

# Communique



2	Commission cracks down on pyramid schemes
4	Country of origin regulations – souvenir retailers targeted
5	Changes to Commerce Act affect all businesses with market power
5	First determination under the Dairy Industry Restructuring Act
6	Telecommunications regulation
7	Electricity Lines Businesses
7	Organisational change
8	From the courts...
10	Adjudication update
12	Contacting the Commission

## Welcome to the Commerce Commission's first issue of its new publication, *Communique*.



After a comprehensive review of the Commission's publications last year, we have amalgamated our previous newsletters, *Compliance* and *Fair's Fair*, into one all purpose quarterly communication.

We have also published a companion to the Commission's Annual Report to Parliament for 2001/2002 called *Regulatory and Enforcement Activities of the Commerce Commission*. This publication contains a comprehensive statement of the Commission's activities during the year and will be published annually.

*Communique* will be a vehicle for updates on the Commission's activities across all its regulatory control and enforcement functions, for analysis of significant issues at the heart of the Commission's work, and for promoting healthy competition amongst businesses, informed choice by consumers and sound economic regulation.

This first issue of *Communique* takes a look at some strategic priority areas under the Fair Trading Act, how changes to the Commerce Act can affect businesses, what's happening in the electricity lines businesses and telecommunications industries, and recent adjudication and litigation activities.

*Communique* will evolve alongside the Commission's evolving role and according to feedback and interest from its readers. We welcome any comments on this first issue, including suggestions for future articles.

The first issue is a little longer than future issues are likely to be, in order to provide good coverage of the first two quarters – July to December 2002.

I trust you will find *Communique* both informative and interesting reading.

John Belgrave  
Chair



COMMERCE COMMISSION

NEW ZEALAND

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## Commission cracks down on pyramid schemes

The Commerce Commission's recent successes in cracking down on alleged pyramid schemes operating in New Zealand provide a strong basis for taking action against future schemes.

Since July 2002, the Commission has investigated several schemes considered to show the hallmarks of pyramid selling – including Infinity Concierge Limited, NetGuard (New Zealand) Limited and Alpha Club New Zealand Limited. The Commission's cases against both Infinity Concierge and Alpha Club were recently heard in the courts.

### Tips to avoid getting stung...

Director of Fair Trading, Deborah Battell, said the Commission's investigations and orders made by the courts have gone some way in protecting the public from the risk of significant financial loss through pyramid schemes, but that there are some basic precautions individuals can take to avoid getting stung.

- Be wary when approached to join schemes where there are promises made about future earnings that require people to recruit members to obtain those earnings.
- Don't rely on claims made by the promoters or by people who claim to have made money from the scheme.
- Always get independent professional advice (for example, from an investment adviser or manager at your local bank, an accountant or a lawyer) before investing money in any scheme.
- If it sounds too good to be true, it probably is.

The Ministry of Consumer Affairs has a scam watch section on its website, [www.consumer-ministry.govt.nz](http://www.consumer-ministry.govt.nz), which offers advice on what to do if approached by a possible pyramid scheme. ■

### Infinity Concierge Limited

Infinity Concierge offered membership costing \$3,500 (plus GST) to an 'exclusive' buying group that claimed to 'provide members and their family concierge services to special negotiated rates for products and services at local, regional and international levels'.

Following a media release in July last year, (refer *Media Release 2002-03 013 Commission sends warning about Infinity Concierge*) the Commission successfully sought and was granted an injunction against Infinity Concierge, which was appealed, but upheld in court in October.

The injunction prevented Infinity Concierge from operating or promoting the scheme and effectively froze any money in its bank account. The Commission then took its case against Infinity Concierge before the courts.

In March this year, the Christchurch High Court found Infinity Concierge guilty of breaching the Fair Trading Act for operating or promoting a pyramid selling scheme and making false or misleading representations about the earning potential of the scheme.

