

26 March 2020

Extension of information disclosure deadlines for Part 4 regulated industries

1. Mindful of the priority of Part 4 regulated industries to focus on providing essential goods and services to New Zealanders during the Covid-19 pandemic, in the coming days the Commerce Commission (**Commission**) intends to issue notices to extend the deadlines for most information disclosure requirements. Once issued, the notices will have immediate effect.
2. To be clear, we will not take enforcement action against relevant Part 4 suppliers in advance of issuance of formal exemption notices relating to this action. We expect to issue formal exemption notices as soon as possible.
3. This is an initial response from the Commission, further measures may follow.

Planned extensions to deadlines

Public disclosure of financial information

4. Consistent with the Financial Markets Authority's regulatory relief in relation to audited financial statements, we intend to give a **two month** extension for any public disclosures of financial information in respect of disclosure years ending from 31 December 2019 to 30 May 2020, but which might be due for public disclosure some months later. For example, disclosures for the March end disclosure year that would have been due to be disclosed by 31 August 2020, would now be due two months later.

Public disclosure of non-financial information (including airport quality and statistics)

5. We intend to give **two month** extensions for any public disclosures of non-financial information (including airport quality and statistics), and explanatory notes to disclosed information, in respect of disclosure years ending from 31 December 2019 to 30 May 2020, but which might be due for public disclosure some months later.
6. We also intend to exempt regulated airports from the requirement to complete a passenger satisfaction survey for the first two quarters of calendar year 2020, and from disclosing the associated passenger satisfaction indicators for those quarters.

Asset Management Plans

7. Asset Management Plans (reports or updates), required as part of the Electricity Distribution Business (**EDB**) information disclosure requirements due on 31 March

2020, are key to understanding the performance of EDBs. Good asset management is a priority area for the Commission.

8. Given most companies will have completed these, we give notice we plan to grant a **one month** extension, to allow more time for director certification.

Pricing and other disclosure requirements

9. Our current view is that the exemptions will not apply to public disclosures of prices, pricing methodologies, capital contributions, prescribed terms and conditions of contracts and, in the case of EDBs, financial distributions arising from ownership interest.
10. However, for regulated suppliers that are intending to lower their existing prices, we intend to shorten the required public disclosure and advance notification period from 20 working days to **three working days** in respect of those price changes that result in lower prices.

Default and customised price-quality path compliance statements

11. We also intend to grant an extension of **two months** to the due dates for price-quality path compliance statements relating to assessment periods ending from 31 December 2019 to 30 May 2020.

Board sign-off

12. Many companies may well have nearly completed disclosures required on 31 March; in those cases we encourage companies to provide their submissions if they are still able to do so.

Auditing requirements

13. We are engaging the auditor community on the auditing requirements and capacity of the profession to complete the audits within the increased timeframe. We intend to exempt EDBs from the requirement to audit their SAIFI figures for 2019-2020 for the year-end information disclosure data, given the inconsistency in recording successive interruptions. We note this issue has been addressed in the DPP 3 determination.

Next steps and getting in touch

14. We will remain open and responsive to industry feedback, to ensure that companies are able to focus on providing essential goods and services during the Covid-19 pandemic. As such we are actively considering representations already made by and on behalf of Part 4 industries.
15. If you have any questions regarding this matter, please contact Stephen Bass on (04) 924 3749 or Stephen.Bass@comcom.govt.nz.

Yours sincerely

A handwritten signature in blue ink that reads "Sue Begg". The signature is written in a cursive style with a large initial 'S'.

Sue Begg
Deputy Chair