

# 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.

