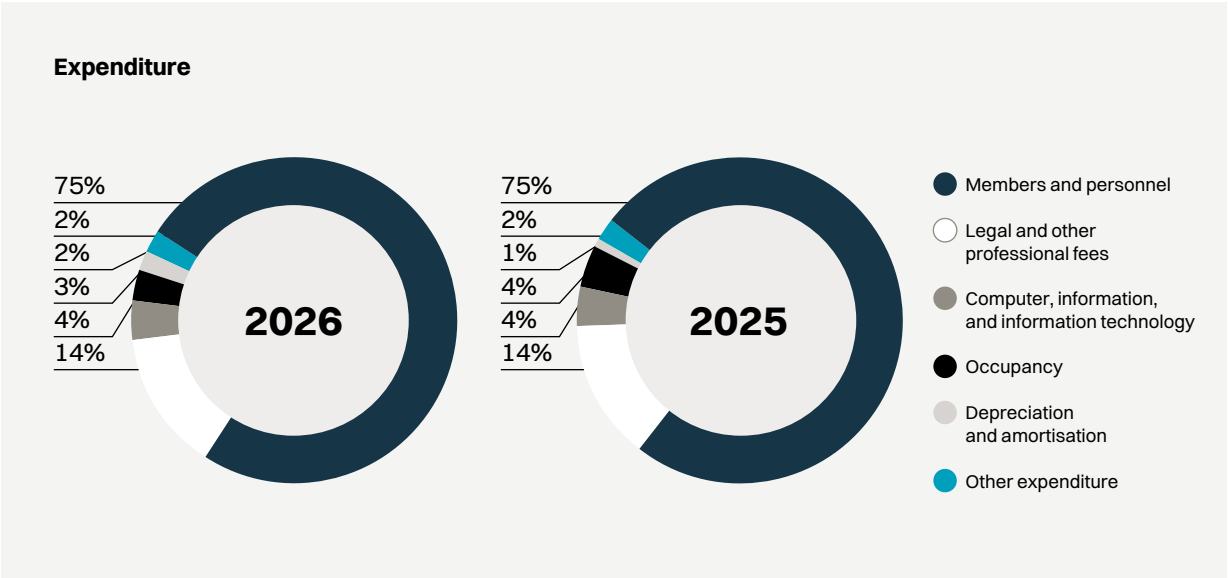
Certain Crown-funded appropriations are subject to restrictions that limit revenue recognition to the level of expenditure incurred. For levy-funded appropriations, any funding received in excess of expenditure over the life of the appropriation must be returned to the Crown. In contrast, unspent funding from the Enforcement of General Market Regulation appropriation may be retained by the Commission within its reserves.

**Revenue contribution**



Industry levy-funded appropriations accounted for 27% of total revenue in 2025/26, compared with 32% in 2024/25. This decrease primarily reflects the increase in Crown funding provided for Water Regulation during the year.

## Expenditure

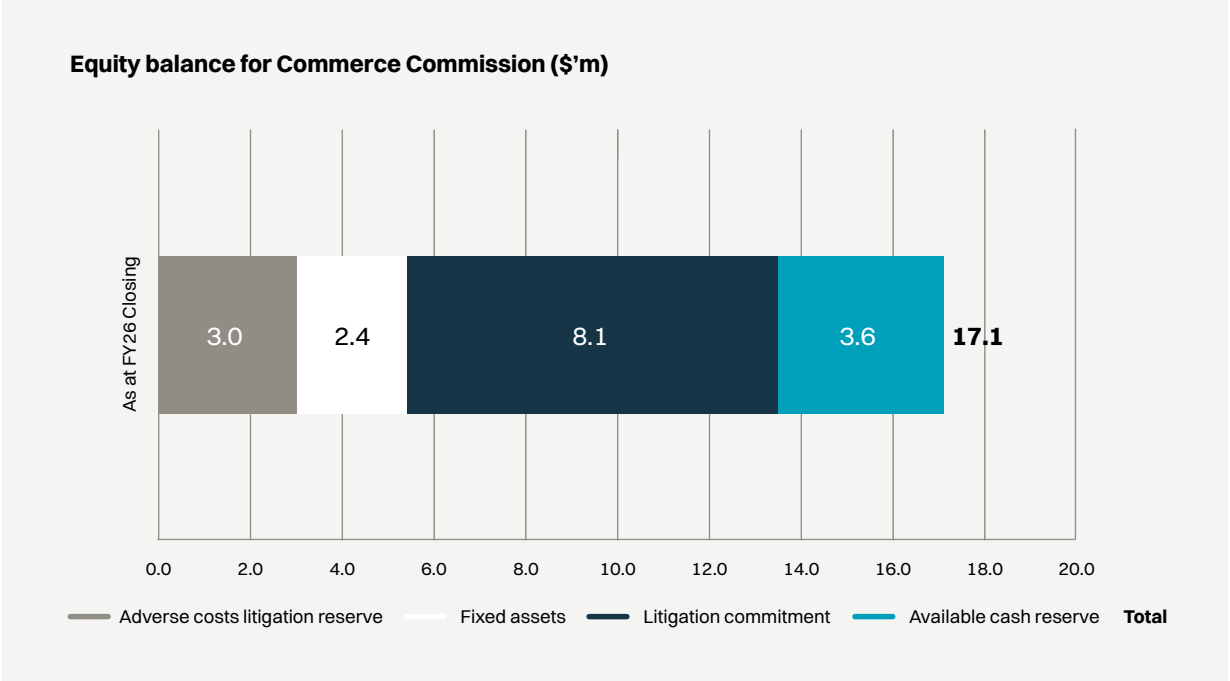



The Commission incurred expenditure of $99.19 million in 2025/26, compared with $95.65 million in 2024/25. Members' and personnel costs remained the largest component of expenditure, accounting for 75% of total expenditure, consistent with the prior year. Overall, the Commission's expenditure profile remained broadly unchanged, reflecting the people-intensive nature of its regulatory, competition and consumer protection functions.

