

31 January 2019

Keston Ruxton
Manager, Market Studies
Commerce Commission
By email to marketstudies.submissions@comcom.govt.nz

Dear Keston

Market studies guidelines

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Commerce Commission's Draft Market Studies Guidelines published 12 December 2018.¹
2. MEUG members have been consulted in the preparation of this submission. This submission is not confidential. Some members may make separate submissions.
3. There are no surprises with the draft guidelines. We acknowledge the Commission wishes to have as much transparency on process and the Commission's analysis as is practical.
4. There is one process step omitted. That is a post facto review of the cost of conducting each market study and an assessment of expected market outcomes to assess if the market study was worthwhile and effective. This is an important step if, as explained in paragraph 9 of the draft guidelines, that the Commission expect "Much will be learned from the first studies that we undertake, and we expect that our approach will naturally evolve over time. We may therefore revise these guidelines from time to time in accordance with developments in our processes." A post facto review conducted by a party independent of the Commission and the Minister following each market study will ensure lessons are identified and considered for future studies.
5. In weighing expected future benefits, if any, with actual costs incurred by the Commission and affected parties in the market, a post facto review will be one metric to hold Ministers to account for selecting a particular market for study compared to other markets. That will incentivise Ministers to choose wisely when asking the Commission to conduct future studies or to consider deferring commencement of further studies until sufficient initial evidence is at hand to justify the cost to affected suppliers and taxpayers meeting Commission costs.

Yours sincerely



Ralph Matthes
Executive Director

¹ refer <https://comcom.govt.nz/about-us/our-role/competition-studies/market-study-into-retail-fuel>