

Retail Grocery Market Study Recommendations

We recommend a suite of changes to increase competition and help improve the price, quality and range of groceries available to New Zealanders.



Make it easier for independent grocery retailers to set up and expand

- Make more land available for new grocery stores
 - Change planning laws to free up sites
 - Ban the use of restrictive covenants that prevent retail grocery stores from being developed
 - Monitor land banking by the major grocery retailers.



- Improve access to wholesale supply of groceries
 - Regulate to require major grocery retailers to fairly consider requests to supply competitors
 - Require the criteria and terms and conditions of wholesale supply to be transparent.



- Monitor strategic conduct by the major grocery retailers.

Improve relationships between grocery retailers and suppliers

- Introduce a mandatory code of conduct for grocery supply relationships to improve transparency and ban unfair conduct.
- Strengthen protections against unfair terms in standard form contracts.
- Consider allowing collective bargaining by some suppliers.



Help consumers make more informed decisions

- Introduce mandatory unit pricing.
- Major grocery retailers should ensure their promotional and pricing practices are easy to understand.
- Major grocery retailers should ensure consumers can easily access and understand their loyalty programmes' terms and conditions.

Support the implementation of regulatory measures and monitor the sector

- Establish a dedicated grocery regulator to provide monitoring and oversight.
- Establish a dispute resolution mechanism to resolve wholesale and supplier disputes.
- Review industry competitiveness three years after recommendations have been implemented.