## Reserves and Financial Position

The Commission maintains reserves to manage litigation and other financial risks that can result in significant and unplanned expenditure. This is particularly important given the uncertain and demand-driven nature of litigation activity. To effectively deliver its enforcement functions, the Commission may deliberately commit expenditure in excess of annual litigation funding levels, with reserves providing a safeguard should all planned litigation proceed.

The Commission's total equity as at 30 June 2026 is $17.13 million, a decrease of $1.32 million from the previous year, reflecting the full year deficit.




The Commission's reserves comprise two components:

- Litigation costs reserve – a ring-fenced reserve to help meet adverse cost awards associated with significant litigation. This is currently at its maximum of $3 million.
- General funds – available to manage broader financial risks, support investment in fixed and intangible assets, and provide funding flexibility for future priorities.

Of the Commission's $14.1 million in general funds, approximately $2.4 million is invested in fixed assets, leaving a cash reserve of $11.7 million. These reserves are required to support:

- The over-commitment of major litigation funding across 2026/27 and future years.
- A planned $1.6 million deficit in 2026/27, reflecting strategic investments in areas such as data, intelligence and organisational capability.
- Future capital investment requirements.
- Other unforeseen financial pressures and short-term shocks.

# Te pūrongo a te kaitātari kaute Motuhake
Independent auditor's report

The Audit Office
Te Mana Arotake

**Independent Auditor's Report**

**To the readers of Commerce Commission's financial statements and performance information for the year ended 30 June 2026**

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 The Audit Office, to carry out the audit of the financial statements and performance information on his behalf.

## Opinion

We have audited:

- the financial statements of the Commission that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expense, 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 81 to 105; and
- the performance information that consists of the statement of performance for the year ended 30 June 2026 and the end-of-year performance information for the appropriations for the year ended 30 June 2026 on pages on pages 31 to 57.

In our opinion:

- The financial statements of the Commission present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Standards.
- The performance information is appropriate and meaningful and prepared in accordance with the Commission's measurement bases or evaluation methods and Public Benefit Entity Standards, and presents fairly, in all material respects:
    - the Commission's service performance and actual revenue and expenses for each reportable class of outputs for the year ended 30 June 2026 compared to the forecast standards and budgets included in the statement of performance expectations for the year, and
    - what has been achieved with each appropriation, and the actual expenses or capital expenditure incurred in relation to the appropriation for the year ended 30 June 2026.

## 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 financial statements and the performance information

The Board is responsible on behalf of the Commission for preparing financial statements and performance information that are fairly presented and comply with Public Benefit Entity Standards.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of performance, in accordance with the Commission's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Board is also responsible for the preparation of end-of-year performance information for an appropriation that is prepared in accordance with the entity's measurement bases or evaluation methods and complies with Public Benefit Entity Standards and legislative requirements.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board is responsible on behalf of the Commission for assessing the Commission's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Commission, or there is no realistic alternative but to do so.

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 financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, 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 financial statements and performance information.

For the budget information reported in the financial statements and the performance information, 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 2026.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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 financial statements and performance information, 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 obtain an understanding of the process applied by the Commission to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- We evaluate whether:
    - the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's service performance; and

- the performance information is prepared in accordance with the Commission's measurement bases or evaluation methods, and presents fairly, in all material respects in accordance with Public Benefit Entity Standards, what has been achieved with the appropriation, and for each class of reportable outputs;
    - the actual performance of the Commission as compared with the forecast standards of performance included in the Commission's statement of performance expectations for the financial year; and
    - the actual revenue earned and output expenses incurred as compared to the expected revenues and the proposed output expenses included in the Commission's statement of performance expectations for the financial year.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and performance information 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 financial statements, the performance information consisting of the statement of performance and the end-of-year performance information for appropriations, and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information 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 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)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

For the year ended 30 June 2026 and subsequently, a member of the Audit and Risk Committee of the Commission is a member of the Auditor-General's Public Audit System Committee. The Auditor-General's Public Audit System Committee does not assume any of the Audit Office's management functions. There are appropriate safeguards to reduce any threat to auditor independence, as a member of the Auditor-General's Public Audit System Committee has no involvement in, or influence over, the audit of the Commission.



Ingrid Harris
The Audit Office
On behalf of the Auditor-General
Wellington, New Zealand
30 October 2026

# Ngā tauākī pūtea
Financial statements

## Statement of comprehensive revenue and expense

for the year ended 30 June 2026

| | Notes | 2025/26 Actual $000 | 2025/26 Budget $000 | 2024/25 Actual $000 |
|---|---|---|---|---|
| **Operating revenue** | | | | |
| ***Revenue from non-exchange transactions*** | | | | |
| Revenue – Crown | | 94,759 | 94,355 | 94,877 |
| Fees and Recoveries – Crown Monitor | | 715 | 1,435 | 248 |
| Court cost awards | | 33 | - | 381 |
| **Total revenue from non-exchange transactions** | | **95,507** | **95,790** | **95,506** |
| ***Revenue from exchange transactions*** | | | | |
| Fees and recoveries | | 552 | 50 | 298 |
| Interest | | 1,161 | 1,244 | 1,879 |
| Other revenue | | 646 | 130 | 389 |
| **Total revenue from exchange transactions** | | **2,359** | **1,424** | **2,566** |
| **Total operating revenue** | | **97,866** | **97,214** | **98,072** |
| **Operating expenses** | | | | |
| Commissioners, Associates, and personnel | 1 | 74,782 | 73,312 | 71,815 |
| Legal and other professional fees | 2 | 14,109 | 14,938 | 13,230 |
| Computer, information, and information technology | | 3,665 | 3,876 | 3,566 |
| Occupancy | 3 | 3,327 | 3,212 | 3,714 |
| Depreciation and amortisation | | 1,537 | 1,535 | 1,434 |
| Other expenditure | 4 | 1,768 | 2,332 | 1,890 |
| **Total operating expenses** | | **99,188** | **99,205** | **95,649** |
| **Net operating surplus/(deficit) for the year** | | **(1,322)** | **(1,991)** | **2,423** |
| **TOTAL COMPREHENSIVE REVENUE AND EXPENSE** | | **(1,322)** | **(1,991)** | **2,423** |

The accompanying statement of accounting policies and notes to the financial statements on pages 85 to 105 form part of the financial statements.

