



31 March 2016

Hon Paul Goldsmith
Minister of Commerce
Parliament Buildings
Private Bag 18041
WELLINGTON 6160

Commerce Act (Cartels and Other Matters) Amendment Bill

Dear Minister

Given recent publicity on RNZ National, in the NBR and in the Shipping Gazette I thought it important to write to you to confirm the position of the New Zealand Shippers' Council on this Bill.

The Council considered this matter again last week at a full meeting of members. The position of the Council is that we support the passage of this Bill so long as it does not create an overly-bureaucratic regime, that Vessel Sharing Arrangements (VSA's) are allowed to function efficiently and any associated compliance costs remain relatively immaterial.

Those opposed to this Bill are trying to suggest that it will lead to unintended consequences and regulatory risk. While we do partially share this view as it relates to VSA's, we are aware that the Commerce Commission has an open invitation to interested parties to engage on how the guidelines will apply to the shipping industry to avoid the uncertainties and risks that are being talked about in the media. This is a critical part of the process and the Council is ready and willing to engage with the Commission on these.

New Zealand exporters and importers are best served through having access to a broad range of shipping lines and services which are often provided through VSA's. The Council therefore does have a specific interest in ensuring that the possibility of maintaining or negotiating VSA's is not constrained by this Bill. This would be a negative outcome for NZ INC and needs to be avoided.

The Council looks forward to engaging with the Commission.

Yours sincerely,

Mike Knowles
Chairman