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Commerce Commission

Decision No. 392

Determination pursuant to the Commerce Act 1986 in the matter of an application for clearance of a business acquisition involving:

COMMONWEALTH BANK OF AUSTRALIA GROUP

and

COLONIAL LIMITED

The Commission:	John Belgrave Mark Berry Paula Rebstock
Summary of Application:	The merger of the New Zealand businesses of Commonwealth Bank of Australia Group and Colonial Limited by virtue of an acquisition in Australia by CBA of all of the shares in Colonial.
Determination:	Pursuant to s 66(3)(a) of the Commerce Act 1986, the Commission determines to give clearance for the proposed acquisition.
Date of Determination:	10 May 2000

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CONTENTS

THE PROPOSAL

1 In a notice to the Commission dated 20 April 2000, pursuant to section 66(1) of the Commerce Act 1986 (the Commerce Act), ASB Group Limited sought clearance for the merger of the New Zealand businesses of Commonwealth Bank of Australia Group (CBA) and Colonial Limited (Colonial) by virtue of an acquisition in Australia by CBA of all the shares in Colonial.

2 As indicated below, ASB Group Limited (ASB Group) is a subsidiary of CBA. The parties have not yet identified the vehicle by which the acquisition will be implemented in New Zealand, but state that it will be a nominee of CBA or of ASB Group.

THE PROCEDURES

3 The notice was received and registered on 26 April 2000. Section 66(3) of the Commerce Act requires the Commission either to clear or to decline to clear a notice given under section 66(1) within 10 working days, unless the Commission and the person who gave the notice agree to a longer period. Accordingly, a decision is required by 10 May 2000.

4 The Commission's determination is based on an investigation conducted by its staff. In the course of the investigation Commission staff obtained further information from the applicant, and from the Government Actuary, the Insurance and Superannuation Unit of the Ministry of Economic Development, the Investment Savings and Insurance Association of New Zealand Inc, and several companies which provide life insurance, superannuation and other financial services.

THE PARTIES

Commonwealth Bank of Australia Group

5 CBA is one of the four major Australian banks. It was established in 1911 by the Australian Government to provide commercial and savings bank services. Subsequently it was given central bank functions, and it held these responsibilities until a separate Reserve Bank of Australia was established in 1959. CBA has its head office in Sydney.

6 In 1991 CBA was made a public company, and 30% of its shares were issued to the public and the bank's staff. In 1993 the Australian Government sold more shares, thereby reducing its shareholding to 50.4%. In 1996 the remaining shares were sold following a public offer.

7 The shareholding in CBA is now widely held, and the largest shareholder, a nominee company, holds only 5.52%. The twenty largest shareholders hold 28.5%.

ASB Group

8 CBA holds 75% of the shares in ASB Group, a New Zealand company. The remaining shares are held by the ASB Bank Community Trust.

9 ASB Group Limited has two subsidiaries, ASB Bank Limited (ASB Bank) and ASB Life Assurance Limited (ASB Life).

10 ASB Bank was established in 1847, and until about 10 years ago operated as a regional savings bank in Auckland and Northland. It now operates throughout New Zealand, with a widened range of services, and has a network of 122 branches. ASB Bank is the smallest of the five major trading banks in New Zealand.

11 In 1997 ASB Bank introduced BankDirect, a 'virtual' bank which provides services through the Internet, ATMs and the telephone, but which does not have branches. In May 1999, following ASB Group's acquisition of Sovereign Limited in December 1998, S H Lock (NZ) Limited was transferred to ASB Bank. S H Lock, which was established in 1889, and which is based in Auckland, provides trade finance and factoring services. It had been acquired by Sovereign in August 1996. In June 1999 the bank announced the acquisition of the retail sharebroking business of Warburg Dillon Read, and this business now trades as ASB Securities.

12 ASB Life has two subsidiaries, Sovereign Assurance Company Limited and Metropolitan Life Assurance Company of New Zealand Limited.

Colonial Limited

13 Colonial, which has its head office in Melbourne, was established in 1873. For most of its existence Colonial was a mutual financial services company known as Colonial Mutual Life Insurance Society Limited. In May 1997 the company was de-mutualised and its shares were listed on the Australian and New Zealand Stock Exchanges.

14 The shareholding in Colonial is widely spread, The largest shareholder, a nominee company, holds 7.6%, while the top 20 shareholders have a total of 46.5%.