## Statement of changes in equity

for the year ended 30 June 2026

| | Notes | 2025/26 Actual $000 | 2025/26 Budget $000 | 2024/25 Actual $000 |
|---|---|---|---|---|
| **Balance at 1 July** | | **18,449** | **16,347** | **16,026** |
| **Comprehensive revenue and expense** | | | | |
| Net operating surplus/(deficit) | | (1,322) | (1,991) | 2,423 |
| **Total comprehensive revenue and expense** | | **(1,322)** | **(1,991)** | **2,423** |
| **Transactions with owner** | | | | |
| Repayment of reserves to the Crown | | - | - | - |
| **Total transactions with owner** | | **-** | **-** | **-** |
| **BALANCE AT 30 JUNE** | | **17,127** | **14,356** | **18,449** |

The accompanying statement of accounting policies and notes to the financial statements on pages 85 to 105 form part of the financial statements.

## Statement of financial position

as at 30 June 2026

| | Notes | 2025/26 Actual $000 | 2025/26 Budget $000 | 2024/25 Actual $000 |
|---|---|---|---|---|
| **Equity** | | | | |
| General funds | 5 | 14,127 | 11,356 | 15,449 |
| Registry function reserve | 5 | - | - | - |
| Litigation cost reserve | 5 | 3,000 | 3,000 | 3,000 |
| **Total equity** | | **17,127** | **14,356** | **18,449** |
| ***Current assets*** | | | | |
| Cash and cash equivalents | 6 | 10,027 | 6,586 | 9,109 |
| Fees and recoveries receivable | | 849 | 222 | 366 |
| Short-term investments | | 15,500 | 12,000 | 22,500 |
| Prepayments | | 2,312 | 2,108 | 1,348 |
| **Total current assets** | | **28,688** | **20,916** | **33,323** |
| ***Non-current assets*** | | | | |
| Property, plant and equipment | 7 | 2,397 | 2,253 | 3,117 |
| Intangibles | 8 | - | - | - |
| **Total non-current assets** | | **2,397** | **2,253** | **3,117** |
| **Total assets** | | **31,085** | **23,169** | **36,440** |
| ***Current liabilities*** | | | | |
| Creditors and other payables | 9 | 3,501 | 2,296 | 3,195 |
| Accrued expenses | | 1,621 | 1,041 | 2,155 |
| Lease incentive | | 204 | 204 | 180 |
| Provisions | 10 | 266 | - | 43 |
| Penalties and cost awards held in trust | 11 | 4 | - | - |
| Crown funding repayable | 12 | 3,577 | 86 | 5,639 |
| Employee entitlements | 13 | 3,999 | 4,650 | 6,131 |
| **Total current liabilities** | | **13,172** | **8,277** | **17,343** |
| ***Non-current liabilities*** | | | | |
| Provisions | 10 | 392 | 392 | 478 |
| Lease incentive | | 394 | 144 | 170 |
| **Total non-current liabilities** | | **786** | **536** | **648** |
| **Total liabilities** | | **13,958** | **8,813** | **17,991** |
| **NET ASSETS** | | **17,127** | **14,356** | **18,449** |

The accompanying statement of accounting policies and notes to the financial statements on pages 85 to 105 form part of the financial statements.

## Statement of cash flows

for the year ended 30 June 2026

| | Notes | 2025/26 Actual $000 | 2025/26 Budget $000 | 2024/25 Actual $000 |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Crown funding received | | 99,521 | 94,355 | 100,516 |
| Fees and recoveries received | | 1,416 | 1,615 | 1,349 |
| Receipts and prepayment of penalties (net) | | - | - | - |
| Interest received | | 1,288 | 1,284 | 1,974 |
| Commissioners, Associates and personnel payments | | (75,672) | (75,459) | (72,635) |
| Supplier payments | | (24,732) | (24,381) | (20,692) |
| Repayment of Crown funding | | (6,820) | (2,762) | (5,321) |
| Goods and services tax (net) | | (266) | (46) | (102) |
| **Net cash inflow/(outflow) from operating activities** | 14 | **(5,265)** | **(5,394)** | **5,089** |
| **Cash flows from investing activities** | | | | |
| Net investments (deposits)/receipts | | 7,000 | 10,500 | (6,500) |
| Property, plant and equipment purchases | | (817) | (863) | (2,074) |
| **Net cash (outflow)/inflow from investing** | | **6,183** | **9,637** | **(8,574)** |
| **Cash flows from financing activities** | | | | |
| Repayment of reserves | | - | - | (3,000) |
| **Net cash (outflow)/inflow from financing** | | **-** | **-** | **(3,000)** |
| **Net (decrease)/increase in cash and cash equivalents** | | **918** | **4,243** | **(6,485)** |
| Opening cash and cash equivalents | | 9,109 | 2,343 | 15,594 |
| **CLOSING CASH AND CASH EQUIVALENTS** | 6 | **10,027** | **6,586** | **9,109** |

In the 2025/26 financial year, the Commission repaid a total of $6.8 million of Crown funding. This comprised $5.6 million relating to the 2024/25 financial year and a further $1.2 million relating to 2025/26, following a reduction in the approved funding requirement for the Electricity Lines Businesses Multi-Year Appropriation.

The equivalent amount payable for the 2025/26 financial year is $3.6 million, which has been recognised as a current liability in the Statement of financial position.

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 85 to 105 form part of the financial statements.

# Tauākī kaupapa kaute
## Statement of accounting policies

for the year ended 30 June 2026

### 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 30 October 2026.

### 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 dollar ($000).

### New or amended standards adopted

There were no new or amended PBE accounting standards that required first-time adoption by the Commission for the year ended 30 June 2026.

### 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*

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. Based on our preliminary assessment, the amendments are not expected to have a material impact on the Commission's financial statements.

