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International Freight Transport Services Inquiry  
Attention: Geoff Lewis  
New Zealand Productivity Commission  
PO Box 8036  
**WELLINGTON 6143**

Email Address: [freightinquiry@productivity.govt.nz](mailto:freightinquiry@productivity.govt.nz)

Dear Sir

### **International freight transport services inquiry – draft report**

ExportNZ congratulates the Productivity Commission on a comprehensive report on International Transport and is pleased to see all the relevant information on a complex and inter-related system pulled together in one place.

ExportNZ is pleased to see from the analysis undertaken, that although there is room for improvement, New Zealand compares relatively well to the productivity in freight transport achieved in other countries in our geographic region.

Of the recommendations made in the draft report, ExportNZ supports the following as priorities;

#### **Shipping Lines**

- International Shipping should not be treated differently from other industries with automatic exemption from the Commerce Act for agreements, without any analysis of the actual impact of those agreements, particularly those that relate to ratemaking and capacity limiting agreements. We also support the retention of the exemption for non-rate making agreements, conditional on filing the agreements for greater transparency.

#### **Coastal Shipping**

- It is worth analysing whether coastal shipping is constrained from competing on level playing field due to subsidisation of other modes of transport, such as the government investment in Kiwi Rail.

## Ports

- Strengthening the governance arrangements for publicly owned Ports is supported, along with greater clarity of purpose, increasing the scope for competitive provision of services within Ports (such as happens at the Port of Tauranga) and improving labour relations. We will be pursuing these ideas further with the Ports and local government owners.
- Labour relations are clearly an area that needs attention in order to deliver the Ports the flexibility they need to achieve greater productivity. Times have changed, the nature of the jobs have changed and to be competitive in a global marketplace (where all our exporters have to compete) flexibility is important to productivity.

## Rail

- ExportNZ agrees to the proposition that a full cost-benefit analysis accompany any new investments in Rail, comparable to the ones undertaken for major road projects. This would provide greater transparency and go some way to ensuring that all the modes are competing on an equal basis and the most productive modes are where the new investment occurs.

Many thanks for the opportunity to submit and we look forward to the final report and the response of the Government to the report.

Yours sincerely



Catherine Beard  
Executive Director