15 Colonial has substantial overseas interests in Asia, the UK and elsewhere. It has offices in ten countries. The company has operated in New Zealand for over a century, and now trades here as Colonial New Zealand, Colonial First State Investment Managers (NZ) Limited and Jacques Martin New Zealand Limited.

16 In 1998 Colonial acquired the businesses of Legal and General and Prudential in Australia and New Zealand, and these businesses were integrated into Colonial's existing businesses by the end of 1999.

MARKET DEFINITION

17 The purpose of defining a market is to provide a framework within which the competition implications of a business acquisition can be analysed. The relevant markets are those in which competition may be affected by the acquisition being considered, and in which the application of section 47(1) of the Act can be examined.

18 Section 3(1A) of the Act provides that:

> "…the term 'market is a reference to a market in New Zealand for goods and services as well as other goods and services, that, as a matter of fact and commercial common sense, are substitutable for them."

19 Principles of market definition are contained in *Telecom Corporation of New Zealand Ltd v Commerce Commission*[1], and in the Commission's *Business Acquisition Guidelines*[2] (the Guidelines). These principles are outlined below.

20 Markets have three dimensions: product type, geographical extent and functional level. (In some situations it is also necessary to allow for time, and to consider a temporal dimension.) A market includes products which are close substitutes in the eyes of buyers, and excludes all other products. The boundaries of the product and geographical markets are identified by considering the extent to which buyers are able to substitute other products, or geographical regions, when there is an incentive to do so because of a change in relative prices. A market is the smallest area of product and geographic space in which all such substitution possibilities are encompassed. Within this space, a hypothetical, profit-maximising, monopoly supplier could exert market power, because buyers, facing a rise in price, would have no close substitutes to which to turn.

21 A properly defined market includes products which are regarded by buyers or sellers as being not too different ('product' dimension, and not too far away ('geographical' dimension), and are therefore products over which the hypothetical monopolist would need to exercise control in order for it to be able to exert market power. A market defined in these terms is one within which a hypothetical monopolist would be in a position to impose, at the least, a "small yet significant and non-transitory increase in price" (the "*ssnip*" test), assuming that other terms of sale remain unchanged.

22 Markets are also defined by functional level. Typically, production, distribution and sale occurs through a series of stages, with markets intervening between suppliers at one vertical stage and buyers at the next.

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1 (1991) 4 TCLR 473

2 Commerce Commission, *Business Acquisition Guidelines*, 1999, pp 11-16

Background to the Industry

23 CBA and Colonial each provide a range of financial services in New Zealand. The applicant describes the operations of the parties as involving the following areas:

ASB Bank: "retail banking services, corporate and business lending, treasury services, trade finance…funds management and other associated financial services"; Sovereign: "Life assurance, disability income insurance, superannuation savings, funds management, retail lending and investment administration services";

Colonial: "Life insurance, retail investment products, superannuation, retirement income products, wholesale funds management and investment administration services".

24 The nature of these activities was discussed with the applicant, and the information provided on the meaning of the terms used is summarised in paragraphs 25 to 31 below.

25 The terms "retail funds management" and "retail investment products" describe similar activities, that is, they are generic descriptions of "all the activities involved in the sale and processing of retail investment products, but normally excluding the investment management function". The types of retail investment products which are available include unit trusts, group investment products and insurance bonds. Another category is "retirement income products", a term which is often used interchangeably with the term "superannuation savings".

26 The term "superannuation savings" is normally used to refer to registered superannuation schemes, but not to "wholesale funds" which are described below.

27 "Wholesale funds" is a term normally used to describe "investment management and associated activity which a large funds manager like AMP Asset Management or Tower Asset Management would undertake for a retirement savings scheme for a business or for a smaller retail scheme like those operated by Sovereign or ASB or Colonial". There is no standard definition in the industry of the terms "wholesale" and "retail" in relation to funds management, and it appear that these terms are often used arbitrarily. The Reserve Bank collects data on the basis of self-definition by the institutions.

28 Four types of business activities are involved in the operation of managed funds:

(a) Investing pooled funds in cash, bonds or equities;

(b) Putting the pooled investment in the form of products which comply with legal requirements, such as unit trusts, insurance bonds, superannuation schemes and group investment funds;

(c) Marketing and selling the products;

(d) Administering the records of clients.