### 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 (e.g., 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 are 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 maturities of more than 90 days. 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 2026

### 1. Commissioners, Associates and personnel

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| Salaries and wages (including annual leave and other entitlements) | 67,944 | 67,338 |
| Defined contribution plan employer contributions | 1,951 | 1,789 |
| Redundancy | 765 | (206) |
| Recruitment | 302 | 202 |
| Professional development | 631 | 500 |
| Contractors and temporary Staff | 2,768 | 1,773 |
| Other employment-related costs | 421 | 419 |
| **TOTAL COMMISSIONERS, ASSOCIATES AND PERSONNEL EXPENDITURE** | **74,782** | **71,815** |

Employer contributions to defined contribution plans includes payments to KiwiSaver.

The actual redundancy payments in 2024/25 associated with an organisational change initiated and provisioned for in 2023/24 was lower than initially estimated.

Redundancy costs recognised in 2025/26 relate to several organisational change processes, some of which were completed by 30 June 2026, and others have been provisioned based on estimates for payments which are expected to be paid in the next financial year.

### 2. Legal and other professional fees

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| Legal consultants | 9,131 | 7,222 |
| Other consultants and experts | 2,784 | 3,845 |
| Specialist support services | 2,114 | 2,065 |
| Court cost awards | 13 | 0 |
| Other expenses | 67 | 98 |
| **TOTAL LEGAL AND OTHER PROFESSIONAL FEES** | **14,109** | **13,230** |

In 2025/26 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 2025/26 is a result of the effort to reduce the utilisation of consultants.

## 3. Occupancy

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| Operating leases – rent | 2,652 | 2,719 |
| Other occupancy expenses | 675 | 995 |
| **TOTAL OCCUPANCY** | **3,327** | **3,714** |

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

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| Telecommunications | 294 | 314 |
| Travel | 933 | 900 |
| Postage, photocopying and stationery | 94 | 103 |
| Publications and knowledge sharing | 188 | 254 |
| Loss on disposal of assets | 4 | 36 |
| Fees to Auditors | | |
| Fees for annual audit | 112 | 103 |
| Other expenses | 143 | 180 |
| **TOTAL OTHER EXPENDITURE** | **1,768** | **1,890** |

## 5. Equity

The Commission's deficit for the year of $1.3 million (2025: surplus of $2.4 million) flows to our general funds reserve and equals the Commission's total comprehensive revenue and expenses for the year. In 2025/26 there were no movements in the litigation costs reserve, which is a separate reserve with a maximum balance of $3.0 million.

General Funds

| | 2026 Actual $000 | 2025 Actual $000 |
|---|---|---|
| **Balance at 1 July** | **15,449** | **13,528** |
| Total comprehensive revenue and expense attributable | (1,322) | 2,423 |
| Less reserves paid to Crown | - | 0 |
| Movement in Equity | | (502) |
| **Balance at 30 June** | **14,127** | **15,449** |

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.

Registry function reserve

| | 2026 Actual $000 | 2025 Actual $000 |
|---|---|---|
| **Balance at 1 July** | **-** | **(502)** |
| Total comprehensive revenue and expense attributable | - | - |
| Movement in Equity | - | 502 |
| **Balance at 30 June** | **-** | **-** |

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

| | 2026 Actual $000 | 2025 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

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| Cash on hand and at bank | 10,026 | 9,109 |
| Cash held in trust | 1 | - |
| **BALANCE AT 30 JUNE** | **10,027** | **9,109** |

While cash and cash equivalents at 30 June 2026 are subject to the expected credit loss requirements of PBE IFRS 9, 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 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** |

| | Computer and office equipment $000 | Furniture and fittings $000 | Leasehold improvements $000 | Motor vehicles $000 | Total $000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2025** | **4,689** | **1,561** | **5,037** | **51** | **11,338** |
| Additions | 651 | 24 | 144 | - | 819 |
| Disposals | (8) | (253) | - | - | (261) |
| **BALANCE AT 30 JUNE 2026** | **5,332** | **1,332** | **5,181** | **51** | **11,896** |

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 2024** | **3,079** | **1,239** | **3,114** | **51** | **7,483** |
| Depreciation expense | 769 | 108 | 523 | - | 1,400 |

| | Computer and office equipment $000 | Furniture and fittings $000 | Leasehold improvements $000 | Motor vehicles $000 | Total $000 |
|---|---|---|---|---|---|
| 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** |

| | Computer and office equipment $000 | Furniture and fittings $000 | Leasehold improvements $000 | Motor vehicles $000 | Total $000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2025** | **3,222** | **1,313** | **3,635** | **51** | **8,221** |
| Depreciation expense | 794 | 101 | 642 | - | 1,537 |
| Impairment Loss | - | - | - | - | - |
| Elimination on disposal | (6) | (253) | - | - | (259) |
| **BALANCE AT 30 JUNE 2026** | **4,010** | **1,161** | **4,277** | **51** | **9,499** |

Carrying amounts:

| | Computer and office equipment $000 | Furniture and fittings $000 | Leasehold improvements $000 | Motor vehicles $000 | Total $000 |
|---|---|---|---|---|---|
| As at 1 July 2024 | 1,336 | 262 | 855 | 0 | 2,453 |
| As at 1 July 2025 | 1,467 | 248 | 1,402 | 0 | 3,117 |
| **BALANCE AT 30 JUNE 2026** | **1,322** | **171** | **904** | **0** | **2,397** |

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 2024** | **346** | **346** |
| Additions | - | - |
| Disposals | - | - |
| **BALANCE AT 30 JUNE 2025** | **346** | **346** |

| | Acquired software $000 | Total $000 |
|---|---|---|
| **Balance at 1 July 2025** | **346** | **346** |
| Additions | - | - |
| Disposals | - | - |
| **BALANCE AT 30 JUNE 2026** | **346** | **346** |

Accumulated amortisation and impairment losses:

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

| | Acquired software $000 | Total $000 |
|---|---|---|
| **Balance at 1 July 2025** | **346** | **346** |
| Amortisation expense | - | - |
| Disposals | - | - |
| **BALANCE AT 30 JUNE 2026** | **346** | **346** |

Carrying amounts:

| | Acquired software $000 | Total $000 |
|---|---|---|
| At 1 July 2024 | 24 | 24 |
| At 1 July 2025 | - | - |
| **BALANCE AT 30 JUNE 2026** | **-** | **-** |