Judge Deobhakta fined the company and five of its promoters a total of \$38,760 including costs. He said that the modest gains made by the company were probably only because of the early intervention of the Commission. (Refer *Media Release 2002-03 125 Pyramid Selling slammed: Infinity Concierge fined over \$38,000.*)

#### LIST OF TERMS/ABBREVIATIONS IN COMMUNIQUE

Commerce Commission	Commission
<b>Legislation Enforced by the Commerce Commission</b>	
Commerce Act 1986	Commerce Act
Dairy Industry Restructuring Act 2001	DIR Act
Electricity Industry Reform Act 1998	EIR Act
Fair Trading Act 1986	Fair Trading Act
Telecommunications Act 2001	Telecommunications Act



Be wary when approached to join schemes where there are promises made about future earnings that require people to recruit members to obtain those earnings.

### Net Guard (New Zealand) Limited

Net Guard closed down last year following a Commission investigation into information received that Net Guard was operating a sophisticated pyramid scheme.

Net Guard, formerly known as World4Vision, described itself on its website as a 'technology driven international membership organisation focused on becoming a market leader in the design and development of wireless Internet-enabled tracking and location systems'. The scheme targeted people of limited means, and required an investment of around \$6,000.

### Alpha Club New Zealand Limited

Two people involved in setting up the Net Guard scheme in New Zealand, Malcolm Stockdale and Stuart Baldwin, were also associated with Alpha Club, a pyramid scheme involving the promotion of travel and hotel discounts.

In February this year, the Auckland High Court ordered that money collected from the membership fees of Alpha Club be redistributed to members after deeming the scheme to be pyramid selling in breach of section 24 of the Fair Trading Act.

The High Court ruling followed a Commerce Commission investigation into Alpha Club. The court found that overall there were no real financial benefits available to members and the primary objective of the scheme was to earn financial rewards through the sale of memberships.

The funds, totalling around \$300,000, are currently being distributed to those members who joined after 20 December 1999 and suffered a loss by joining the scheme. ■

#### NEW PUBLICATION: Regulatory and Enforcement Activities of the Commerce Commission

The Commission's new publication, *Regulatory and Enforcement Activities of the Commerce Commission* was released in December as a companion to the Annual Report.

The publication focuses on the activities of the Commerce Commission for the year ended 30 June 2002 and includes descriptions of significant adjudication, investigations and prosecutions.

For a pdf version, visit the Commission's website at [www.comcom.govt.nz](http://www.comcom.govt.nz), or telephone 0800 94 3600 for a copy.

## Country of origin regulations – souvenir retailers targeted

Two successful Commission prosecutions of souvenir retailers highlight the need for clear and accessible labelling of clothes. Simply New Zealand Limited and All Star Trading Limited sold T-shirts that breached the place of origin provisions of the Fair Trading Act.

The country of origin labelling regulations require that articles of clothing be labelled or marked to show the country in which they were made or produced. The label must be permanent and accessible for examination by a prospective purchaser. Where the way in which an article is packaged, displayed or folded means that the permanent label is inaccessible, an additional place of origin label must be located on:

- a removable ticket or label attached to the garment;
- a pamphlet accompanying the article; and/or
- a wrapper or package in which the article is contained.

In the prosecution against Simply New Zealand, the company had positioned the place of origin labels in the side seams of the garments. The company pleaded guilty to charges that side seam origin labels did not fulfil the legal requirement of being 'accessible for examination'. In the Commission's view, these labels need to be clearly positioned in the neck area to comply with the place of origin regulations.

In the second prosecution, against All Star Trading, the label was in the neck area but the adhesive price label obscured the origin statement. Again the court found that this practice breached the regulations.

In both cases, the imported T-shirts had New Zealand logos embroidered on the garments and in some instances there were also references to New Zealand in the neck labels and on swing tags. These garments breached section 13(j) of the Fair Trading Act, which prohibits false or misleading representations concerning the place of origin of goods.

Where there are representations on imported garments that imply New Zealand origin, businesses should ensure that the origin label is immediately obvious to any prospective purchaser.