Category (a) is considered to be wholesale funds management, while the activities involved in dealings with individual clients are considered to be retail funds management. From another viewpoint, "retail" refers to products offered to the general public, while "wholesale" refers to services offered to institutions, employer superannuation savings schemes, trusts and a small number of high net worth individuals. Wholesale services could be provided for either or both of units within the provider's own company and other companies.

29 "Investment administration services" does not have an exact definition, but "would usually cover all of the back-office functions which come with a retail or employer superannuation savings scheme or a retail managed funds scheme. Functions would include keeping a registry of investments by all individuals in this scheme and all of the various transaction on that individual's account… Often the employer schemes will outsource the bulk of these administrative sources…".

30 "Treasury services" are activities such as wholesale cash management and foreign exchange services.

31 "Disability income insurance", which is often bundled with other types of life insurance, can be classified as "income replacement", which provide temporary payments while the policy holder is suffering from an illness, and "trauma" which usually involves a lump sum payment for a permanent disability.

32 The following table shows the principal types of financial services offered in New Zealand by the parties to the proposal. An asterisk indicates that the service is offered by the relevant party. The parties also each have a very small involvement in health insurance, but, as the combined market share percentage is only a single figure this activity is not considered further. As the table indicates, the proposal would result in aggregation of market share for the following services: retail funds management, wholesale funds management, life insurance, disability insurance, superannuation and investment administration services.

Table 1

Service	**ASB Group**	**Colonial**
Banking – retail	*	
Banking – corporate and business	*	
Treasury services	*	
Trade finance (for importers and exporters)	*	
Funds management – retail	*	*
Funds management – wholesale	*	*
Life insurance	*	*
Disability income insurance	*	*
Superannuation savings	*	*
Investment administration services	*	*
Sharebroking	*	

The Relevant Markets

33 It is necessary to consider the markets which are relevant to the categories of services for which market aggregation would result from the proposal.

34 The applicant suggested two possible approaches to defining the relevant product markets. One was the use of narrow definitions based on categories of financial services, such as managed funds, life insurance and superannuation. The other was "a non-transactional financial services market encompassing the provision of a range of financial services and products". The applicant favoured the latter approach, and gave a number of reasons in support of this view

35 The applicant noted the convergence of the functions of providers of financial services, and outlined the demand-side and supply-side substitution possibilities. Demand-side substitutability was seen in terms of the ability of customers to meet their wealth management needs by purchasing a combination of services that collectively meet their needs. Supply-side substitutability reflected the continuing changes in the mix of activities undertaken by providers of financial services.

36 The Commission acknowledges that the changes occurring in the provision of financial services, in New Zealand and globally, provide arguments for adopting a broad definition of the relevant product market. There is a trend for financial services providers to seek to offer a "one-stop-shop" service, although some niche operations continue to find a place.

37 The arguments for adopting a broad product market definition appear stronger from the supply side than from the demand side. If weight is to be given to demand-side issues, and the Commission considers this must be done because of the limits to the degree to which customers may substitute particular financial products for other financial products, the absence of clear boundaries implicit in a broad market definition could make an assessment of market power difficult.

38 Problems arise with relying on demand-side issues because of the divergent nature of the products. For life insurance there has been a trend away from endowment and whole of life policies, which combine protection and investment. Customers seeking life insurance are increasingly seeking policies which provide high protection for a relatively low premium, but which have no investment content. Such customers would look to other types of financial products, such as unit trusts, to meet their investment needs. However, policies which do have an investment content are not insignificant. The absence of a clear separation between life insurance policies which are taken as a protection against defined risks and those which are taken at least partly as an investment diminishes the value of defining a separate life insurance product market.

39 Similarly, there are problems in trying to define rigid boundaries for superannuation products. Despite the scope which exists for managers of superannuation schemes to have their schemes registered, and the differences possible in times when tax legislation distinguishes registered schemes from others, the boundary between financial products which may be acquired with retirement funding in mind and those sought for other investment purposes is blurred. That is, many of the products offered

by retail fund managers could be selected to provide retirement income. As those compiling statistics on financial services (the Reserve Bank and KPMG) have found, the further distinction between wholesale and retail funds management is not easy to make because of the absence of a definition accepted by the industry.

