

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.




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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.




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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.



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Other things to watch out for



Businesses taking advantage of market power



Suppliers forcing retailers to sell at a certain price



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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