



COVERSHEET

Minister	Hon Scott Simpson	Portfolio	Commerce and Consumer Affairs
Cabinet paper	Reform of Commerce Commission Governance Arrangements	Date to be published	25 November 2025

List of documents that have been proactively released

Date	Title	Author
October 2025	Reform of Commerce Commission Governance Arrangements	Office of the Minister of Commerce and Consumer Affairs
8 October 2025	Reform of Commerce Commission Governance Arrangements ECO-25-MIN-0158 Minute	Cabinet Office

Information redacted

YES

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:

- Confidential advice to Government
- Constitutional conventions.



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.

Reform of Commerce Commission Governance Arrangements

Portfolio Commerce and Consumer Affairs / Media and Communications

On 8 October 2025, the Cabinet Economic Policy Committee (ECO):

Background

- 1 **noted** that in August 2025, ECO agreed in principle to structural reforms to establish a new board as the Commerce Commission's (the Commission's) governance body and a specialist panel for key regulatory decisions [ECO-25-MIN-0133];

Role of the new board

- 2 **agreed** to establish a new board as the governing body of the Commission for the purposes of the Crown Entities Act 2004 (Crown Entities Act), except for the performance of statutory decision-making for certain regulatory matters to be specified in legislation;
- 3 **noted** that, as an independent Crown entity, the Crown Entities Act provides for the board to be appointed by the Governor-General on the recommendation of the responsible Minister;
- 4 **agreed** that the new board shall consist of no more than five members, including the chair and deputy chair, and that no more than two shall be members of the panel;
- 5 **agreed** that the chair of the new board must be a non-panel member;
- 6 **agreed** to specify principles in the Commerce Act 1986 (the Act) to guide ways of working and delegation to ensure the board has assurance and oversight that all Commission decision-making is consistent with board strategy and policy, and that decisions are made at the appropriate level;

Role of the Commission panel for statutory decision-making

- 7 **agreed** that the Act be amended to specify that regulatory committees will be responsible for certain statutory regulatory functions and powers;
- 8 **agreed** that the new board may set requirements for the regulatory committees in relation to statutory decision-making, but may not require the performance or non-performance of a particular act, or the bringing about of a particular result, in respect of a person or class of persons (i.e. that it cannot direct or influence the substance of the decision);

- 9 **agreed** to further promote consistency and coherence of regulatory decision-making across the Commission by providing that:
- 9.1 the chair of the new panel of commissioners may ‘call in’ a regulatory matter from a regulatory committee (e.g. a matter of significant impact across consumers or sectors of the economy), or the regulatory committee may refer a regulatory matter to the panel, and, if so, the panel, or subcommittee of the panel, shall be able to make that decision;
- 9.2 the chair of a regulatory committee may invite one or more panel members who are not appointed to that committee to participate in proceedings on any regulatory matter, but where they do so, the invited member does not have voting rights;

The new panel

- 10 **agreed** that the Act will provide that the new members of the panel are part of the Commission and have status and protections similar to members of independent Crown entities under the Crown Entities Act, with any necessary modifications;
- 11 **agreed** that the panel members will be appointed by the Minister responsible for the Commission, and may have up to 12 members;
- 12 **agreed** that the 12-panel member limit excludes a class of associate members who may be cross-appointed from the Australian Competition and Consumer Commission or any other regulatory agency that has an interest in the Commission’s functions;
- 13 **agreed** that the Act will provide discretion to appoint members to the panel in relation to a class of matters given their particular knowledge and experience (i.e. specialist commissioners) and the board must appoint those persons to regulatory committees that are dealing with those matters;

Regulatory committees

- 14 **agreed** to repeal the division mechanisms in the Act and replace them with a new class of decision-making committees that are established by the board for the purposes of exercising certain of the Commission’s regulatory decision-making functions and powers;
- 15 **agreed** that the Act include customised provisions for regulatory committees relating to membership and decision-making rules to ensure the Commission’s statutory decisions on regulatory matters are controlled by panel members, including:
- 15.1 the chair of a regulatory committee must be a panel member; and
- 15.2 external experts or Commission staff may be appointed members of regulatory committees and participate in any proceedings, but non-panel members must collectively have one less vote than panel members in relation to any matter;

Implementation plan

- 16 **agreed** that the legislative provisions to give effect to the structural changes should commence one year after the amendments are passed (expected to be mid-2026) to allow for implementation of the changes and recruitment of the new board and panel members;

Transitional arrangements

- 17 **agreed** that the Act be amended to transition the current commissioners (including associate commissioners) to the new panel (and in the case of the chair and deputy chair to the board) for the remainder of their current warrant terms, with their remuneration to be determined by the Remuneration Authority;
- 18 **agreed** to initially retain the named Commissioners in the relevant sector-specific Acts but remove their statutory authority to act alone in the name of the Commission;
- 19 Confidential advice to Government

Legislative implications

- 20 Constitutional conventions
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- 22 **invited** the Minister of Commerce and Consumer Affairs to issue drafting instructions to the Parliamentary Counsel Office to give effect to the decisions above;
- 23 **authorised** the Minister of Commerce and Consumer Affairs to make additional policy decisions and minor or technical changes to the above policy, consistent with the general policy intent, on issues that arise during drafting and passage through the House.

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour
Rt Hon Winston Peters
Hon Nicola Willis
Hon Brooke van Velden
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Dr Shane Reti
Hon Tama Potaka
Hon Simon Watts
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 Hon Scott Simpson
Officials Committee for ECO