40 Investment administration services could be undertaken by the funds managers themselves or contracted out. These services are sometimes described as the "back office" functions of funds management, and are purchased by those funds managers who find it more cost effective than undertaking the activities within their firms. The nature and extent of services provided varies between providers and users. While larger fund managers are more likely to perform the services internally, policies on contracting out vary. Some providers of services work exclusively for particular funds managers, while some offer their services more widely.

41 Financial services markets are in a state of flux, and their boundaries are shifting. The Commission notes that the decision issued by The Commission of the European Communities on 13 April 2000 on the CGU/Norwich Union proposal did not find it necessary to conclusively define the markets for life and non-life insurance.

42 The Commission concludes that, for the purpose of the CBA application, it is sufficient to examine market power in terms of the three major types of financial services for which the proposed merger would result in aggregation. These are life insurance, managed funds (including superannuation) and investment administration services. In not adopting a broad financial services market, it is noted that, if no dominance concerns are found in any of these three segments, it is unlikely that there would be any in a more widely defined market. It is further noted that, while this classification is appropriate for the present application, the major changes occurring in the supply of financial services might make it desirable for the Commission to define relevant markets differently in other situations.

43 The services are provided throughout New Zealand, and the Commission agrees with the applicant that specific definitions of functional markets are not required.

Conclusion on Market Definition

44 The Commission considers that, for the purpose of examining this application, the following national markets are relevant:

- The market for life insurance;
- The market for managed funds including superannuation; and
- The market for investment administration services.

COMPETITION ANALYSIS

Introduction

45 Section 47(1) of the Act provides that:

"no person shall acquire assets of a business or shares, if, as a result of the acquisition, -

(a) That person or another person would be, or would be likely to be, in a dominant position in a market: or

(b) That person's or another person's dominant position in a market would be, or would be likely to be, strengthened."

46 Section 3(9) of the Act states that:

"For the purposes of sections 47 and 48 of this Act, a person has, or 2 or more persons that are interconnected or associated together have, as the case may be, a dominant position in a market if that person as a supplier or acquirer, or those persons as suppliers or acquirers, of goods or services, is or are in a position to exercise a dominant influence over the production, acquisition, supply or price of goods or services in that market…".

47 Section 3(9) also states that a determination of dominance shall have regard to:

(a) The share of the market, the technical knowledge, the access to materials or capital of that person or those persons:

(b) The extent to which that person is, or those persons are, constrained by the conduct of competitors or potential competitors in that market:

(c) The extent to which that person is, or those persons are, constrained by the conduct of suppliers or acquirers of goods or services in that market."

48 In the Commission's view, as expressed in its *Business Acquisitions Guidelines 1999* (page 17), a dominant position in a market is generally unlikely to be created or strengthened, where, after the proposed acquisition, either of the following situations exist:

- The merged entity (including any interconnected or associated persons) has less than in the order of a 40% share of the relevant market; or

- The merged entity (including any interconnected or associated persons) has less than in the order of a 60% share of the relevant market, and faces competition from at least one other market participant having no less than in the order of a 15% market share.

49 The test for dominance has been considered by the High Court. McGechan J stated[3]:

"Dominance includes a qualitative assessment of market power. It involves more than 'high' market power: more than mere ability to behave ' largely' independently of competitors: and more than power to effect 'appreciable' changes in terms of trading. It involves *a high degree of market control*."

This test was approved by the Court of Appeal[4].

50 The Commission acknowledged this test in its Business Acquisition Guidelines 1999, where it stated that:

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3 *Commerce Commission v Port Nelson Ltd* (1995) 5 NZBLC 103, 762 103, 787 (HC)

4 Commerce Commission v Port Nelson Ltd (1996) 5 NZBLC 104, 142 104, 161 (CA)

"A person is in a dominant position in a market when it is in a position to exercise a high degree of market control. A person in a dominant position will be able to set prices or conditions without significant constraint by competitor or customer reaction[5]".

51 The Commission's role in respect of an application for clearance of a business acquisition is prescribed by the Commerce Act. Where the Commission is satisfied that a proposed acquisition would not result, or would not be likely to result, in an acquisition or strengthening of a dominant position in a market, the Commission must give a clearance. Where the Commission is not satisfied, clearance is declined. This test is applied in the following analysis.

Market Concentration

52 An examination of market concentration may give a useful first view of whether a merged firm may be constrained by other participants, and thus on the extent to which it may be able to exercise market power. The market concentration resulting from the proposal will be considered in terms of the three markets noted in paragraph 44 above: life insurance, funds management and investment administration services.

