

# Priorities 2019/20

## AT A GLANCE



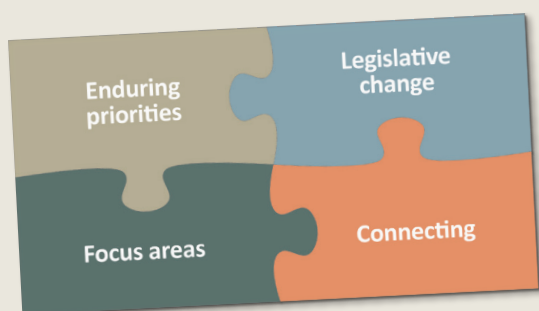
## A word from the Chair



Our vision is to make New Zealanders better off. We believe New Zealanders are better off when markets work well and consumers and businesses are confident market participants. Each year we identify a number of priority areas to

help focus our activity and resources on the areas where we can add the greatest value.

**Anna Rawlings** *Chair, Commerce Commission*



## Enduring priorities

There are a number of areas the Commission will always prioritise due to their potentially significant impact on consumers, businesses and markets in New Zealand, or because work in these areas is a core part of our statutory role.

These areas include:

- Credit issues
- Product safety and construction cases
- Cartel and anti-competitive conduct
- Mergers including those that are not notified

In addition, we will always prioritise functions we are required to perform in critical infrastructure industries like telecommunications, energy, and airports.

These functions include:

- Seeking to better understand markets and key aspects of supplier performance (such as asset management in the electricity distribution sector) before sharing that knowledge with consumers and other industry stakeholders
- Assessing compliance with regulatory requirements – including monitoring the deeds of undertaking that telecommunications companies have entered into as part of Government initiatives in the sector
- Taking enforcement action as required – for example, in response to electricity networks that have failed to comply with the minimum standards for service reliability.

## Focus areas

Each year we target our resources on specific areas that fall within our remit and which are important to everyday life and the economy.

For 2019/20 we have identified the following priority focus areas:

- **Motor vehicle financing and related add-ons** – with a focus on compliance with consumer credit laws
- Educating traders to ensure claims about the **environmental impact of products** are accurate and can be relied on by consumers
- **Online retail** – identifying potential harm to consumers, educating traders and consumers, investigating and taking enforcement action if appropriate
- Educating traders about conduct that may contravene **cartel laws** and the penalties that apply
- Consulting on and completing our **fuel market study** looking at whether there are competition issues in the retail petrol and diesel fuel sector
- Resetting the **five-year revenue limits and quality standards for many electricity networks**, which will affect the cost and quality of electricity services from 1 April 2020
- Monitoring and reporting on **telecommunications retail service quality** to help consumers choose the best services and providers for them – based on factors such as customer service, billing, speed and performance
- Consulting on and finalising decisions on the **new up-front regulatory rules (known as ‘input methodologies’)** for **fibre broadband services**, which will ultimately affect the price and quality of services for homes and businesses across New Zealand.



## Connecting

Connecting is an important part of increasing our understanding and effectiveness – both individually as a regulator, and as part of the wider regulatory system.

In 2019/20 we will be:

- **Connecting with consumers** to better understand the issues they face and to improve the targeting of our work for their benefit



- **Engaging with businesses** including updating the Enforcement Response Guidelines which explain our approach to the enforcement of New Zealand's fair trading, competition and consumer credit laws – these guidelines will also be extended to encompass the regulatory regimes applying to critical infrastructure industries
- **Working across the system** to improve outcomes for New Zealanders, including collaborating with other regulators, providing analysis and advice to Government, and continuing to contribute to cross-Government initiatives like the Government Regulatory Practice Initiative (G-REG)
- **Hosting Competition Matters 2019** – our biennial conference on competition, consumer, and regulatory law, providing a platform for key players in the domestic and international community to highlight and debate topics that affect consumers and businesses throughout New Zealand



- Maintaining **relationships with international agencies** including active participation in global networks to:
  - Share knowledge relevant to identifying and responding to potential consumer harm, particularly relating to technological change in the digital age; and
  - Address problems with an international dimension.

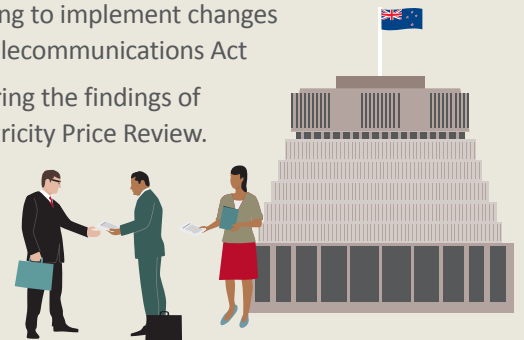
- Ensuring **information sharing arrangements** between agencies – both internationally and domestically – continue to provide appropriate controls to maintain public trust and confidence in the system.

## Legislative change

The Commission will continue to contribute to policy development by providing expert advice to help ensure the legislation we implement is workable and effective. When changes are made to the laws we enforce we will focus on having the right resources, people, processes and systems in place to give effect to those changes. We will also inform businesses of their obligations and consumers of their rights when changes are made to the law.

In 2019/20 we will work on a number of areas, including:

- Providing input into proposed changes to the Fair Trading Act
- Preparing for the new criminal cartel offence to come into force
- Participating in the review of consumer credit law and implementing changes passed into law
- Continuing to implement changes to the Telecommunications Act
- Considering the findings of the Electricity Price Review.



## What we do

The Commerce Commission is New Zealand's competition, consumer and regulatory agency.

We are responsible for enforcing laws relating to competition, fair trading, and consumer credit contracts. We also have regulatory responsibilities in the electricity lines, gas pipelines, telecommunications, dairy, and airport sectors.

**Contact us if you have an enquiry or want to make a complaint**

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### Commerce Act 1986 (Parts 2, 3 and 5)

Prohibits anti-competitive behaviour and acquisitions that substantially lessen competition. It also allows for a clearance and authorisation regime for mergers and restrictive trade practices.

### Fair Trading Act 1986

Prohibits false and misleading behaviour by traders and a range of other unfair business practices. It also requires that consumers are given specified information about certain products and promotes product safety.



### Credit Contracts and Consumer Finance Act 2003

Protects the interests of consumers in relation to consumer credit contracts, consumer leases and buy-back transactions of land. It includes provisions relating to disclosure and unforeseen hardship, and sets out rules about interest, payments and credit fees.

### Commerce Act 1986 (Part 4)

Part 4 provides for the regulation of price and quality of goods and services in markets where there is little or no competition, and little or no likelihood of a substantial increase in competition. Sectors that are currently subject to the provisions of Part 4 are electricity distribution and transmission, gas pipelines, and selected airports services.



### Telecommunications Act 2001

Regulates the supply of certain wholesale telecommunications services and the quality of retail services.



### Dairy Industry Restructuring Act 2001

Promotes the efficient operation of dairy markets in New Zealand by regulating the activities of Fonterra to ensure New Zealand markets for dairy goods and services are contestable.