These successful prosecutions have been followed by a number of out-of-court settlements with clothing retailers, in which the retailers have undertaken to accurately label their garments. ■

### The label must be permanent and accessible for examination by a prospective purchaser.

The Commission continues to have concerns that a significant number of imported garments in souvenir stores are marketed using representations that imply that they are New Zealand made. Such representations include:

- statements outside the store that suggest that the items sold are made in New Zealand;
- neck labels that suggest New Zealand origin;
- swing tags and logos on the front of garments that suggest New Zealand origin; and
- other prominent labels that suggest New Zealand origin.

## Changes to Commerce Act affect all businesses with market power

In May 2001, amendments to the Commerce Act changed the market power threshold from that of dominance, to that of a substantial degree of market power. This new threshold brought the behaviour and practices of an increased number of businesses under the scrutiny of the Commission.

In August 2002, the Commission issued a warning to Fletcher Concrete and Infrastructure Limited, previously trading as Firth Industries Limited and The Golden Bay Cement Company Limited, that below-cost pricing by Firth in the cement and ready-mixed concrete markets risked breaching the Commerce Act.

The price-cutting was allegedly a response to the introduction into New Zealand in 1998 and 1999 of imported cement, which was designed to protect Golden Bay's position within the cement industry from competition from imported cement.

Although the Commission's investigation found no breach of the Act under the previous market dominance test, the Commission did find evidence of anti-competitive purpose by Firth and Golden Bay. It is the Commission's view that the same type of behaviour, if carried out since the introduction of the new substantial degree of market power test, could be at risk of breaching the legislation.

Commission Chair, John Belgrave, said that the case is an important one for New Zealand competition law. "It illustrates the type of anti-competitive behaviour that may not have breached the former Act, but would be likely to breach the amended Act," he said.

"The Commission sends a broader message to all industries that the changes to the Commerce Act affect all firms with market power which attempt to use that power to deter or exclude competitors."

For more information about this investigation, refer to the Commission's website, [www.comcom.govt.nz](http://www.comcom.govt.nz), for a copy of the media release, *Media Release 2002-03 022 Fletcher Concrete receives Commerce Commission warning: behaviour at risk of breaching the Commerce Act*.

The Commission's summary investigation report is also available on request, telephone 0800 94 3600. ■

## First determination under the Dairy Industry Restructuring Act

The introduction of the Dairy Industry Restructuring Act in October 2001 provided for the regulatory and structural reform of the dairy industry. The legislation allowed for the establishment of Fonterra Co-operative Group Limited and gave the Commission a regulatory control and enforcement role within the industry. This role includes:

- considering applications for determinations from parties in dispute with Fonterra concerning the entry and exit of potential and existing farmer shareholders, or any regulations made pursuant to the DIR Act; and
- considering enforcement action of those aspects of the behaviour of Fonterra that appear to breach the conditions for the entry and exit provisions, or any regulations made pursuant to the DIR Act.

In August 2002, the Commission received its first application for a determination under the DIR Act. The application was from Independent Dairy Producers Limited (IDP), a small, privately-owned dairy company that processes and supplies the 'Premium Milk' brand in the Auckland area. In its application, IDP argued that the price it had been required to pay Fonterra for raw milk was too high.

In January this year, the Commission reached a preliminary view that Fonterra's wholly owned subsidiary, New Zealand Milk Products, breached the Raw Milk Regulations by failing to meet IDP's requirement that raw milk be supplied at the default milk price, from 14 December 2001 to 19 March 2002 inclusive.

The Commission will consider submissions on the draft determination before releasing its final decision. ■

This new threshold brought the behaviour and practices of an increased number of businesses under the scrutiny of the Commission.

## Telecommunications regulation



Douglas Webb

The Telecommunications Act came into force in December 2001. The legislation introduced industry-specific regulation for the supply of telecommunications services between telecommunications carriers in New Zealand, with the goal of promoting competition in telecommunications markets for the benefit of end-users in New Zealand.