53 The Commission has developed a set of 'safe harbours' for market concentration, and these are outlined in the Commission's *Business Acquisition Guidelines*. The safe harbours recognise the importance of both the absolute levels of market share, and the distribution of market shares between the merged entity and its competitors in determining the extent to which rivals are able to constrain the behaviour of the merged firm.

54 If a proposed acquisition falls within these safe harbours, the Commission will usually grant approval. If the acquisition falls outside them, the Commission will consider a range of additional factors before drawing conclusions on market dominance.

Life Insurance

55 The following table, which is derived from the details in the application compiled by the Investment Savings and Insurance Association of New Zealand Inc, shows the share of life insurance provision by the parties to the application and their major competitors, on the basis of premium income for 1999. As outlined below, the Association provided more detailed information on the types of services classified under the heading of 'life insurance'.

Table 2

Company	Premium Income in 1999 ($million)	%
CBA (Sovereign)	143.26	8.19

5 *Business Acquisition Guidelines 1999*, p 21

Colonial	319.54	18.26
Sub-total	***462.80***	***26.45***
AMP	[ ]	[ ]
AXA	[ ]	[ ]
Royal Sun Alliance	[ ]	[ ]
Tower (Health and Investment)	[ ]	[ ]
12 other providers	255.33	14.59
Total	**1,749.85**	**100.00**

56 As the table shows, if 'life insurance' as defined by the Association were to be treated as a separate market, the resulting market share would be comfortably within the Commission's first safe harbour.

57 The Association divided its 'life insurance' category into the segments shown below, and showed the combined CBA/Colonial share for each segment.

Table 3

Segment	**1999 Premium Income ($m)**	**Share of CBA plus Colonial (%)**
Conventional	[ ]	[ ]
Unbundled	[ ]	[ ]
Superannuation	[ ]	[ ]
Annuities	[ ]	[ ]
Individual Risk	[ ]	[ ]
Group Risk	[ ]	[ ]

58 These segments may be sub-divided further. 'Conventional' policies include whole of life, endowment and term life policies. 'Unbundled' policies are 'capital stable' or 'equity linked. 'Superannuation' policies are 'personal' and 'employee'. 'Individual risk' policies include 'income replacement', 'accident only' policies and 'trauma' policies. 'Group risk' policies include 'income replacement' and 'group life' policies. In none of these categories would the combined share of CBA and Colonial be outside the Commission's first safe harbour, with the range being from [ ]% to [ ]%.

Funds management

59 Details of funds management activities are contained in the Financial Institutions Performance Survey published by KPMG. The 1999 Survey was appended to the application, but the year 2000 issue was released subsequently. The more recent

information showed a substantial increase over the preceding year in funds under management (17.4%) and some changes in the rankings of fund managers. The following table is adapted from the table provided in the KPMG 2000 report and had been calculated by IPAC Securities.

60 While the merged entity would be the second largest funds manager, its market share would be only 11.6%. It would have four competitors of roughly equal size, Tower, AMP Royal & Sun Alliance and Armstrong Jones, and many smaller competitors

Table 4

Manager	**Net Retail Funds Managed- as at 31 Dec 1999 ($m)**	**%**
Tower	2,026	11.8
ASB Group	*(1,012)*	*(5.9)*
Colonial	*(978)*	*(5.7)*
Sub-total Commonwealth/ Colonial	1,990	11.6
AMP	1,723	10.0
Royal Sun Alliance	1,711	9.9
Armstrong Jones	1,634	9.5
BNZ	1,262	7.0
NZ Funds Management	1,112	6.5
ANZ Bank	1,105	6.4
Westpac Trust	1,027	6.0
AXA	1,010	5.9
Other	2,609	15.4
Total	**17,209**	**100.0**

Investment administration services

61 A major provider of these services is New Zealand Funds Management Limited which is based in Auckland. Other providers include Tower Trust, Ausmaq (NZ) Limited (a subsidiary of National Australia Bank), Sovereign and Jacques Martin (a subsidiary of Colonial). A number of actuarial firms also provide some services. No comprehensive figures on the size of this market were available.

