

## Property Council New Zealand

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# Submission on the Commerce (Commerce Commission Reform) Amendment Bill

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**For more information and further queries, please contact**

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Finance and Expenditure Select Committee  
Via [online](#)

## **Submission on the Commerce (Commerce Commission Reform) Amendment Bill**

### **1. Summary**

- 1.1. Property Council New Zealand (“Property Council”) welcomes the opportunity to submit on the Commerce (Commerce Commission Reform) Amendment Bill (“the Bill”).
- 1.2. Our comments focus on the interaction between the Bill and the proposed development levies scheme and are not intended to address the Bill more broadly.
- 1.3. The detailed regulatory approach for how the Commerce Commission will oversee development levies is not yet fully clear. While we support the proposed governance reforms, their effectiveness in the context of development levies will depend on decision-making structures that include genuine development sector expertise. This expertise is critical to ensure levy settings reflect real-world delivery realities and cost considerations, supporting fair and evidence-based outcomes.

### **2. Recommendations**

- 2.1. At a high level, Property Council recommends that the Commerce Commission:
  - Must ensure individuals with development sector expertise are involved in relevant decision-making arrangements when regulating development levies.

### **3. Introduction to Property Council New Zealand**

- 3.1. Property Council is the leading not-for-profit advocate for New Zealand’s most significant industry, property. Our organisational purpose is, “Together, shaping cities where communities thrive.”
- 3.2. The property sector shapes New Zealand’s social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand. We aim to unlock opportunities for growth, urban development, and productivity to improve New Zealand’s prosperity.
- 3.3. Property is New Zealand’s largest industry and fastest growing source of employment. There are nearly \$2.2 trillion in property assets nationwide, with property providing a direct contribution to GDP of \$50.2 billion (15 per cent) and employment for 235,030 New Zealanders every year.
- 3.4. Property Council is the collective voice of the property industry. We connect over 10,000 property professionals and represent the interests of over 585 organisations across the private, public and charitable sectors.

3.5. This document provides Property Council’s feedback on the [Commerce \(Commerce Commission Amendment Bill\)](#), with comments and recommendations on issues relevant to our members. Reflecting the diversity of our membership, Property Council members may wish to comment in greater detail on issues specific to their business. Accordingly, we support individual members providing separate submissions addressing those matters.

#### **4. Proposed structure of the Commerce Commission**

4.1. The Bill proposes enhancements to the Commerce Commission’s governance structure, including a clearer separation of roles between the Board and regulatory committees. The Board is strengthened in its role of providing strategic oversight and overall governance, while dedicated regulatory committees are responsible for specific decision-making functions. These committees are intended to support more timely, specialised, and robust decision-making, while maintaining appropriate oversight and accountability.

4.2. We support these proposed enhancements to the Commission’s governance, decision-making, and mandate, which are intended to enable it to carry out its functions more efficiently and effectively and to better achieve its statutory objectives. Effective governance also underpins confidence in the regulatory system. Stakeholders need assurance that decisions are made consistently, are grounded in rigorous analysis, and are subject to appropriate scrutiny.

#### **5. Link to the development levies scheme**

5.1. The Government has indicated that Commerce Commission will be responsible for overseeing the proposed development levies regime<sup>1</sup>.

5.2. The move from development contributions to a new development levies system has the potential to provide much-needed consistency and transparency. A well-designed framework can provide greater predictability, and fairness for developers, particularly given the current variability and uncertainty across councils. However, these benefits are contingent on the scheme being supported by a robust regulatory mechanism, with appropriate oversight and access to specialist insight, functions that, at this stage, are expected to sit with the Commerce Commission.

5.3. While the detailed structure for how the Commerce Commission will regulate the development levies scheme is not yet fully clear, we assume that regulatory committees under section 15 of the Bill are likely to play a key role in decision-making in relation to development levies, as they are responsible for exercising functions, duties, and powers delegated to them by the Commerce Commission. These committees will be made up of commissioners, including specialist commissioners appointed under new section 22

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<sup>1</sup> [ECO-25-MIN-0192: Regulatory oversight of development levies](#)

of the Bill, and “any other persons as committee members think that the board thinks fit”.

- 5.4. In this context, we consider it important that individuals with relevant development sector expertise must be considered for inclusion within these decision-making arrangements. This includes, where appropriate, appointment as a commissioner and/or specialist commissioner, or as “any other persons as committee members think that the board thinks fit”. Ensuring this expertise is present across the available membership options will be critical to supporting robust, well-informed decision-making that reflects real-world development feasibility, delivery constraints, and cost considerations.
- 5.5. This expertise is critical because someone with development expertise will be able to interrogate substantive inputs, including infrastructure cost assumptions, the validity of asset schedules, levy calculations, and underlying pricing methodologies. Delivering this effectively will require specialist capability across infrastructure delivery, engineering, cost allocation, and property development economics, in addition to traditional economic regulation expertise.
- 5.6. Property Council emphasises that the effectiveness of the development levies scheme will depend on the Commerce Commission having sufficient statutory powers to test, challenge, and intervene in levy-setting decisions. Without these powers, there is a risk of over-recovery of costs, inappropriate cost shifting, and inconsistent application across councils and service providers, undermining confidence in the levy framework and weakening accountability. Developers need assurance that levy settings are not only lawful, but also reasonable, proportionate, and supported by robust evidence.
- 5.7. Property Council is happy to engage with Government to put forward potential candidates from the property industry who can provide this specific input and relevant sector expertise.

## **6. Conclusion**

- 6.1. Property Council thanks the Finance and Expenditure Select Committee for the opportunity to submit on the on the Commerce (Commerce Commission Reform) Amendment Bill.
- 6.2. We support the proposed governance reforms in principle, however their success in the context of development levies will hinge on whether decision-making arrangements are able to draw on genuine development sector expertise. This will be important to ensure levy settings are informed by practical delivery and cost realities, and result in fair and well-evidenced outcomes.

6.3. We thank Finance and Expenditure Select Committee for the opportunity to submit our views on the Commerce (Commerce Commission Reform) Amendment Bill and **wish to appear before the Finance and Expenditure Select Committee to speak.**

6.4. For further enquiries, please do not hesitate to contact Sandamali Ambepitiya, Senior Advocacy Advisor, via email: [sandamali@propertynz.co.nz](mailto:sandamali@propertynz.co.nz)

Yours Sincerely,



Leonie Freeman  
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