

Submission

by

Business|NZ

to the

Primary Production Select Committee

on the

**Apple and Pear Industry Restructuring Act
Repeal Bill**

20 July 2001

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Apple and Pear Industry Restructuring Act Repeal Bill
SUBMISSION BY BUSINESS NEW ZEALAND
20 JULY 2001

1. INTRODUCTION

- 1.1 This submission is made on behalf of Business New Zealand, incorporating regional employers' and manufacturers' organisations. The regional organisations consist of the Employers' and Manufacturers' Association (Northern), the Employers' and Manufacturers' Association (Central), Canterbury Manufacturers' Association, Canterbury Employers Chambers of Commerce, and the Otago-Southland Employers' Association. Business New Zealand represents business and employer interests in all matters affecting the business and employment sectors.
- 1.2 Business NZ welcomes the intention of the bill to fully liberalise the exporting of apples and pears through the removal of regulatory barriers by 1 October 2001. We have welcomed the approach of the Apple and Pear Exports Permits Committee to significantly increase the exporting options for apple and pear growers but believe there would be benefits from further deregulation of the industry.
- 1.3 We believe the transition with the establishment of the Export Permits Committee has occurred very smoothly, with none of the problems expected by opponents to reform. With the current problems occurring within ENZA Limited, it would appear the 1999 reforms were very timely. They have also emphasized the risks involved in concentration of market power in a single marketing organization and the difficulties involved in adapting to a more competitive market situation.
- 1.4 The amount of effort taken by ENZA Limited to challenge the decisions of the Export Permits Committee has been costly for the industry and has demonstrated the unwillingness of the company to recognize the benefits to growers from an increased choice of exporters. This has long been a problem with the single desk selling structures, which appear to have devoted considerable resource to maintaining their privileged position and insufficient resources to exploring new marketing opportunities. With a significant proportion of the industry's exports now handled by independent exporters we

believe the industry is in a good position to move to complete deregulation without any disruption to growers.

2. RECOMMENDATION

- 2.1 That all remaining export controls for apples and pears be removed by 1 October 2001.