

29 March 2019

Competition & Consumer Policy
Ministry of Business, Innovation, and Employment
PO Box 1473
Wellington 6140

LETTER OF SUPPORT: REVIEW OF SECTION 36 OF THE COMMERCE ACT & OTHER MATTERS

The Wellington Chamber of Commerce (The Chamber) writes to express our support for BusinessNZ's submissions on the Ministry of Business, Innovation, and Employment's Discussion Document titled *Review of Section 36 of the Commerce Act and Other Matters* (the discussion document).

The Chamber has been the voice of business in the Wellington region for 162 years since 1856 and advocates policies that reflect the interests of the business community in both the city and region, and the development of the region's economy as a whole. The Chamber advocates the views of its members and obtains that view through regularly surveying members.

We are a business membership association, representing 3,625 members and their interests throughout the Wellington region, as well as being one of the four regional organisations comprising New Zealand's peak business advocacy group, BusinessNZ. In Wellington, our organisation operates the Wellington Chamber of Commerce, accredited to the New Zealand Chamber of Commerce network. Our organisation also delivers ExportNZ to Wellington, the Hawke's Bay and the Central region.

The Chamber supports BusinessNZ's submissions to the Ministry of Business, Innovation, and Employment and wholly endorses this organisations' comments on the issue. **We recommend that Section 36 of the Commerce Act is not changed to provide for an effects-based test.** This recommendation is made on behalf of our membership-base; 65 percent of which is made of MSMEs, while 78 percent of our members have less than 50 employees.

One issue that we would like to raise is the fact that Section 36 of the Commerce Act has already been reviewed several times since 2013 with the Productivity Commission's Services Sector report (2013/2014), MBIE 2015/2016 Issues Paper, and the Commerce Commission's Supplementary Submission (2016). We see no justification as to why Section 36 needs to be reviewed again especially as there was significant push back from businesses and industry groups in regards to recent reviews.

We understand that Section 36 is not perfect, and business is willing to listen and commit to changes to the section. However, we believe the provision for an effects-based test are an extreme that is unnecessary for the New Zealand business environment.

Thank you for the opportunity to submit.

Yours sincerely,



John Milford, Chief Executive, Wellington Chamber of Commerce