

Kia ora koutou,

This email provides further detail on the indicative topics we intend to include in discussions as part of Sessions 5 to 7 of our conference.

Session 5: Indicators of competition – international price comparisons and innovation

Topic 1: How should we compare New Zealand's grocery prices internationally?

- Which components of grocery prices are tradeable and what does this tell us about how to make international comparisons?
- How should we consider differences in input costs between countries when comparing New Zealand's grocery prices to other countries?
- What are the key drivers for any pricing differences between New Zealand and other countries?

Topic 2: Is the level of innovation in the retail grocery sector consistent with what we would expect to see in a workably competitive market?

- What is an appropriate competitive benchmark for comparing innovation in the New Zealand retail grocery sector to other countries?
- Is the pace and scale of innovation in the retail grocery sector appropriate for the New Zealand market?

Topic 3: How should we assess whether quality, range and service (QRS) aspects of the grocery offer are consistent with benchmarks from competitive markets?

Session 6: Indicators of competition – principles underlying profitability analysis

Topic 1: Should there be any adjustment to the profitability analysis based on whether retailers lease or own their sites? Should leases be included in capital employed and financial leverage?

Topic 2: How should brand assets and other elements of goodwill be treated in profitability analysis? If they are to be included, what approach to valuation would be objective and fair?

Session 7: Options to improve conditions for entry and expansion

Topic 1: Are there particular characteristics required of a retailer for it to be an effective competitor with the major retailers?

- Is there a minimum scale required?
- How important is vertical integration?

Topic 2: To what extent is access to supply chain infrastructure limiting effective competition or entry and what are some options for improving this? (note, we will discuss access to wholesale supply in the following session, this topic will focus on other infrastructure requirements)

Topic 3: To what extent are there difficulties in obtaining capital to support entry/expansion, and what are some options for improving access to capital?

- Are there any differences for domestic and overseas capital?

Topic 4: How could we increase site availability?

- How could we address restrictive covenants and exclusivity covenants in leases (together, covenants)?
- Under what circumstances should these covenants be permitted?
- How could we address site availability issues which may be caused by planning law?

Topic 5: Are there any other conditions of entry and expansion which should be considered?

Confirmation of conference agenda

A reminder that the session dates and times are as follows:

Day	Date	Time	Session
1	Thurs 21 Oct	9.30-10.45 11.15-12.30	Session 1: The nature of competition in the retail grocery sector
2	Fri 22 Oct	9.30-10.45	Session 2: Pricing and promotional practices and loyalty programmes
		11.15-12.30	Session 3: Unit pricing
3	Tues 26 Oct	9.30-10.45 11.15-12.30	Session 4: Grocery code of conduct, private labels and collective bargaining by suppliers
4	Weds 27 Oct	9.30-10.45	Session 5: Indicators of competition – international price comparisons and innovation
		11.15-12.30	Session 6: Indicators of competition – principles underlying profitability analysis
5	Thurs 28 Oct	9.30-10.45	Session 7: Options to improve conditions for entry and expansion
		11.15-12.30	Session 8: Options to improve conditions for entry and expansion – wholesale
6	Mon 1 Nov	9.30-10.45 11.15-12.30	Session 9: Divestment and sponsorship of entry
7	Tues 2 Nov	9.30-10.45	Session 10: Reserved for overruns
		11.15-12.30	Closing comments

Any further updates on the conference agenda will be provided by email prior to the beginning of each day's session.

Any questions prior to or during the conference should be emailed to marketstudies@comcom.govt.nz.

How to join the conference

The conference will be run via a Zoom webinar platform. To register for the webinar please click on the following link:

https://us02web.zoom.us/webinar/register/WN_vUMF-0voQwK3n4RJZb1gWw

After registering, you will receive a confirmation email containing information about joining the webinar.

Please make sure you have downloaded an up-to-date version of Zoom prior to the conference.

We encourage participants to join each conference session 10-15 minutes prior to the start time so you can review any updates to the agenda for that day and ensure you are properly connected.

Tips for those speaking at the conference:

- For the best sound quality, please use a headset
- To avoid bandwidth issues, please do not use virtual backgrounds or blurring
- Please mute pop-up notifications, including any from social media accounts

Please be aware that media members may be in attendance throughout the conference. This will be in an observing capacity only.

We will record all conference sessions, and will publish transcripts of these as soon as possible following the conference. The recordings will not be published.

Further information on remaining conference sessions

Additional information about conference sessions 1 to 4 is available on our website:

<https://comcom.govt.nz/about-us/our-role/competition-studies/market-study-into-retail-grocery-sector>

Our intention is to provide additional information on the remaining conference sessions on the following days:

- Tuesday 26 October – Session 8
- Friday 29 October – Sessions 9 to 10

