



## Media Statement

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### Shippers Council opposes port insurance levy mechanism

The New Zealand Shippers' Council is concerned that the recent announcement by Port Napier that it will impose an insurance levy charge on transport operators is the 'thin end of the wedge' for the country's exporters and importers. The levy came into effect on October 1 and will be passed onto exporters and importers effectively through the back door as added cost in the supply chain.

Chairman of the NZ Shippers Council, Mike Knowles said it is an alarming precedent.

"What we're seeing is a levy that lands on those who have no contractual relationship with the port and therefore no ability to influence the outcome."

"In our view ports should either be absorbing those increased costs as part of normal business activity, or negotiating them with their commercial clients – the shipping lines; not imposing them on parties who have no ability to review and negotiate rates," said Mr Knowles.

Mr Knowles said the Shippers Council appreciates that the dramatic increase in insurance premiums in the wake of the Kaikoura earthquake places considerable pressure on providers of supply chain infrastructure. "However, applying a levy on parties who do not have a commercial relationship with the port is not the way forward. We are extremely concerned that this precedent may be adopted by other ports and will strongly oppose any move in that direction."

For further comment:

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The New Zealand Shippers' Council represents the supply chain interests of major New Zealand shippers, with members across all sectors including importers, exporters, ports, freight forwarders, road and rail. Collectively members move over 60% of NZ containerised exports and a significant amount of bulk exports, imports and domestic volume.