## 9. Creditors and other payables

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| **Payables under exchange transactions** | | |
| Creditors | 567 | 1,273 |
| Total payables under exchange transactions | 567 | 1273 |
| **Payables under non-exchange transactions** | | |
| PAYE and other taxes withheld for payment to the Crown | 2,178 | 1,071 |
| Goods and services tax payable to the Crown | 756 | 851 |
| Total payables under non-exchange transactions | 2,934 | 1,922 |
| **TOTAL CREDITORS AND OTHER PAYABLES** | **3,501** | **3,195** |

## 10. Provisions

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| **Current** | | |
| Restructuring Provision | 266 | 43 |
| **Total Current Provisions** | **266** | **43** |
| **Non-Current** | | |
| Restructuring Provision | - | 86 |
| Lease Make-Good Provision | 392 | 392 |
| **Total Non Current Provisions** | **392** | **478** |
| **TOTAL PROVISIONS** | **658** | **521** |

Movements for each class of provisions are as follows:

| | Lease Make-Good Provision $000 | Restructuring provision $000 | Total $000 |
|---|---|---|---|
| **BALANCE AT 1 July 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** |
| Additional Provision made | - | 266 | 266 |
| Amounts used | - | (43) | (43) |
| Unused Amounts Reversed | - | (86) | (86) |
| **BALANCE AT 30 June 2026** | **392** | **266** | **658** |

Restructuring Provision:

The 2024/25 restructure was finalised in 2025/26, resulting in the winding up of the remaining part of the provision 30 June 2025. In the second half of the 2025/26 year two new restructures were carried out, with some redundancies still to be finalised by 30 June 2026, resulting in new provisions made.

Lease Make Good Provision:

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

## 11. Penalties and cost awards held in trust

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| **Balance at the beginning of the year** | | |
| Court cost awards compensation received (or recognised as receivable), and interest earned | 8,744 | 6,391 |
| Infringement fees received (or receivable) and paid to the Crown (net) | 4 | - |
| Court cost awards, compensation, and interest paid out | (8,744) | (6,391) |
| **BALANCE AT THE END OF THE YEAR** | **4** | **-** |

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.

At 30 June 2026 a small amount of infringement fees received was still kept in the account, as it is only a part-payment of the full infringement fee due to be paid. The full amount will be returned to the Crown once the residual amount has been received.

Components of penalties and cost awards held in trust:

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| Infringement fees due to the Crown (including receivable) | 4 | 0 |
| Court cost awards and compensation due to Crown or other parties | 0 | 0 |
| **BALANCE AT THE END OF THE YEAR** | **4** | **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

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| Net Crown appropriations drawn down | 97,870 | 99,780 |
| Less total Commission recognised Revenue - Crown | (94,759) | (94,877) |
| Less appropriation repaid during the year | - | - |
| **Appropriation repayable to the Crown (excluding GST)** | **3,111** | **4,903** |
| GST on appropriation repayable | 466 | 736 |
| **Total appropriation repayable to the Crown** | **3,577** | **5,639** |
| Comprised of: | | |
| *Dairy* | *1,277* | *1205* |
| *Electricity line services* | *432* | *1605* |
| *Gas pipeline services* | *36* | *172* |
| *Major litigation* | *383* | *820* |
| *Market Studies (also known as competition studies)* | *124* | *371* |
| *Specified airports services* | *92* | *157* |
| *Telecommunications (including fibre)* | 1,233 | 1,309 |
| Add Prior year Crown funding retained in reserves repayable | - | - |
| **TOTAL CROWN FUNDING REPAYABLE** | **3,577** | **5,639** |

The Commission receives funding from the Crown via appropriations. The Commission receives its appropriations quarterly in advance 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 $3.58m 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 draw down and expenditure. These funds are held temporarily and returned to the Crown once final expenditure is confirmed, in accordance with legislative and appropriation requirements.

## 13. Employee entitlements

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| Accrued salaries and wages | 43 | 2,029 |
| Annual leave | 3,806 | 3,952 |
| Accrued performance and at-risk incentives | 150 | 150 |
| **TOTAL EMPLOYEE ENTITLEMENTS** | **3,999** | **6,131** |

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

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| **Operating surplus for the year** | **(1,322)** | **2,423** |
| **Non-cash items:** | | |
| Depreciation and amortisation | 1,537 | 1,434 |
| Lease incentives recognised | 248 | (229) |
| **Total non-cash items** | **1,785** | **1,205** |
| **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** |
| **Change in statement of financial position items** | | |
| Fees and recoveries receivable | (483) | 133 |
| Prepayments | (964) | 578 |
| Creditors and other payables | 306 | 643 |
| Accrued expenses | (534) | 328 |
| Provisions | 137 | (642) |
| Crown funding repayable | (2,062) | 318 |
| Penalties and cost awards held in trust | 4 | - |
| Employee entitlements | (2,132) | 72 |
| **Total change in statement of financial position items** | **(5,728)** | **1,430** |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES** | **(5,265)** | **5,089** |

## 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 2026 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 2026 (see note 16).

## 16. Contingent liabilities and assets

The Commission regularly has matters before the courts that may give rise to future assets or liabilities. A contingent liability is disclosed unless the possibility of an outflow of resources is remote. A contingent asset is disclosed only where an inflow of economic benefits or service potential is probable. Where judgement has not yet been issued, an inflow is generally not considered probable, and therefore no contingent asset is disclosed. We do not treat penalties as contingent assets of the Commission, as any penalties if received will be payable to the Crown.

The Commission is involved in civil proceedings, including enforcement action and appeals against its decisions, and criminal prosecutions. Not all civil proceedings give rise to contingent assets or liabilities, as some do not involve potential cost awards.

Criminal prosecutions under the Fair Trading Act, the 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 as contingencies of the Commission. Any costs awarded in the Commission's favour are payable to the Crown. Costs are rarely awarded against the Commission in criminal proceedings, but where they are, they are paid by the Crown.

A number of civil and criminal proceedings currently underway may give rise to penalties. Hearings and decisions are scheduled in the coming months, and the outcome of these cases is uncertain. The financial impact of these proceedings cannot be reliably estimated.

