

## **Commerce Commission market study into the grocery sector Submission 23 Nov 2021.**

This submission is on behalf of Kore Hiakai Zero Hunger Collective, as part of the final opportunity to offer our insights to the Commerce Commission Te Komihana Tauhokohoko ‘Market study into the grocery sector’.

The Kore Hiakai Zero Hunger Collective are a network of organisations committed to supporting the work of community food organisations across New Zealand, while also undertaking the slower, deeper work of addressing the root causes of poverty related hunger. Our founding partners are The Salvation Army, Christchurch City Mission, The Wellington City Mission, VisionWest, Auckland City Mission and the New Zealand Council of Christian Social Services.

Our approach is to create a food secure Aotearoa New Zealand by supporting a network of foodbanks and community food organisations across Aotearoa, while undertaking the slower, deeper work of addressing the root and systemic causes of poverty-related hunger.

### **Government response should go beyond a focus on strengthening competition and ensure adequate access to affordable food for all.**

1. Access to good nutritious food is a basic human right. It is the responsibility of the government towards its citizenship. The United Nations have a clear definition of food security that includes both physical access to food as well as economic access.<sup>1</sup> The Commerce Commission cannot scrutinise one aspect of the food system in Aotearoa New Zealand without recognising its links to the other aspects. While this inquiry has been into the supermarket grocery sector, and therefore the food market aspect of our food system, that does not stand alone and separate to the wider values of our food system in Aotearoa. Our food system is a complex system with interdependencies and interconnections spanning health, housing, governance, environment, whenua, culture, socioeconomics, intergenerational equities and more.
2. During the recent conference held by the Commerce Commission Kore Hiakai was struck by how the supermarkets used their data to shape their behaviours, especially around pricing and assumptions about customers. Data can be used in a variety of ways. When used to find averages data automatically silences portions of those held within the wider data set. What cannot be accessed with the data the supermarkets access is income of the shopper and what portion of their income they are spending on their shop. Therefore, the aggregate figures mask the differences in the proportion of food expenditure in relation to income across income groups. A study by Wellington Regional Public health in 2010 states that where more than 30% of



income goes to food costs a whānau is deemed to be under food stress.<sup>ii</sup> We invite the Commerce Commission to consider how supermarkets might be able to fold this knowledge into their behaviour around rolling specials and club deals.

3. The data gathered by the supermarkets also doesn't show how often certain socio-economic populations shop in contrast to other populations. The data of the 'average spend on a shop' does not tell the whole story of affordability, particularly for those on low incomes. The assumption that an average shop is not a weekly shop because of the amount being spent is under \$100 does not hold true for low income earners. That average can also be skewed by a shopper who shops everyday to buy their lunch along side a shopper who shops once a fortnight after payday. We invite the Commerce Commission to consider how the needs of both shoppers in taken into any regulations around code of conduct. Both shoppers need to be served with dignity and integrity buy the grocery sector. Not just the one with more money to spend.

### Mana Kai Initiative

4. Recently the Aotearoa Circle<sup>iii</sup> released a report, Mana Kai Initiative, articulating its initial offering to Aotearoa on a values base for our food system. This has been put together from a Te Ao Māori perspective. It has then been crafted by a diverse group of stakeholders within the kai system of Aotearoa. The process for this mahi is not completed yet, with additional conversations and dialogue happening with an even wider diverse range of people and organisations across the kai system.
5. We draw the Commerce Commission's attention to this document and the concept that our actions within any aspect of the food system of Aotearoa, including the market – both wholesale and retail, should be based on values embedded in law through Te Tiriti o Waitangi. This recent framework is a tool for helping apply those Te Tiriti values in our current workings out of the food system.
6. One of those values is accessibility for all citizens. We suggest that the current retail and wholesale sector(s) do not exist for all citizens or residents of Aotearoa. Our current market system disadvantages those on low incomes, especially Māori, Pasifika and migrants, and particularly women with children. Women are disproportionate in low-income brackets and so are a large population group in the bottom 25% of earners. Women also make up around 80% of those on sole parent benefits, one of our lowest income earners, and yet they are still more likely to do the weekly shop within the supermarket retail system.

### The Living Standards Framework



7. In addition to the Mana Kai report is the 'Living Standards Framework' produced by Treasury Te Tai Ōhanga. Treasury is now required to report against the Living Standards each year. This suggests that this framework, and the values embedded within it, are intended to shape 'The Wealth of Aotearoa,' including "our human capability and the natural environment."<sup>iv</sup> These same values and measurement should be applicable in the commercial frame when they affect the wider wellbeing of our whole population and the ability to access our basic human rights.

## In conclusion

Kore Hiakai believe the Commerce Commission have the ability and responsibility to shape recommendations to the government that not only look at what is good practice under current commercial law – but also what is good and right for all within our population in order to make sure we hold our commitments to the United Nations Sustainable Development goal #2 of Zero Hunger: that all have access to good nutritious affordable food in Aotearoa.

Ngā mihi nui,

**Tric Malcolm**

Pou Ārahi

**Kore Hiakai Zero Hunger Collective**

*He kai kei āku ringaringa – I have food/ prosperity at the end of my hands*

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<sup>i</sup> Food security, as defined by the United Nations' Committee on World Food Security, means that **all people, at all times, have physical, social, and economic access to sufficient, safe, and nutritious food that meets their food preferences and dietary needs for an active and healthy life.**

<sup>ii</sup> Food Costs for Families, paper prepared for Wellington Regional Public Health by Vicki Robinson, November 2010. (updated 2012).

'Ka Mākona – Income adequacy in Aotearoa New Zealand' Kore Hiakai (2021) <https://www.zerohunger.org.nz/kamakona>

<sup>iii</sup> The Aotearoa Circle is a unique partnership of public and private sector leaders, unified and committed to the pursuit of sustainable prosperity and reversing the decline of New Zealand's natural resources. We are taking a shared responsibility for long-term investment in our natural resources. <https://www.theaotearoacircle.nz/>

<sup>iv</sup> *The Living Standards Framework* <https://www.treasury.govt.nz/publications/tp/living-standards-framework-2021-html#section-1>

