



## COVERSHEET

<b>Minister</b>	Hon Scott Simpson	<b>Portfolio</b>	Commerce and Consumer Affairs
<b>Title of Cabinet paper</b>	Commerce (Commerce Commission Reform) Amendment Bill: Approval for Introduction	<b>Date to be published</b>	30 March 2026

<b>List of documents that have been proactively released</b>		
<b>Date</b>	<b>Title</b>	<b>Author</b>
February 2026	Commerce (Commerce Commission Reform) Amendment Bill: Approval for Introduction	Office of Commerce and Consumer Affairs Minister
19 February 2026	Commerce (Commerce Commission Reform) Amendment Bill: Approval for Introduction LEG-26-MIN-0017 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.

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

**In Confidence**

Office of the Minister of Commerce and Consumer Affairs

Cabinet Legislation Committee

**Commerce (Commerce Commission Reform) Amendment Bill:  
Approval for Introduction**

**Proposal**

- 1 This paper seeks approval to introduce the Commerce (Commerce Commission Reform) Amendment Bill (the Bill).

**Policy**

- 2 The Bill will amend the Commerce Act 1986, Telecommunications Act 2001 and Grocery Industry Competition Act 2023, consistent with the requirements of Standing Order 267(1)(a) relating to omnibus bills.
- 3 The Bill will give effect to the Government's response to an independent Governance and Effectiveness review (the Review), led by Dame Paula Rebstock, and as agreed by Cabinet in August and October 2025 [ECO-25-MIN-0133, CAB-25-MIN-0286, ECO-25-MIN-0158, CAB-25-MIN-0348].
- 4 The Review found that the Commerce Commission (the Commission) has outgrown its traditional 'commission' governance model, where commissioners are responsible for both governance and regulatory decision-making. This dual role has operated to the detriment of good governance. There is currently no strong 'outside-in' perspective at the governance table to lift the focus on the Commission's impact and performance.
- 5 Also, regulatory decision-making is compartmentalised in multiple divisions, sometimes led by 'named commissioners' with statutory independence from the board, resulting in organisational silos. Commissioners have too many touch points in regulatory decision-making, leading to inefficient, lengthy processes and some loss of institutional capability held by staff.
- 6 Cabinet has agreed to establish a new oversight board responsible for governance, with a majority of members being non-executive directors. Responsibility for regulatory decision-making would shift to regulatory committees, with membership being predominately drawn from a new panel of commissioners.
- 7 The two existing 'named commissioners' under the Telecommunications Act 2001 and Grocery Industry Competition Act 2023 will be phased out and replaced by specialist commissioners on the Commission panel. Existing commissioners would be transitioned to the new regime.

- 8 **Annex 1** outlines policy decisions made under delegation from Cabinet. There are no outstanding policy matters.
- 9 The policy to be given effect in this Bill primarily relates to machinery of government matters and is unlikely to be contentious.
- 10 These changes to the Commission's governance are a key element of the Competitive Business Settings pillar of the Government's priority *Going for Growth* strategy. A more strategic and engaged Commission will enable timely and effective interventions in markets to promote competition for the long-term benefit of New Zealanders.

### Impact analysis

- 11 A regulatory impact statement is not required as an exemption has been granted on the grounds that the policy given effect in this Bill has no or only minor economic, social, or environmental impacts.

### Compliance

- 12 The Bill complies with:
- 12.1 the principles of the Treaty of Waitangi;
  - 12.2 the rights and freedoms contained in the Human Rights Act 1993;
  - 12.3 the disclosure statement requirements (a disclosure statement has been prepared and is attached to the paper);
  - 12.4 the principles and guidelines set out in the Privacy Act 2020;
  - 12.5 relevant international standards and obligations; and
  - 12.6 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.
- 13 The Ministry of Justice's vetting of the Bill's consistency with the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 is still in progress at the time of lodging of this paper.
- 14 The Office of the Clerk advises the Bill complies with Standing Order 267(1)(a) having the single broad policy to enhance the Commission's governance, decision-making and mandate to enable it to more efficiently and effectively carry out its functions and achieve its objectives.

### Consultation

- 15 The Public Service Commission, the Treasury, Ministry for Regulation, Ministry for Primary Industries, Ministry of Justice, and the Commission have been consulted. The Department of Prime Minister and Cabinet has been informed.

### **Binding on the Crown**

16 The Bill reforms the Commission and will bind the Crown.

### **Creating new agencies or amending law relating to existing agencies**

17 The Bill maintains the Commission as an independent Crown entity under the Crown Entities Act 2004. The Ombudsmen Act 1975 and the Official Information Act 1982 will continue to apply to the Commission.

18 The Public Service Commission was consulted on the reforms and its views have been reflected to ensure the Commission's governance and accountability arrangements are consistent with the Crown entities model.

### **Allocation of decision-making powers**

19 The Bill does not affect the allocation of decision-making powers between the executive, the courts, and tribunals.

### **Associated regulations**

20 Regulations are not required to bring the Bill into operation.

### **Definition of Minister/department**

21 The Bill does not change the definition of Minister. It defines the Commission as the Commerce Commission. Other definitions of the board, chairperson and deputy chairperson are consistent with the Crown Entities Act 2004.