It also created a mechanism for the identification and allocation of the net cost incurred by Telecom New Zealand Limited in meeting its obligations under the Telecommunications Service Obligations (TSO) Deed for Local Residential Telephone Services.

The Commission's three principal functions under the Telecommunications Act are to:

- resolve access disputes between carriers;
- oversee the TSO regime and apportion the annual net cost between Telecom and liable carriers; and
- monitor the regulatory regime and recommend to the Minister of Communications changes to the list of regulated services.

In November 2002, the Commission released its first access determination under the Telecommunications Act. The determination related to price and non-price terms for interconnection between the TelstraClear and Telecom networks.

Telecommunications Commissioner, Douglas Webb, announced the interconnection price at 1.13 cents per minute. The interconnection price is the charge payable by one carrier to the other for handling various calls between the two networks, such as the local end of toll calls. The price is effective for 12 months from 5 November 2002. In addition, TelstraClear and Telecom agreed to backdate the price to 1 June 2002.

In the same month, the Commission released its draft determination on TelstraClear's application for a determination to permit the resale of some services offered by Telecom. The draft determination deals with the terms, including price, for the wholesaling of a number of Telecom's retail services to TelstraClear. A separate application has been made by TelstraClear in respect of residential local access and calling services.

Services covered by the draft determination include business local access, fixed-to-mobile services, directory assistance, toll-free services, messaging, narrowband access, broadband internet access and data services.

The Commission held a conference on its draft determination in February 2003, and is preparing to release its final determination in April 2003.

For more information on telecommunications, refer to the Commission's website, [www.comcom.govt.nz](http://www.comcom.govt.nz), select Telecommunications Regulation

For media releases, Commission adjudication decisions, submissions, annual reports, plans, publications and more, check out the Commission's website at [www.comcom.govt.nz](http://www.comcom.govt.nz)

## Electricity Lines Businesses

Part 4A of the Commerce Act, which commenced on 8 August 2001, establishes the regulatory regime for large electricity lines businesses and gives the Commission significant responsibilities in this area.

The purpose of the regime is to promote the efficient operation of markets directly related to electricity distribution and transmission services through targeted control for the long term benefit of consumers by ensuring that suppliers:

- are limited in their ability to extract excessive profits;
- face strong incentives to improve efficiency and provide services at a quality that reflects consumer demands; and
- share the benefits of efficiency gains with consumers, including through lower prices.

As part of the regime, the Commission is required to set performance threshold and assess the performance of electricity lines businesses against those thresholds. The thresholds have not yet been set by the Commission and are, therefore, not operational. The Commission has made draft decisions on the thresholds and proposes to set, by 31 March 2003, three thresholds related to price, quality and profit.

If one or more thresholds are breached by a lines business, the Commission could further investigate the business and, if required, control their prices, revenue or quality. In effect, the thresholds are like a trip wire. If the wire is tripped (the threshold breached), the Commission can further investigate the performance of such businesses.

Part 4A also requires the Commission to carry out a review of asset valuation methodologies for electricity lines businesses. The Commission has made draft decisions on the outcomes of this review. ■

## Organisational change

In August 2002, Chair John Belgrave was reappointed as Chair for a further two years. In November, former Associate Commissioner Donal Curtin was appointed as a full Member of the Commission and Shaan Stevens as an Associate Member.

### NEW ASSOCIATE COMMISSIONER



#### Shaan Stevens

Shaan Stevens is a Wellington-based practising barrister and chartered accountant.

Since 1993 he has been the Executive Director of Guinness Gallagher, a corporate advising firm. Shaan is of Ngati Kahungunu and Ngati Raukawa descent and leads Guinness Gallagher's Maori practice team advising both Maori and corporates on Maori related issues. He was one of the Crown commercial negotiators in the Tainui settlement and the Maori commercial negotiator in the Whakatohea settlement. He has experience with telecommunications regulation and with the New Zealand electricity industry. Shaan was formerly based in London for Coopers & Lybrand where he headed up a small mergers and acquisition team.

