



Update from the Grocery Commissioner



Tēnā koe,

I'm sure you'll all agree with me that it's been a busy first half of the year in the grocery sector - never a dull moment!

We have a new Minister overseeing our work in groceries and Minister Willis has set a bold agenda for growth of competition in the sector. We're watching with keen interest to see what happens next with the Government's

Request for Information process and consideration of ways to encourage a new entrant into the grocery market in order to improve competition.

The action being taken by the Government is in addition to the Commission's current work in the grocery market, and does not replace it, but complements it.

Our work will continue at pace as it provides crucial insights into how the grocery market is operating.

This includes our Wholesale Supply Inquiry and Grocery Supply Code Review, our work on disclosure standards, and our second annual grocery report.

We recently published our draft report of our Supply Code Review and initial views on our Wholesale Inquiry. These focus on two issues we believe need to be addressed to improve competition in the grocery market.

It's really important that we hear from you and other stakeholders on these and other issues in the sector. There are a few ways that you can engage with us:

- Submit a feedback form via our website on the Supply Code Review or [email](#) a submission.
- [Report a concern](#) via our website – this is the front door into the Commission and we have a dedicated team to read and screen all complaints.
- [Our anonymous reporting tool](#) is available if you prefer to protect your identity. We're getting useful information through this channel, and I encourage grocery industry participants to continue using this to share any issues with us.

This newsletter includes details on submission timeframes.

Tēnā koutou katoa

Pierre van Heerden

Grocery Commissioner

-
- [Review of the Grocery Supply Code](#)
 - [Wholesale Supply Inquiry](#)
 - [Range Review Compliance Project](#)
 - [Annual Grocery Report 2025](#)
 - [Unit Pricing coming soon for online retailers](#)
 - [Update on compliance and investigations](#)
-

Review of the Grocery Supply Code

Under the Grocery Industry Competition Act, the Commission has to review the effectiveness of the [Grocery Supply Code](#). The first review is due by 28 September 2025.

On 5 June 2025, the Commission published its Draft Report, Reasons and Decisions on the review of the Grocery Supply Code as well as published a draft amended Code, both for consultation. Both documents can be found on our website [here](#).

The Commission's draft is informed by submissions on the Request for Views published in August 2024, the results of the [Grocery Supplier Survey](#), and information from the Commission's Anonymous Reporting Tool.

The Commission is proposing the following changes to the code

- Restricting the range of situations where retailers can charge suppliers. Retailers would no longer be able to charge suppliers for stocking the shelves or for groceries that become unfit for sale while in the retailer's effective control.

- Requiring regulated grocery retailers to keep records about how they are complying with the Code when undertaking certain activities. These activities include negotiating promotions with suppliers and making deductions to payments without written consent.
- Adding a requirement that if a retailer has bought groceries at a promotional price for a sale period and then sells that product at a higher price after that sales period, they pay the difference to the supplier.
- Prohibiting retaliation against suppliers that exercise their rights under the Code.

The review has also identified some priority areas to develop guidance to support fair conduct and other areas to consider over the longer term.

The Commission is seeking submissions on the draft Grocery Supply Code and will consider those before we issue our final report before the end of September 2025.

Making a submission

We invite interested parties to submit their views on the Draft Report, reasons and Decisions by 5pm on Friday 18 July 2025.

Submission documents can be emailed [here](#).

Alternatively, we have set up a feedback form for those interested parties who do want to provide a submission document. The form can be found [here](#).

We intend to publish all submissions on our website, unless you indicate to us that your submission, or parts of it, are confidential. When providing a submission that is not labelled as confidential, please confirm in the cover email that you are happy for that submission to be published on our website. If it is necessary to include confidential material in a submission, the information should be clearly marked, and both confidential and public versions of the submission should be provided and clearly labelled.

A two-week cross-submission period will follow shortly after submissions close.

In addition, the Commission published a recorded presentation from Grocery Commissioner Pierre van Heerden outlining the key level findings from the Draft Report. This video is now available on our website [here](#).

If you have any questions, please [contact us](#).

Wholesale Supply Inquiry

The wholesale access regime was introduced under the Grocery Industry Competition Act (GICA) to address a key barrier to entry and expansion in the retail grocery market in New

Zealand.

The Commission started an inquiry into the Wholesale Supply of groceries after the first Annual Grocery Report found the wholesale access regime was not working as intended and is unlikely to substantially improve competition or benefit New Zealand consumers in its current form.

On 5 June 2025, the Commission published its Preliminary findings paper on the Wholesale Supply Inquiry for consultation. This paper can be found on our website [here](#).

The Commission has recommended the following changes:

- The major supermarkets expand their wholesale product range and implement systems to pass promotional funding through to their wholesale customers so other retailers can access lower prices
- Suppliers reduce their reliance on promotional funding or allocate the funding across more retailers.

At this time the Commission believes these changes are best achieved through voluntary action from large suppliers and major supermarkets as they are well placed to do so efficiently.

If the Commission doesn't see meaningful progress in 12 months, it will decide if regulations should be changed.

The Commission will consider submissions on the preliminary findings and will gather further information to make decisions on whether changes are needed. A final report on the wholesale supply inquiry will likely be completed in 2026.

Making a submission

We invite interested parties to submit their views on the Preliminary Findings paper by **5pm on Friday 18 July 2025**.