### **Commencement of legislation**

22 Most of the Bill will commence on 1 July 2027. The exception is some amendments to the Telecommunications Act 2001 and Grocery Industry Competition Act 2023 relating to the named commissioners, which will commence on the day after Royal assent as the first phase of the transition to the new regime.

### **Parliamentary stages**

23 I intend to introduce the Bill on 24 February 2026, and, depending on the availability of House time, I intend to move the first reading of the Bill in late March.

24 I propose the Bill be referred Confidential advice to Government with a report back period of four months and one day.  
Confidential advice to Government

### **Proactive Release**

25 I intend to proactively release this paper within 30 business days, subject to any appropriate redactions under the Official Information Act 1982.

## Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 note that the Commerce (Commerce Commission Reform) Amendment Bill (the Bill) Confidential advice to Government [REDACTED]
- 2 note that the Bill gives effect to the Government's response to the independent review of the Commerce Commission's governance and effectiveness, as led by Dame Paula Rebstock [ECO-25-MIN-0133, ECO-25-MIN-0158];
- 3 note that Cabinet authorised me to make additional policy decisions and minor or technical changes to those previously agreed by Cabinet, consistent with the general policy intent;
- 4 note that Cabinet authorised the Acting Minister of Commerce and Consumer Affairs (Grocery Sector), Minister for Media and Communications, and me to make policy decisions regarding the timing of the removal of the named commissioner mechanism from the sector-specific Acts;
- 5 note that additional policy decisions made under delegated authority are outlined in Annex 1;
- 6 approve the Bill for introduction;
- 7 agree that the Bill be introduced on 24 February 2026; and
- 8 agree that the government propose that the Bill be referred Confidential advice to Government [REDACTED] for consideration for a period of four months and one day.

Authorised for lodgement

Hon Scott Simpson

Minister of Commerce and Consumer Affairs

## **Annex 1: Additional policy decisions made under delegated authority**

**As agreed by the Minister of Commerce and Consumer Affairs:**

### *Commission objectives and functions*

- 1 The Commission's overall objectives are specified as (*subject to drafting by PCO*):
  - 1.1 To promote competition in markets for the long-term benefit of consumers within New Zealand, or if there is no or limited competition, to regulate for outcomes consistent with those in competitive markets; and
  - 1.2 To promote confident and informed participation in markets.
- 2 The Commission's functions are specified, including to confirm the Commission has an advocacy role to promote competition and fair trading.
- 3 The preparation of a State of Competition in New Zealand report is covered by the Commission's general function of carrying out studies and publishing reports, and any ministerial expectations relating to the frequency and procedure for this report can be specified in normal Commission accountability documents.

### *The new board as governing body of the Commission*

- 4 The board must consist of a minimum of four and no more than seven members, with no more than two members also being commissioners on the panel.
- 5 The legislation separates the roles of the Commission's governors and its regulatory decision-makers. It does this by requiring the governors (i.e. the new board) to delegate regulatory decision-making responsibilities to regulatory committees.
- 6 The board's role in overseeing the mandatory delegation to regulatory committees is strengthened by:
  - 6.1 requiring the board to set a regulatory charter (in addition to Commission policies and procedures) with which regulatory committees must comply; and
  - 6.2 by empowering the board to 'call-in' matters from regulatory committees on the recommendation of either the chair or chief commissioner to ensure a one-Commission approach or compliance with the legislation and board's requirements. If 'called-in', the board shall establish another regulatory committee of three or more commissioners to consider the matter.

*The new panel of commissioners*

- 7 The process for appointment of individuals to the new panel of commissioners requires the Minister to consider any candidates nominated by the board, and to be satisfied that the proposed appointee has relevant knowledge or experience in industry, commerce, finance, infrastructure, economics, law, public administration, or consumer affairs.
- 8 The commissioners on the panel owe individual duties to the board and the Minister to comply with legislation applying to the Commission by acting with reasonable care, diligence and skill, with honesty and integrity, in good faith, not at the expense of the Commission's interests, and maintaining confidentiality.

*Regulatory committees*

- 9 Requirements relating to the operation of regulatory committees, including voting rules that ensure members that are commissioners retain control, will be specified in a regulatory charter set by the board rather than fixed in primary legislation.

*Transitional arrangement for current chair of Commission*

- 10 The current chair of the Commission, Dr John Small, is transitioned to be chair of the new board and chief commissioner for the remainder of his term, expiring on 6 July 2030.

**As agreed by the Minister of Commerce and Consumer Affairs, Acting Minister of Commerce and Consumer Affairs (Grocery Sector) and Minister for Media and Communications:**

*Transitional arrangements for existing named commissioners*

- 11 The named commissioners under the Telecommunications Act 2001 and Grocery Industry Competition Act 2023 are transitioned to the new regime, retaining their titles, for the remainder of their current terms.
- 12 Tristan Gilbertson's term as Telecommunications Commissioner expires on 7 June 2030. Pierre van Heerden's term as Grocery Commissioner expires on 11 July 2028.