Shaan is a former director of Hutt Valley Health and the New Zealand Forest Research Institute. He has two current government appointments, one on the Victoria University Council and one on IFR Technologies Limited. He is a director of a number of private companies.

Shaan's relevant experience in networks, combined with his accounting and legal background will make him a valuable Associate Commissioner. ■

## From the courts...

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The following court cases relate to breaches of the Fair Trading Act over the last six months of 2002. Of these, there was considerable focus on the Commission's strategic priority areas for the 2002/2003 financial year.

### Hidden conditions

The Commission prosecuted two businesses for making false or misleading representations concerning the existence of certain conditions:

- Polynesian Limited, trading as Polynesian Airlines, was fined \$7,500 plus costs in the Auckland District Court for misleading advertising of an \$889 flight and accommodation package to Samoa. Despite the nationwide coverage of the advertising, the offer was only available ex-Auckland, which was not stated.
- South Pacific Charters Limited, trading as Freedom Air International, pleaded guilty in the Auckland District Court to breaching the Fair Trading Act in newspaper and website advertising, which failed to disclose upfront the full cost of airfares. The company was fined \$9,000 plus costs.

### Misleading representations about the size of discounts

The Commission prosecuted one business for making false or misleading representations about the size of discounts:

- Plumbing World was fined \$10,000 in the Palmerston North District Court for breaching the Fair Trading Act in relation to misleading representations in a letterbox flyer promoting Plumbing World's 'half yearly bathroom sale'. Plumbing World's flyer represented that there would be discounts of 25 percent off the recommended retail prices for showers and vanities when in fact the discounts in store were much smaller.

### Misleading representations about the content, value, benefit of food products

The Commission prosecuted three companies for breaching the Fair Trading Act in relation to misrepresentations about food products, two of which were in the beverage industry:

- Willem Klaas Stolte, owner/operator of Masterton Poultry Farm pleaded guilty in the Masterton District Court to breaching the Fair Trading Act in relation to the sale of free-range eggs sold under the Hen House brand. Barn eggs were sold as free-range over a period of seven months, during which over 17,000 dozen more free-range eggs were sold than were actually produced. Stolte was fined \$10,000 plus costs.
- Double R Softdrinks pleaded guilty in the Christchurch District Court to breaching the Fair Trading Act for making false representations about the nature of its Citrus Grove Orange Juice. The breaches included claims that the drink contained '100% orange juice' when it contained no more than 45%, and that it was 'sweetened by nature' when it had sugar added. The company was fined \$4,000 plus costs.
- Rio Beverages Limited was fined \$22,600 plus costs in the Auckland District Court for breaching the Fair Trading Act in relation to false and misleading claims about its Thexton's Quality Beverages range of products. The breaches included misleading claims about the health benefits associated with drinking the product and about fruit juice content in its blackcurrant beverage.

The Commission's strategic focus for 2002/2003 includes three specific industries – electricity, telecommunications and financial services.

## Industry-specific

The Commission's strategic focus for 2002/2003 includes three specific industries – electricity, telecommunications and financial services. Three companies were prosecuted in the period across these industries:

- Mighty River Power, trading as Mercury Energy, pleaded guilty in the Auckland District Court to two charges of breaching the Fair Trading Act in relation to misleading television advertising promising to read electricity meters monthly. The company was fined \$14,000 plus costs.
- Clear Communications Limited pleaded guilty in the North Shore District Court to breaching the Fair Trading Act relating to actions and representations made through its Clear Net and Ztalk promotions. The company was fined \$6,000 plus costs.
- ANZ Bank was fined \$7,500 plus costs in the Wellington District Court for breaching the Fair Trading Act in relation to a promotion offering nearly 10,000 of its existing customers an ANZ MasterCard with a pre-approved \$5,000 limit. In addition, Judge Tuohy acknowledged the bank had to write off \$2.3million as a result of the campaign.

