Competing in business

Competition encourages businesses to improve and innovate, for the benefit of their customers. Competition law makes sure businesses are competing on a level playing field.

Behaviours you need to watch out for
You could be breaking competition law if you engage in any of these behaviours:

**Dividing up and sharing markets**
Agreeing not to go after a competitor’s customers, or deciding which territories each business will ‘take’ can lead to less choice and higher prices. Customers, who may be other businesses, end up overpaying or getting a lower quality product or service as a result.

**Bid rigging and discussing tenders**
Agreeing with other businesses how much you will bid or not bid in a tender, and who will have the lowest bid so that they win the contract deceives buyers into thinking they have got a good price, when it could have been much lower if the businesses had been genuinely competing. In public contracts for goods and services, this can mean a waste of taxpayers’ money.

**Price-fixing**
Agreements with competitors on what price, or part of a price, to charge or not to offer discounts avoids having to compete with each other. This can result in higher prices for customers. This means consumers – and potentially other businesses – end up overpaying for what they get.

**Other things to watch out for**

- Suppliers forcing retailers to sell at a certain price
- Businesses taking advantage of market power
- Sharing sensitive commercial information

**Why it matters**
Doing any of the activities listed here could end up breaking competition law, which has serious consequences. Business can face big penalties. Individuals can also face penalties, be banned from running a company and can now be imprisoned for up to seven years.

**How to report illegal activity**
Use the online reporting form or call the Commerce Commission on 0800 943 600 to report the behaviours above.
The Anonymous Whistleblower Tool is for reporting cartel conduct. Copy and paste this link: https://report.whistleb.com/en/comcom

If you’ve been involved yourself, confess it to us first and you could avoid paying any penalties.
To apply for Leniency call +64 (0) 4 924 3720

To find out more about how competition law can affect your business, visit www.comcom.govt.nz

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