### Contingent liabilities as at 30 June 2026:

*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. A court hearing was held on 16 July 2026, with judgement reserved. No costs were awarded in the High Court. However, Eagle M.A.N has sought the filing fee as a disbursement. If Eagle M.A.N is successful, the court may award the filing fee sought against the Commission.

### 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 Fair Trading 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 assets as at 30 June 2026:**

*Nelson Building Society*

The Commission brought proceedings against Nelson Building Society for breaches of the Credit Contracts and Consumer Finance Act. The parties agreed jointly to recommend to the court a penalty of $825,500 and a cost contribution of $50,000 payable to the Commission. A court hearing was held on 1 September 2026, with judgement on 3 September 2026. The penalty is payable to the Crown, but a cost contribution represents a contingent asset for the Commission pending finalisation of the court's decision.

*TSB Bank Limited*

The Commission brought proceedings against TSB Bank Limited for breaches of the Credit Contracts and Consumer Finance Act. The parties agreed jointly to recommend to the court a penalty of between $877,500 and $910,000 and separately agreed a cost contribution of $50,000 payable to the Commission. A court hearing was held on 2 September 2026, with judgement on 14 October 2026. The penalty is payable to the Crown, but a costs contribution represents a contingent asset for the Commission pending finalisation of the court's decision.

*ASB Bank Limited*

The Commission brought proceedings against ASB Bank Limited for breaches of the Credit Contracts and Consumer Finance Act. The parties agreed jointly to recommend to the court a penalty of $5.796 million and separately agreed a costs contribution of $100,000 payable to the Commission. A court hearing was held on 15 October 2026, with judgement reserved. The penalty is payable to the Crown, but a costs contribution represents a contingent asset for the Commission pending finalisation of the court's decision.

*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 appealed the judgement and the Commission defended the appeal and cross appealed one aspect of the High Court's findings. The Court of Appeal hearing took place on 14-15 October 2025, with the judgement still pending. If Viagogo's appeal is successful, there is a possibility that costs could be awarded against the Commission. Conversely the Commission may be entitled to a further costs award if Viagogo's appeal is unsuccessful.

**Contingent assets as at 30 June 2025:**

*Viagogo*

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 judgement, 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 judgement 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.

## 17. Financial instruments

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

Monetary assets:

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| **Financial assets measured at amortised cost** | | |
| Cash and cash equivalents | 10,027 | 9,109 |
| Fees and recoveries receivable | 849 | 366 |
| Short-term investments | 15,500 | 22,500 |
| **TOTAL MONETARY ASSETS** | **26,376** | **31,975** |

Monetary liabilities:

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| **Financial liabilities measured at amortised cost** | | |
| Creditors | 3,501 | 3,195 |
| Penalties and cost awards held in trust | 4 | - |
| Crown funding repayable | 3,577 | 5,639 |
| **TOTAL MONETARY liabilities** | **7,082** | **8,834** |

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 2026 and 30 June 2025. The average interest rate on interest-bearing term deposits over the year was 3.84% (2025: 5.30%). A 1% (100 basis points) change in interest rates, with all other factors unchanged, would change interest earnings by $142,111 (2025: $134,692).

### 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 $153,596 (2025: $109,563), while a 10% decrease in exchange rates would increase expenditure by $187,728 (2025: $133,910).

## 18. Operating (non-cancellable) leases

Operating (non-cancellable) lease payments due:

| | 2025/26 Actual $000 | 2024/25 Actual $000 |
|---|---|---|
| Within 1 year | 2,376 | 2,806 |
| Within 1 to 2 years | 2,397 | 2,825 |
| Within 2 to 5 years | 7,127 | 2,714 |
| After 5 years | 3,106 | 1,201 |
| **TOTAL OPERATING (NON-CANCELLABLE) LEASES DUE** | **15,006** | **9,546** |

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 expires on 30 June 2033. 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:

| | 2025/26 Actual $000 | 2024/25 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 Digital Economy and Communications.

Related party transactions with other government entities (e.g., 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 (2025: $nil).

### Key management personnel

| | 2025/26 Actual $0 | 2024/25 Actual $0 |
|---|---|---|
| Commissioners and Associates remuneration | 4,002 | 4,285 |
| Senior Leadership Team remuneration | 2,791 | 2,601 |
| **TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION** | **6,793** | **6,886** |

| | 2025/26 Actual No. of FTEs | 2024/25 Actual No. of FTEs |
|---|---|---|
| Commissioners and Associates | 8.9 | 9.4 |
| Senior Leadership Team | 8.3 | 8.3 |
| **TOTAL KEY MANAGEMENT PERSONNEL FULL-TIME EQUIVALENTS** | **17.2** | **17.7** |

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 30 October 2026. Significant matters are disclosed below.

*Nelson Building Society*

The Commission brought proceedings against Nelson Building Society for breaches of the Credit Contracts and Consumer Finance Act. The parties agreed jointly to recommend to the court a penalty of $825,500 and separately agreed a cost contribution of $50,000 payable to the Commission. A court hearing was held on 1 September 2026, with judgement on 3 September 2026. This money has since been received on 21 September 2026. The matter is a non-adjusting event after the balance date and has been disclosed as a contingent asset in Note 16.

*TSB Bank Limited*

The Commission brought proceedings against TSB Bank Limited for breaches of the Credit Contracts and Consumer Finance Act. The parties agreed jointly to recommend to the court a penalty of between $877,500 and $910,000, and separately agreed a cost contribution of $50,000 payable to the Commission. A court hearing was held on 2 September 2026, with judgement on 14 October 2026. The penalty of $877,500 and cost contribution has since been received on 20 October 2026. The matter is a non-adjusting event after balance date and has been disclosed as a contingent asset in Note 16.

*ASB Bank Limited*

The Commission brought proceedings against ASB Bank Limited for breaches of the Credit Contracts and Consumer Finance Act. The parties agreed jointly to recommend to the court a penalty of $5.796 million and separately agreed a costs contribution of $100,000 payable to the Commission. A court hearing was held on 15 October 2026, with judgement reserved. The matter is a non-adjusting event after the balance date and has been disclosed as a contingent asset in Note 16.

