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| Minister and Portfolio | Hon David Seymour, Minister for Regulation                         |                |               |
| Title                  | Talking points for meeting with Hon Paul Goldsmith on 9 April 2025 | Number         | MFR2025-089   |
| Date                   | 8 April 2025                                                       | Security level | IN CONFIDENCE |

**Date of meeting** 9 April 2025

**Minister** Hon Paul Goldsmith, Minister for Media and Communications

## Background

Ahead of your meeting with Hon Paul Goldsmith at 7:30 pm on Wednesday, 9 April, below are some draft talking points in response to concerns raised by the Ministry of Business, Innovation and Employment (MBIE) and the Commerce Commission. These supplement the material already provided ahead of the meeting [MFR2025-073 refers].

### Concern:

*Duplication of work, potentially adverse impact on work underway, and seeking to relitigate Cabinet decisions*

- The review will complement and leverage off of work underway.
- The Ministry has significant expertise in regulatory frameworks and systems, allowing them to see the bigger picture, and consider where broader regulatory issues may lie beyond those where the focus of agencies typically lies.
- I appreciate the considerable work underway that Cabinet has considered, but regulated parties the Ministry has engaged with suggests issues remain.

### Concern:

*Create market uncertainty and hinder current investments, for example by reviewing the vertical separation of Chorus*

- The view that vertical integration will undermine competition presumes the answer without undertaking the analysis. We should not presume answers but instead maintain a neutral outlook, letting the analysis and evidence speak for themselves.
- Other major regulatory reviews are underway such as the Resource Management Act reform and electricity market reform, which is also considering the vertical structure of industry players. They would be subject to the same uncertainties.



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**Concern:**

*Focus on the viewpoint of regulated parties is inconsistent with the advice on the importance of the consumer voice and the Telecommunications Act's purpose of promoting competition for the long-term benefit of end-users*

- The review will consider the consumer's voice, and involve some public consultation, though this is not the only perspective. Good regulation is proportional and fit for purpose.
- The review would determine whether the regulation remains fit for purpose in light of technology and market changes. This includes examining market failures and whether the current approach adequately addresses them in a least cost way.

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**Concern:**

*Factors not raised in the Cabinet paper regarding the Commerce Commission's work programme and funding*

- Feedback from the initial targeted engagement was not an exhaustive list. The Cabinet paper stated that I heard concerns regarding how the Commerce Commission is fulfilling its regulatory functions, specifically regarding excessive information requests and overly prescriptive guidelines for retail service quality

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