



Introduction:

The Brewers Association of New Zealand (BANZ) represents major brewers with the core purpose to celebrate beer, its contribution to the economy and to social wellbeing through responsible consumption.

Our members (Lion Pty Ltd and DB Breweries Ltd) produce approximately 80% of the beer brewed in New Zealand. The brewing industry is a major contributor to the ongoing success of the New Zealand economy – worth \$3.3 billion in the year ending September 2023. The brewing industry contributes over \$896 million to GST and alcohol excise tax and supports thousands of jobs throughout New Zealand in the primary production sector through Hop and Barley production as well as the retail and hospitality sectors.

The Brewers Association supports the moderate consumption of beer by adults. Many people enjoy drinking beer which can be part of a healthy lifestyle when consumed in moderation. The Brewers Association believes where there are instances of misuse or underage consumption, targeted interventions and education are best placed to successfully reduce harm for specific at-risk groups.

Our core principles are:

- I. Drinking beer can add to an adult's enjoyment of life, and as a lower alcohol and natural product, can be part of a healthy lifestyle when enjoyed in moderation.
- II. Beer plays a positive role in our society and the economy due to its important role in the agricultural, brewing, tourism and hospitality sectors, as well as our culture and heritage.
- III. We support targeted efforts by industry, Government and the community to reduce alcohol misuse.

The Brewers Association of New Zealand welcomes the opportunity to contribute to the review of the Grocery Supply Code (the Code). We believe that this review provides a critical platform to address key concerns and propose the inclusion of alcoholic beverages, primarily beer, in future versions of the Code. We argue that beer, as a staple product in many households, should be considered alongside other grocery items for a fair and competitive trading environment.

Question 1: Do you consider the Code is currently effective in supporting the objectives set out in paragraph 21?

The Brewers Association believes that while the Code is effective in many respects, its exclusion of alcoholic beverages like beer limits its full potential. As outlined in paragraph 21, the objectives of promoting fair conduct, transparency, certainty, and



competition are essential for a functioning grocery market. However, these objectives are undermined when a significant category of consumer goods—alcoholic beverages—is excluded.

Question 3: Are there any issues with the content of the Code that may be impacting the Code’s effectiveness in supporting the objectives in paragraph 21?

The primary issue with the content of the Code is its exclusion of alcoholic beverages from the definition of “groceries”. This impacts the Code's ability to support fair competition, transparency, and consumer confidence.

By not including beer and other alcoholic beverages in the Code, it fails to address the unique challenges faced by this sector, such as pricing transparency, supplier-retailer negotiations, and fair access to the retail market.

Question 4: Are there any opportunities for improving the content of the Code to support the objectives in paragraph 21?

We see a significant opportunity for improvement by including beer within the definition of “groceries” under the Code. Doing so would promote a fairer trading environment for all retailers and suppliers, contributing to more effective competition and greater consumer choice. Additionally, expanding the scope of the Code to cover alcohol would ensure transparency in the terms of agreement between alcohol suppliers and grocery retailers.

Question 5: Are there any issues with the way the Code is being operated or implemented that may be impacting its effectiveness in supporting the objectives in paragraph 21?

One operational issue is the inconsistent interpretation of what constitutes “groceries.” As noted in the review documentation, many products—such as alcohol—are not included within this definition, which creates uncertainty and inconsistency in the Code’s application. This exclusion limits the scope of the Code’s protections and fails to fully support fair trading practices for all products commonly purchased in grocery outlets.

Question 6: Are there any opportunities for improving the operation or implementation of the Code to support the objectives in paragraph 21?

To improve the operation of the Code, we recommend reviewing and amending the definition of “groceries” to include alcoholic beverages this would provide clarity and ensure that beer and other alcohol products are included within the protections offered by the Code.



Question 8: Do you have any other comments you would like us to consider when planning this review process?

We would like to stress that the exclusion of beer from the current scope of the Code not only limits the Code's effectiveness but also undermines the objective of promoting a competitive, transparent, and fair trading environment. Given the importance of beer to New Zealand's grocery market, its inclusion in future versions of the Code is essential to ensure that the Code fully supports all sectors of the grocery industry.