
From:
Sent: Monday, 18 January 2016 9:40 a.m.
To: CommerceAct
Subject: Competition Review

Greetings,

I understand that a review is being conducted of the competition provisions in the Commerce Act. It is my belief that this is long overdue.

A case in point is the recent investigation into restrictive supply agreements between breweries and bars, virtually all of which are tied to one or other of the Big Two brewing duopoly. To anyone who likes a good ale the facts are obvious. One can walk into almost any pub between Kaitia and Bluff and be greeted with the same dreary range of mediocre beers from either Lion or DB. Micro brewery beer is very thin on the ground, despite the growth of the craft beer industry over recent years.

To add insult to injury the big two have successfully hijacked the BYO trade. BYO is a great NZ institution but is now almost always restricted to wine only. When one asks "Why can't I bring beer?" the answers range from obvious child-like untruths to defensive rudeness. However, I recently embarrassed a local BYO owner into coming clean - they had done a deal with one of the breweries. I have no doubt that the same applies in all the other wine-only premises.

Despite these obvious facts staring them in the face the Commerce Commission concluded that neither DB nor Lion had substantial market power, and even if they did have such power taking action under section 36 of the Act would be Too Hard. In other words, their investigation was a total waste of time and money. No action required, nothing to see here, move along please. (I can see potential for a Tui bill board!).

Other examples of Comcom ineffectiveness are the supermarket duopoly and the ridiculously high prices charged for building products.

I acknowledge that the Commission scored a couple of successes towards the end of last year, but it is obvious to even a layman such as myself that unless the Commission spots the culprit(s) still clutching the proverbial smoking gun the chances of effective action to restrain the price gouging and colluding tendencies of the big end of town are approximately zero. I suspect that there may well have been cases where the Commission would like to have taken action but felt that the Act was too vague or weak to make such action viable.

The Act needs a major shake up and I urge you to recommend same to the Government.

Kind regards

Brian O'Neill

