



## COVERSHEET

<b>Minister</b>	Hon Dr Duncan Webb	<b>Portfolio</b>	Commerce and Consumer Affairs
<b>Title of Cabinet paper</b>	Provisional supermarket divestment cost benefit analysis and proposed next steps	<b>Date to be published</b>	13 July 2023

<b>List of documents that have been proactively released</b>		
<b>Date</b>	<b>Title</b>	<b>Author</b>
December 2022	Provisional supermarket divestment cost benefit analysis and proposed next steps	Office of the Minister of Commerce and Consumer Affairs
7 December 2022	Appendix 1: Supermarket divestment options and cost benefit analysis	Coriolis, Sense Partners, Cognitus
7 December 2022	Appendix 2: Comparison of costs of divestment with Commerce Commission estimates of supermarkets' excess profits	Sense Partners
7 December 2022	DEV-22-MIN-0305: Provisional Supermarket Divestment Cost Benefit Analysis and Proposed Next Steps	Cabinet Office
June 2023	Proposed approach to work on divestment in the retail grocery sector	Office of the Minister of Commerce and Consumer Affairs
12 June 2023	CAB-23-MIN-0231: Work on Divestment in the Retail Grocery Sector: Proposed Approach	Cabinet Office

### **Information redacted**

**YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of being legally privileged, free and frank advice, confidential advice to Government and to preserve international relations of the Government of New Zealand.



# Cabinet Economic Development Committee

## Minute of Decision

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*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

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### Provisional Supermarket Divestment Cost Benefit Analysis and Proposed Next Steps

**Portfolio**                      **Commerce and Consumer Affairs**

On 7 December 2022, the Cabinet Economic Development Committee (DEV):

- 1        **noted** that in May 2022, Cabinet noted that the Minister of Commerce and Consumer Affairs will direct officials to continue examining grocery retail divestment, and will report back to DEV with a detailed cost benefit analysis to inform decisions on progressing further work on retail divestment options [CAB-22-MIN-0186];
- 2        **noted** that a provisional cost benefit analysis on retail divestment is now complete (attached as Appendix 1 to the submission under DEV-22-SUB-0305);
- 3        **noted** that the cost benefit analysis indicates that competition benefits are possible through divestment, but that divestment comes with significant uncertainties, risks, and limitations that may be reduced through further policy work;
- 4        **invited** the Minister of Commerce and Consumer Affairs to provide further information on the scope and cost of further policy work on divestment and facilitated entry for new competitors into the supermarket sector to DEV in February 2023.

Jenny Vickers  
Committee Secretary

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**Present:**

Hon Grant Robertson  
Hon Dr Megan Woods  
Hon Nanaia Mahuta  
Hon Damien O'Connor  
Hon Stuart Nash  
Hon Michael Wood (part of item)  
Hon Kiri Allan  
Hon Dr David Clark  
Hon Dr Ayesha Verrall  
Hon Meka Whaitiri  
Hon Phil Twyford  
Rino Tirikatene MP  
Dr Deborah Russell MP

**Officials present from:**

Office of the Prime Minister  
Department of the Prime Minister and Cabinet  
Officials Committee for DEV  
Office of the Chair of DEV