## Other prosecutions

- Grenadier Real Estate Limited admitted breaching the Fair Trading Act in the Christchurch High Court with respect to misleading advertising of a Lyttleton property for auction in November 2000.
- Real Estate Agent Bette Ireland, acting on behalf of Century 21 Morris Realty, was fined \$3,000 plus costs in the Palmerston North District Court for breaching the Fair Trading Act in advertising about the price payable for a property.
- Auckland business Elldex Packaging Limited was fined \$5,000 plus costs in the Auckland District Court for breaching the Fair Trading Act in relation to misleading representations about the place of origin of its all-purpose cling film wrap product.
- Daewoo Automotive Australia Pty Limited, trading as Daewoo Automotive New Zealand, pleaded guilty in the Manukau District Court to breaching the Fair Trading Act for selling vehicles as new when they had been manufactured two years earlier. The company was fined \$35,000 plus costs.
- The Mill Liquorsave pleaded guilty in the Auckland District Court to breaching the Fair Trading Act for its 'No one undersells us' claim. The company was fined \$5,000 plus costs.
- Anthony John Hendon pleaded guilty in the North Shore District Court to 55 breaches of the Fair Trading Act relating to his businesses, Peach Holdings Limited, Hilltop Printing Limited and Mainland Media Group Limited. Sales agents, working for Hendon on commission, made false representations in both telephone calls and documentation to businesses that they had agreed to advertise in magazines published by Hendon. The businesses were then invoiced on the basis of these misleading representations. Hendon was fined \$20,000 plus costs. ■

### CONTACT DETAILS

To contact the Commission with information about unfair or misleading trading practices, or anti-competitive behaviour by businesses:

- Call the Contact Centre on 0800 94 3600;
- Write to Contact Centre, Commerce Commission, PO Box 2351, Wellington; or
- Email [contact@comcom.govt.nz](mailto:contact@comcom.govt.nz).

## Adjudication update

During the July-December 2002 period, the Commission's adjudication activities included:

### Market Structure Clearances decided during the period

DECISION NO.	DATE RECEIVED	PARTIES/DESCRIPTION	DECISION DATE
<b>Granted</b>			
459A	28 June 2002	The acquisition by National Foods Limited of 100% of the shares or assets of New Zealand Dairy Foods Limited.	26 September 2002
463	7 June 2002	The acquisition by Reyrolle Pacific Holdings Limited of 100% of the shares and business of VA Tech Reyrolle Pacific Limited.	1 July 2002
466	9 July 2002	The acquisition by Firth Industries to acquire the assets comprising the ready-mixed concrete business of Gill Construction Co Limited.	26 July 2002
468	8 July 2002	The acquisition by Fletcher Challenge Forests Limited to acquire most of the assets of the Central North Island Forest Partnership.	14 August 2002
469	12 July 2002	The acquisition by Consolidated Extrusions to acquire those business assets of the MCK Group Limited and MCK Pacific Pty Limited relating to its brass and copper alloy extrusions and distribution business.	14 August 2002
470	19 July 2002	The acquisition by Natural Gas Corporation Holdings Limited to acquire the gas pipeline assets of UnitedNetworks Limited.	23 August 2002
471	26 July 2002	The acquisition by Vector Limited to acquire up to 100% of the shares in the capital of UnitedNetworks Limited.	23 August 2002
475	10 September 2002	The acquisition by Genesis Power Limited to acquire the retail gas customers of Natural Gas Corporation Holdings Limited.	26 September 2002
476	5 September 2002	The acquisition by Genesis Power Limited to acquire the electricity customers and assets of Energy On Line Limited.	9 October 2002
478	16 October 2002	The acquisition by Custom Fleet (NZ) Limited to acquire the shares of Hertz Fleetlease Limited.	31 October 2002
479	27 September 2002	The acquisition by Vodafone Mobile NZ Limited to acquire the management rights for 20 years in the radio frequency range between 890 MHz and 899.8 MHz, together with the corresponding natural pair management rights in the 939 – 944.8 MHz range from Her Majesty the Queen in right of the Government of New Zealand.	1 November 2002
480	18 October 2002	The acquisition by Coca-Cola Amatil (NZ) to acquire the remaining business assets necessary to operate the Rio Beverages Limited business.	1 November 2002
481	18 October 2002	The acquisition by The Coca-Cola Company (TCCC) to acquire the trademarks and intellectual property associated with the brands owned by Rio Beverages Limited.	1 November 2002