Submission documents can be emailed [here](#).

Alternatively, we have set up a feedback form for those interested parties who do want to provide a submission document. The form can be found [here](#).

We intend to publish all submissions on our website, unless you indicate to us that your submission, or parts of it, are confidential. When providing a submission that is not labelled as confidential, please confirm in the cover email that you are happy for that submission to be published on our website. If it is necessary to include confidential material in a submission, the information should be clearly marked, and both confidential and public versions of the submission should be provided and clearly labelled.

A two-week cross-submission period will follow shortly after submissions close.

In addition, the Commission published a recorded presentation from Grocery Commissioner

Pierre van Heerden outlining the key level findings from Inquiry Paper and expectations for the sector. This video is now available on our website [here](#).

If you have any questions, [please contact us](#).

Range Review Compliance Project

In our first Annual Grocery Report published last year, we made a commitment to look at the range review processes of the regulated grocery retailers (**RGRs**).

RGRs have specific requirements that are outlined under the Grocery Supply Code (**the Code**). A high-level summary of these requirements is set out in our [Grocery Supply Code fact sheet](#), or the Code can be read in full at the [New Zealand Legislation website](#). For information specific to suppliers, guidance can be found in the [Grocery Supply Code Checklist](#) on our website.

We have heard anecdotally from multiple sources that there are inconsistencies with how suppliers are treated throughout the range review process and some suppliers fear repercussions, which may prevent some suppliers from questioning range decisions.

In September 2024 we launched a compliance monitoring project to assess RGR compliance against their obligations under the Code. We completed an assessment of the end-to-end process for a completed review of a category.

Our assessment included analysis of the information related to each step the RGRs take during their range review period and the process involved before reaching the final outcome. We reviewed:

- internal strategy meetings
- insights and performance results presented to suppliers
- supplier submissions
- commercial negotiations
- RGR and supplier correspondence

Where potential compliance concerns were identified, we assessed these against our usual enforcement criteria. We have engaged with certain businesses to provide advice and are in the early stages of further investigation.

As the regulator we will continue to monitor RGR compliance with the Code, and may conduct a similar review in the future. We encourage suppliers to come forward to the Commerce Commission if you have concerns. Information we receive from suppliers and the sector supports the Commission to assess the effectiveness of the grocery sector.

You can [report a concern](#) via our website, [email](#) the team, or make an anonymous report via

our Anonymous Reporting Tool. This is a secure channel for reporting conduct that could be against the law Find out more about our anonymous reporting tool on our [website](#).

Annual Grocery Report 2025

As part of our regulatory role, the Commission actively monitors the grocery industry and is required to produce annual reports on the state of competition in the industry and how it is developing over time. Our first Annual Grocery Report was published in September 2024 and can be found [here](#).

The team is currently analysing the data we've received and drafting the second Annual Grocery Report. This report will include comparisons to the first report published in August 2024 looking at the year-on-year changes in the same way the first Annual Grocery Report was comparing back to the 2022 Market Study.

We are aiming to publish this report in mid-2025 and will provide more precise dates as timings are confirmed.

Unit Pricing coming soon for online retailers

On 31 August 2024, Unit Pricing became mandatory for grocery retailers with an internal floor space of over 1,000sqm who sell goods in all of the ten specified product categories. The consequences for not complying can include infringement notices or prosecution.

This is a reminder that online grocery retailers who sell goods in all of the ten specified product categories, have until 31 August 2025 to comply. We encourage all grocery retailers to comply earlier, if they can.

The Commission's focus in the first months of the regulations coming into effect has been to raise awareness and encourage compliance. If the Commission identifies unit pricing that is non-compliant (or not present), we will consider our [enforcement criteria](#) and use our discretion when deciding what, if any, action to take.

The Commission published [Unit Pricing Guidelines](#) in March 2024 to help grocery retailers understand the obligations under the regulations. The Unit Pricing Guidelines are available on our [website](#).

We encourage you to read our guidelines. If you're unsure of your obligations under the regulations, we recommend seeking legal advice.

If you have any questions or comments, please [email us](#).

Update on compliance and investigations

Investigations

We are actively investigating more than 18 matters at present under the legislation that the Commission enforces – the Fair Trading Act, the Commerce Act and the Grocery Industry Competition Act. Some of these investigations are in the early stages whereas others are advancing toward decisions. We are looking at the conduct of Regulated Grocery Retailers toward suppliers and whether consumers are being misled. I hope to be able to share more details soon.

In terms of litigation, we have three matters in the courts. These involve [Pak'n'Save Mill Street](#) and [Pak'n'Save Silverdale](#) over alleged inaccurate pricing and misleading specials, and [Woolworths NZ](#) is also facing charges related to pricing integrity and misleading specials.

The Commission's Case Register

The case register is a publicly available tool used by the Commission to communicate its activity in the following areas:

- Investigations into individuals or businesses for possible breaches of laws enforced by the Commission
- Applications for authorisation and clearance.

We will shortly be refreshing the register to provide some information about every active investigation that we have on. As an investigation progresses, more information about it may be published.

Our mailing address is: Commerce Commission New Zealand
44 The Terrace, PO Box 2351, Wellington, Wellington 6140, New Zealand

comcom.govt.nz [Facebook](#) [Linkedin](#)

[add us to your address book](#) [unsubscribe from this list](#) [update subscription preferences](#)