## 23. Explanation of significant variances against budget

Significant variations from the budgeted figures in the Statement of Performance Expectations 2025/26 are set out in the table below. Explanations for each variance are found underneath.

| | Note | 2025/26 Actual $000 | 2025/26 Budget $000 | Variance $000 |
|---|---|---|---|---|
| **Statement of comprehensive revenue and expense** | | | | |
| Other Revenue | 1 | 646 | 130 | 516 |
| Commissioners, Associates and Personnel | 2 | 74,782 | 73,312 | 1,470 |
| Legal and Other Professional Fees | 3 | 14,109 | 14,938 | (829) |
| **Statement of financial position** | | | | |
| Cash and Cash Equivalents | 4 | 10,027 | 6,586 | 3,441 |
| Short Term Investments | 5 | 15,500 | 12,000 | 3,500 |
| Creditors and Other Payables | 6 | 3,501 | 2,296 | 1,205 |
| Crown Funding Repayable | 7 | 3,577 | 86 | 3,491 |
| Employee Entitlements | 8 | 3,999 | 4,650 | (651) |
| **Statement of cash flows** | | | | |
| Crown Funding Received | 9 | 99,521 | 94,355 | 5,166 |
| Repayment of Crown Funding | 10 | (6,820) | (2,762) | (4,058) |

### Explanatory notes

1) Other Revenue was $0.5 million higher than budget. The variance primarily reflects additional employee secondment arrangements during the year, resulting in higher recoveries from other agencies than anticipated.
2) Commissioners, Associates and Personnel expenditure was $1.5 million higher than budget. The variance primarily reflects restructuring and redundancy costs incurred during the year as part of organisational changes intended to support a more sustainable cost base in future periods.
3) Legal and Other Professional Fees were $0.8 million lower than budget. The variance was primarily due to lower expenditure on contractors, consultants and other professional services than anticipated.
4) Cash and Cash Equivalents were $3.4 million higher than budget. The variance reflects a stronger closing cash position than anticipated, driven by lower expenditure and a lower operating deficit than forecast, together with a higher Crown funding repayable balance at year end.
5) Short-term Investments were $3.5 million higher than budget. Higher cash balances available during the year enabled a greater level of funds to be invested in short-term deposits than anticipated.
6) The variance of $1.2 million in Creditors and Other Payables was primarily driven by higher payroll-related liabilities, including statutory deductions, recognised at year-end because of payroll timing and balance date accruals.
7) Crown funding repayable was $3.5 million greater than budgeted mainly due to underspends in some of our levy-funded output classes (See note 12)
8) Employee Entitlements were $0.7 million lower than budget. The variance reflects lower leave liabilities at year end than anticipated, primarily due to employee departures and redundancy-related leave settlements during the year.
9) Crown Funding Received was $5.2 million higher than budget. The variance primarily relates to the delayed transfer of the consumer credit function to the Financial Markets Authority, resulting in Crown funding being received for a longer period than originally assumed.
10) Repayment of Crown Funding was $4.1 million higher than budget. The variance primarily reflects the repayment of the Electricity Authority multi-year appropriation funding and a higher opening Crown funding repayable balance than anticipated.

# **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 aren't 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. |

# A

# **Appendix A:** Impact Indicators

This appendix provides detailed results for the impact indicators from the Commerce Commission's Statement of Intent 2023-2027. These indicators help us understand whether our activities are contributing to the outcomes we seek to achieve for New Zealanders and provide supporting evidence for the outcome assessments presented in Section 2. They should be read alongside the narrative analysis and performance assessments in the main report.

Appendix A supports the strategic outcome analysis in Section 2 and does not form part of the Commission's audited statement of performance.



## **Kaitiakitanga** | Stewardship

The indicators in this table provide the evidence that supports the stewardship assessment in Section 2. They help us understand whether trust and confidence in the Commission and the regulatory systems we administer are strengthening over time, including how New Zealanders, businesses, and stakeholders perceive our reputation, openness and engagement.

| | | | Results | | |
|---|---|---|---|---|---|
| **Impact** | **Indicator measure** | **Target** | **25/26** | **24/25** | **23/24** |
| Viewed as a modern and responsive regulator | Public sector reputation index | Trending up | 67[26] | 65 | 63 |
| Visible and engaging proactively with stakeholders | Perception of openness | Trending up | 48% consumers | 44% - consumers | N/A |
| | | | 53% businesses | 47% - businesses | N/A |
| Supporting Māori to achieve their aspirations through our work and engagement | Māori perceptions of the Commission | Trending up | N/A[27] | N/A[22] | N/A[22] |
| Ensuring our processes are open and transparent | Perception of engagement | Trending up | 66% | 57% | 62% |

## **Mākete whakataetae** | Competitive markets

The indicators in this table provide the evidence that supports the competitive markets assessment in Section 2. They help us understand whether competition is improving over time by measuring business understanding of competition law, market concentration, barriers to entry and competitive conditions in the sectors we monitor and regulate.

| | | | Results | | |
|---|---|---|---|---|---|
| **Impact** | **Indicator measure** | **Target** | **25/26** | **24/25** | **23/24** |
| Anti-competitive conduct is deterred | Business understanding of anti-competitive conduct | Business understanding increasing | 61%[28] | 55% | N/A |
| | | | 44%[29] | 42% | N/A |
| | Deterrence case study | Two case studies undertaken that demonstrate the Commission's interventions | Achieved refer to case studies following | Achieved refer to case studies listed | Achieved |
| Harmful concentration of market power is prevented | Ex-post review of mergers | Lessons learned from ex-post reviews are adopted by the Commission | Achieved | N/A | Achieved |

26 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 3,500 New Zealanders (nationally representative sample by age, gender, region, ethnicity and income by household size) was conducted between 2-31 March 2026.
27 Not reported due to small sample size.
28 The Commission uses the biannual survey of businesses to ascertain if they know their obligations under competition laws and the consequences of non-compliance.
29 The annual survey ascertains if businesses know their obligations and risks and consequences under Parts 2 and 3 of the Commerce Act.