Constraint from existing competition

62 For both life insurance and funds management, the existing major competitors of CBA and Colonial are large and experienced operators. They include AMP, AXA, Tower and Royal Sun Alliance. In addition, there are several small competitors. There is little doubt that these competitors would have the ability effectively to constrain a merged CBA/Colonial. All of the industry participants spoken to by Commission staff considered that the market would remain strongly competitive.

63 For investment administration services, financial services companies have a choice between carrying out these services themselves, the traditional approach, or of contracting them out. Further, they may undertake some themselves, and contract others out. The availability of competing external providers, and the option of partial or full self-provision, suggests that there would be adequate constraint on the merged company.

Conditions of Entry

64 In the Commission's view, a business acquisition is unlikely to result in a dominant position in a market if the threat of new entrants acts as a significant constraint on behaviour in that market. An assessment of the nature and extent of that constraint represents a key element of the Commission's assessment of competition and market dominance. Evaluation of the weight to be given to the possibility of new entry requires assessing the conditions of entry, and identifying any barriers to entry. If these barriers are high in aggregate, the likelihood of new entry is diminished.

65 In making an assessment of the constraint from market entry, the Commission's approach is to consider whether the entry of new participants in response to the exercise of market power is likely, sufficient in extent, timely and sustainable.

66 Formal requirements for entry into the relevant markets do not appear onerous. Entry on a sufficient scale to constrain the merged entity would be feasible for existing overseas providers of the relevant financial services, and for domestic financial services companies which added a new category of service to their existing business. Niche entry by greenfields companies could provide some constraint also.

67 Section 3 of the Life Insurance Act 1908 provides that, before commencing the business of life insurance, a prospective provider must deposit approved securities with a value of at least $500,000 with the Public Trustee. This appears to be a modest requirement, and an entrant lacking substantial capital backing would be likely to seek a reinsurance arrangement with an overseas reinsurer. While the Insurance Companies (Ratings and Inspections) Act 1994 requires insurance companies to have a current rating from an approved agency, section 4 of the Act excludes life insurance providers from this requirement.

68 While the number of companies offering life insurance in New Zealand has been reduced through mergers and acquisitions, new entry has occurred. Sovereign entered

(in 1988) as a greenfields operation, as did the recent entrants, Pinnacle Life, Lumley Life and Challenger Life. Given the modest formal entry requirements, new entry by overseas life insurance companies not currently operating here, by other financial services companies or by new companies, appears likely if commercial opportunities were perceived to exist. There are good prospects for sustainable entry, as Sovereign's own performance has shown.

69 For funds management and other financial services, there are few formal entry requirements other than the provisions of the Securities Act 1978. One of the requirements of this Act is the provision of a prospectus. The Superannuation Schemes Act 1989 provides a voluntary registration process for superannuation schemes. Until 1990 there was a procedure for Government approval of superannuation schemes, but this was discontinued in that year. The Superannuation Schemes Act provides that anyone wishing to register a superannuation scheme may apply to the Government Actuary and, if this is done, must provide a copy of the trust deed and the information listed in the First Schedule to the Act. Registration provides some protection to scheme members as a copy of the scheme's annual report must be provided to them, and to the Government Actuary. Most registered schemes are those provided by employers, but individual schemes may be registered. The existence or extent of any tax advantages for registered schemes vary over time, depending on tax legislation.

70 The provision of investment administration services has no formal entry requirements. A prospective provider has only to convince a company seeking these services that it could supply them efficiently at an acceptable price.

Conclusion on Constraints from Market Entry

71 Having regard to the above factors, the Commission concludes that market entry could provide an effective constraint additional to that provided by existing competitors in the New Zealand markets for life insurance, managed funds including superannuation, and investment administration services.

OVERALL CONCLUSION

72 The Commission has considered the likely impact of the proposal on the types of financial services for which market aggregation would result from the proposed merger, including the New Zealand markets for:

- life insurance;
- managed funds including superannuation; and
- investment administration services.

73 Having regard to the various elements of section 3(9) of the Commerce Act, and all the other relevant factors, the Commission is satisfied that the proposal would not

result, or would not be likely to result, in any person acquiring or strengthening a dominant position in any market.

DETERMINATION ON NOTICE OF CLEARANCE

74 Accordingly, pursuant to section 66(3)(a) of the Commerce Act, the Commission determines to give clearance for the proposed acquisition.

Dated this……………..day of May 2000

John Belgrave
Chair