

15 November 2024

Grocery Commissioner
Commerce Commission of New Zealand
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Retail NZ response to Wholesale Supply Inquiry: Issues Paper

1. Retail NZ is a membership organisation that represents the views and interests of New Zealand's retail sector. We are the peak body representing retailers across Aotearoa, with our membership accounting for nearly 70% of all domestic retail turnover. New Zealand's retail sector comprises approximately 27,000 businesses and employs around 220,000 Kiwis.
2. Retail NZ understands the objectives of the Wholesale Supply Inquiry: Issues Paper are to:
 - Assess whether the wholesale supply of groceries (and ancillary services) should be subject to additional regulation under the Grocery Industry Competition Act 2023
 - Consider what additional regulation should apply, if additional regulation is required
 - Consider if any other regulation or action may be necessary.
3. Retail NZ is broadly supportive of these objectives and is pleased the Commerce Commission is looking into the markets in which RGRs acquire groceries to assess whether additional regulation or other actions are needed to make these supplier markets more competitive or more efficient.
4. Retail NZ fully supports increased competition in the grocery sector and recognises that this entails having protection in place for non-regulated grocery retailers, to protect them and allow them to offer competitive pricing and terms.
5. Retail NZ's membership includes both Regulated Grocery Retailers (RGRs) and 'other grocery retailers'. These businesses represent a wide spectrum of interests and views about the wholesale supply of groceries in New Zealand, from those providing wholesale services through to wholesale customers.
6. We have consulted our membership in the preparation of this submission. Although we were unable to reach consensus about the preferred way forward for the wholesale market for groceries, we are in position to assist the Commission by providing feedback from both RGRs and other grocery retailers. We would recommend a separate meeting to discuss these issues in more depth.
7. If the Commission decides to take action as a result of the Inquiry, Retail NZ urges that its next steps are proportionate and appropriate (including with regard to the potential cost of additional regulation compared with the expected benefit), to support the growth of the grocery wholesale market, rather than proceeding straight to heavier regulation.

8. For example, where the Commission has identified that structural issues or individual participants in the wholesale supply chain could improve performance, it should target those aspects rather than issue blanket directives affecting all participants.
9. Retail NZ would welcome the opportunity to discuss further with you the issues around the wholesale supply of groceries.
10. No part of this submission should be withheld under the OIA.

Nāku iti noa, nā



Carolyn Young
Chief Executive