| | | | Results | | |
|---|---|---|---|---|---|
| **Impact** | **Indicator measure** | **Target** | **25/26** | **24/25** | **23/24** |
| Barriers to entry, harm caused by imbalances in market power and information asymmetries are identified and reduced | Market case studies | 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 | N/A | The final report on the market study covering personal banking services in New Zealand was published on 20 August 2024 | N/A |
| For sectors we regulate this would mean competition improves, resulting in benefits to New Zealanders | • A suite of measures for each sector developed and monitored:<br>– Groceries<br>– Tele-communication<br>– Fuel<br>– Retail Payments | The national retail grocery market share concentration of regulated grocery retailers reduces over time [HHI between 3,000-4,000 (high concentration)] | 3,585 | 3,601 | 3,559 |
| | | Herfindahl-Hirschman Index (for broadband and mobile sectors of the telecommunications market) reduces over time.[30]<br>Broadband – HHI between 1,500 and 2,500 (moderate concentration) | 1,782 | 2,040 | 2,101 |
| | | Mobile – HHI between 3,000 and 4,000 (high concentration) | 3,289 | 3,343 | 3,453 |
| | | Multi-sourcing of wholesale fuel. The percentage of wholesale volume that is multi-sourced.[31]<br>(At least 45%) | 61% | 60% | New measure |
| | | Competitiveness of acquiring market improves over time.<br>(Share of providers outside the top 4 increases over time) | 42% | 31% | 21% |

30 The 2025/26 results are sourced from the 2025 Telecommunications Annual Monitoring Report published in June 2026 and reflect market conditions during the 2025 calendar year. Due to the annual data collection and reporting cycle, results are reported one year in arrears. The 2024/25 and 2023/24 figures similarly reflect market conditions in 2024 and 2023 respectively.

31 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.

## **Tauhokohoko tōkeke** | Fair Trade

The indicators in this table provide the evidence that supports the Fair Trade assessment in Section 2. They help us understand whether consumers and businesses can participate confidently in markets by measuring consumer awareness of rights, business understanding of obligations, consumer confidence and other indicators of consumer protection.

| | | | Results | | |
|---|---|---|---|---|---|
| **Impact** | **Indicator measure** | **Target** | **25/26** | **24/25** | **23/24** |
| Consumers have the information they need to know their rights and make informed choices | Consumer understanding of their rights | Consumer understanding increasing over time | 58% | N/A | 56% |
| Businesses have the information they need to know their obligations | Business understanding of obligations and consequences | Understanding of obligations increases | 85% | N/A | 84% Fair Trading Act |
| | Lender seminar attendance | Percentage of certified lenders attending seminars increasing | 20.5% | 28.5% | 34% |
| Consumer interests are protected | Consumer confidence | Confidence increasing over time | 41% | N/A | 41% |
| | Business understanding of consequences of non-compliance | Understanding increasing over time | 61% | N/A | 58% Fair Trading Act |

## **Ngā Tino Ratonga** | Essential services

The indicators in this table provide the evidence that supports the Essential Services assessment in Section 2. They help us understand whether consumers receive quality and value from reliable essential services by measuring service reliability, transparency and public scrutiny, and whether regulatory settings are limiting the ability of infrastructure providers to earn excessive returns.

| | | | Results | | |
|---|---|---|---|---|---|
| **Impact** | **Indicator measure** | **Target** | **25/26** | **24/25** | **23/24** |
| Essential services providers are delivering services of appropriate quality at reasonable cost | **Electricity distribution** – unplanned SAIDI[32] | Reliability measures are maintained[33] | 98.5 | 136.6 | 410.6 |
| | **Electricity distribution** – SAIFI [34] | | 1.28 | 1.54 | 1.98 |
| | **Electricity transmission** – unplanned HVAC[35] circuit unavailability (%) | | 0.03% | 0.07% | 0.49% |
| | **Electricity transmission** – unplanned HVDC[36] bi-pole unavailability (%) | | 0.65% | 0.06% | 0.05% |
| | **Gas distribution** – unplanned SAIDI | | 127.8 | 122.43 | 263.27 |
| | **Gas transmission** – number of unplanned interruptions | | 4 | 4 | 9 |
| | **Fibre** – average unplanned downtime for customers | | 1.69 | 1.48 | 1.46 |
| | **Airport** – average Airport Service Quality Survey (ASQ) Score | | 4.10 | 4.04 | 3.97 |
| Performance of essential services is monitored and reported on to enable effective public scrutiny | Total unique views on key dashboards/ reports produced for regulated electricity suppliers | Number of unique users accessing increases | 16,271 | 19,127 | 19,747 |
| | Total unique views on key dashboards/ reports produced for regulated gas suppliers | | 1,204 | 1,398 | 1,102 |
| | Total unique views on key dashboards/ reports produced for regulated fibre suppliers | | 2,821 | 1,238 | 155 |
| | Total unique views on jet dashboards/reports produced for regulated airport services | | 4,967 | 11,165 | 7,922 |

32 System Average Interruption Duration Index
33 Lower numbers are better except for airport quality.
34 System Average Interruption Frequency Index
35 High-Voltage Alternating Current
36 High-Voltage Direct Current

| | | | Results | | |
|---|---|---|---|---|---|
| **Impact** | **Indicator measure** | **Target** | **25/26** | **24/25** | **23/24** |
| The ability to extract excessive profits for essential infrastructure is limited | Electricity distribution – weighted average industry returns compared to weighted average cost of capital (non-exempt EDBs), five-year average | Ratio within reasonable bounds | 6.27% < 6.62% | 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 | | 5.90% < 6.62% | 6.22% < 7.06% | 6.35% < 6.99% |
| | Electricity transmission – weighted average industry returns compared to weighted average cost of capital, five-year average | | 4.03% < 6.81% | 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 | | 7.72% < 8.26% | 7.44% < 7.98% | 7.48% < 7.87% |
| | Chorus – returns compared to weighted average cost of capital, four-year average | | 6.69% < 7.52% | 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 | | 8.31% > 7.52% | 8.65% > 7.31% | 9.25% > 8.59% |
| | Specified airport services – weighted average industry returns compared to weighted average cost of capital | | 5.12% < 8.94% | 3.86% < 8.53% | 3.85% < 8.18% |

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