

25 November 2004

TransTasman Study
Productivity Commission
LB2 Collins Street East
Melbourne Vic 8003
AUSTRALIA

E-mail to: transtasman@pc.gov.au

Dear Sir/Madam

AUSTRALIAN AND NEW ZEALAND COMPETITION AND CONSUMER PROTECTION REGIMES DRAFT RESEARCH REPORT

I am writing to you regarding comments requested for the draft research report the Australian Productivity Commission (APC) released entitled *Australia New Zealand Competition & Consumer Protection Regimes*.

Firstly, we would like to thank the APC for being very proactive in seeking comments from Business NZ, as well as other companies, organisations and government departments on both sides of the Tasman that may have issues to raise regarding this investigation. Business NZ has been involved in the initial consultation meetings, has provided a letter regarding our initial thoughts, and has attended the roundtable discussion series of meetings that took place in early November.

We would like to commend the APC on producing a thorough draft research report into competition and consumer protection regimes across both sides of the Tasman. Our first letter highlighted that fact that we did not believe there were any instances where the operation, administration, and enforcement of Australian and New Zealand competition and consumer protection law substantially impeded an integrated trans-Tasman business environment. We continue to take the viewpoint that existing competition and consumer protection regimes are unlikely to be having any significant distortionary impact on Australasian economic activity, given the regimes and their operations in each country being sufficiently similar. We agree with the APC that the benefit of any adjustment to impediments to be modest, and any net benefit to be questionable after taking into account the costs of implementation.

We are also pleased to see that the APC has decided to investigate a broad range of possible policy options for achieving greater cooperation, coordination and integration of both countries' competition and consumer protection regimes. While none of the six options outlined in the draft report appeared to show benefits exceeding costs, Business NZ agrees with the APC that if any option was considered for implementation, option (3) involving separate regimes with enhanced cooperation would be the most consistent with the current policy of pursuing harmonisation and building a foundation for the furthering the aim of a single economic market.

We would also like to point out that feedback from our members after our initial letter was sent to the APC has highlighted the fact that despite the two countries being highly harmonised, many felt there was no room for complacency. Future working groups of both countries to investigate any potential changes being proposed would be essential in moves towards greater harmonisation between the two countries.

Overall, Business NZ believes both countries need to continue to push with reform in all areas of economic cooperation, as long as it includes a net benefit for New Zealand. We would also like to reiterate our point from our previous letter that there should be an opportunity for greater cross-fertilisation of ideas and practices between the two countries in terms of particular industry specific regimes, and an opportunity to look beyond the practices of Australasia towards the rest of the world.

Again, we would like to thank you for the opportunity to comment.

Yours sincerely

Phil O'Reilly
Chief Executive