DECISION NO.	DATE RECEIVED	PARTIES/DESCRIPTION	DECISION DATE
482	5 September 2002	The acquisition by Cendant Corporation (Avis New Zealand) to acquire up to 100% of the shares and assets in Budget Group Inc's car and truck operations in New Zealand.	7 November 2002
485	15 November 2002	The acquisition by Val Morgan & Co (Aust) Pty Limited to acquire the cinema advertising businesses of Val Morgan & Co (Aust) Pty Limited (Val Morgan) and Media Entertainment Group Limited (MEG).	18 December 2002
<b>Declined</b>			
467	1 July 2002	The acquisition by Red Bus Limited to acquire up to 100% of the shares or assets of Leopard Coachlines Limited.	30 July 2002
<b>Withdrawn</b>			
N/a	22 May 2002	The acquisition by Marstel Terminals Pty Limited of up to 100% of the shares or assets of Bulk Storage Terminals Limited.	8 August 2002

#### Market Structure Authorisations decided during the period

DECISION NO.	DATE RECEIVED	PARTIES/DESCRIPTION	DECISION
483	2 August 2002	Stamford Lee Maier (Junior) – application for an exemption from the application of the cross-involvement rules of the EIR Act.	Exemption Granted 17 December 2002

#### Market Behaviour Authorisations decided during the period

DECISION NO.	DATE RECEIVED	PARTIES/DESCRIPTION	DECISION
473	7 December 2001	Electricity Governance Board – application for authorisation to combine various existing arrangements and integrate new arrangements into a single rulebook.	Authorisation granted subject to conditions – 30 September 2002
474	22 May 2002	The Marketplace Company – application for authorisation of an arrangement to increase the amount of information available to market participants in the wholesale electricity market by releasing bid and offer information two weeks after the bids and offers apply.	Decision not required

#### Access Determinations decided during the period

DECISION NO.	DATE RECEIVED	PARTIES/DESCRIPTION	DECISION
477	16 May 2002	TelstraClear applied for a determination in regard to interconnection with Telecom's fixed Public Switched Telecommunications Network and interconnection with TelstraClear's fixed PSTN.	Determination issued 5 November 2002

## Contacting the Commerce Commission

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If you have information on unfair or misleading business practices or anti-competitive behaviour by businesses, the Commission's Contact Centre would like to hear from you.

You can:

- telephone our Contact Centre during office hours on 0800 94 3600;
- email us at [contact@comcom.govt.nz](mailto:contact@comcom.govt.nz); or
- write to us at PO Box 2351, Wellington.

The Commission's Contact Centre was launched in March 2002 as a one-stop shop for businesses and members of the public to get in touch with the Commission when they have information about what they believe to be unfair or misleading trading practices or anti-competitive behaviour by businesses.

In addition to its own market monitoring and surveillance activities, the Commission relies on information from the public to identify likely breaches of the Fair Trading and Commerce Acts.

The Commission assesses the information it has been provided alongside information it has gathered directly and determines which matters it will investigate. Like any enforcement agency, the Commission cannot and does **not** investigate every possible breach of the legislation. Rather, it focuses its enforcement activities on those matters and those businesses where stopping the breaches will have greatest positive impact for consumers. The Commission uses a set of enforcement criteria to determine which matters it will investigate. The Commission does not take enforcement action on behalf of individuals.

At its full discretion, the Commission may grant leniency, and take a lower level of enforcement action, or no action at all, against a person or business in exchange for information and full co-operation. ■

Since the Contact Centre went operational a year ago, it has received information and queries from over 15,000 people – on average more than 40 contacts per day.