



COVERSHEET

Minister	Hon Scott Simpson	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Changes to improve competition settings	Date to be published	16 September 2025

List of documents that have been proactively released

Date	Title	Author
June 2025	Commerce Act Review – Changes to improve competition settings	Office of the Minister of Commerce and Consumer Affairs
25 June 2025	Commerce Act Review – Changes to improve competition settings ECO-25-MIN-0098 Minute	Cabinet Office
August 2025	Commerce Act Review – Further changes to improve competition settings	Office of the Minister of Commerce and Consumer Affairs
20 August 2025	Commerce Act Review – Further changes to improve competition settings ECO-25-MIN-0134 Minute	Cabinet Office
20 August 2025	Regulatory Impact Statement – Targeted review of the Commerce Act 1986	MBIE
August 2025	Commerce Commission Governance and Effectiveness	Office of the Minister of Commerce and Consumer Affairs
20 August 2025	Commerce Commission Governance and Effectiveness ECO-25-MIN-0133 Minute	Cabinet Office
13 June 2025	Governance and Effectiveness Review of the Commerce Commission – Final Recommendations Report	Dame Paula Rebstock, Professor Allan Fels AO, David Hunt
June 2025	Commerce Commission – Response to the Governance and Effectiveness Review	Commerce Commission

Information redacted

YES / NO (please select)

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of confidential advice to Government.



Cabinet Economic Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Commerce Commission: Governance and Effectiveness

Portfolio **Commerce and Consumer Affairs**

On 20 August 2025, the Cabinet Economic Policy Committee (ECO):

- 1 **noted** that in September 2024, ECO agreed to progress a review of the Commerce Commission's (the Commission's) board performance and governance arrangements to ensure the Commission has the right expertise and governance arrangements to make effective and timely decisions [ECO-24-MIN-0206];
- 2 **noted** that on 13 June 2025, the Review of Commission Governance and Effectiveness (the review) was completed with the presentation of the final report, containing 32 recommendations;
- 3 **agreed** to accept the review's findings, as outlined in the paper under ECO-25-SUB-0133, relating to the Commission's strengths and challenges;
- 4 **noted** that the Commission supports the recommendations that are within its mandate to lead and is progressing their implementation;

Structural change

- 5 **agreed** that the Commission's preferred option, involving establishing a new Governance and Strategy Committee to the board (option 1), is insufficient to be assured of the business transformation and benefits that the Government is seeking over the longer term;
- 6 **agreed in principle**, subject to the further work outlined in paragraph 7 below, to structural reforms to establish a new board as the Commission's governance body and a specialist panel for key regulatory decisions (option 2);
- 7 **directed** the Ministry of Business, Innovation and Employment (MBIE) to further develop option 2, identifying the necessary legislative changes and an implementation plan to manage the transition, consistent with the principles to guide reform as outlined in the paper under ECO-25-SUB-0133, and including:
 - 7.1 modifying the mechanism for Associate Commissioners in the Commerce Act 1986 (the Act) so that it is consistent with the new panel to be established for certain regulatory decision-making matters;
 - 7.2 repealing the Division mechanism in the Act and replacing it with a modified Committee mechanism (as provided in the Crown Entities Act 2004) for regulatory decision-making, along with any additional measures desirable to support this;

8 **agreed** to transition the current Commission chair, Dr John Small, across to the new oversight board once it is established for the remainder of his term, to July 2030, to facilitate stability;

9 Confidential advice to Government

Non-structural change

10 **agreed** to require the Commission to prepare and publish an annual State of Competition in New Zealand report and consider how it can use this report to proactively engage with the Government and MBIE on those matters;

11 **noted** that the reviewers endorsed the outcomes of the review of the Act relating to new statutory timeframes for merger reviews (discussed in the companion paper, *Commerce Act Review: Further Changes to Improve Competition Settings* [ECO-25-SUB-0134]) and strengthening the Commission's powers to manage confidential information [ECO-25-MIN-0098];

12 **noted** that MBIE will monitor the Commission's funding arrangements to identify any unnecessary rigidities in the apportionment of funds, with an initial focus on reviewing the Commission's litigation fund;

Legislative implications

13 **noted** that the agreed proposals relating to Part 1 of the Act may be given effect through the Commerce (Promoting Competition and Other Matters) Amendment Bill, which holds a Confidential advice to Government

14 Confidential advice to Government

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour
Rt Hon Winston Peters
Hon Nicola Willis (Chair)
Hon Chris Bishop
Hon Brooke van Velden
Hon Shane Jones
Hon Paul Goldsmith
Hon Louise Upston
Hon Dr Shane Reti
Hon Tama Potaka
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Nicola Grigg
Hon Mark Patterson
Hon James Meager
Hon Scott Simpson
Simon Court MP

Officials present from:

Office of the Prime Minister
Office of Hon Scott Simpson
Ministry of Business, Innovation and Employment
Officials Committee for ECO