



COVERSHEET

Minister	Hon Dr Duncan Webb	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Grocery Supply Code of Conduct – update on consultation and agreement on regulations	Date to be published	1 September 2023

List of documents that have been proactively released

Date	Title	Author
August 2023	Grocery Supply Code of Conduct – update on consultation and agreement on regulations	Office of Minister of Commerce and Consumer Affairs
24 August 2023	Grocery Industry Competition (Grocery Supply Code) Amendment Regulations 2023 LEG-23-MIN-0168 Minute	Cabinet Office

Information redacted

YES / NO (please select)

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.



Cabinet Legislation Committee

Minute of Decision

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.

Grocery Industry Competition (Grocery Supply Code) Amendment Regulations 2023

Portfolio Commerce and Consumer Affairs

On 24 August 2023, the Cabinet Legislation Committee:

Approval of the Commencement Order and Amendment Regulations

- 1 **noted** that in May 2022, Cabinet agreed to implement a Grocery Supply Code of Conduct (the Code) as part of the Government's response to the Commerce Commission's market study into the grocery retail sector [CAB-22-MIN-0186];
- 2 **noted** that the Minister of Commerce and Consumer Affairs has made a handful of minor policy decisions, in line with the authorisation given by the Cabinet Economic Development Committee in April 2023 [DEV-23-MIN-0054];
- 3 **noted** that the Grocery Industry Competition Act Commencement Order 2023 brings section 19 of the Grocery Industry Competition Act 2023 into force;
- 4 **authorised** the submission to the Executive Council of the:
 - 4.1 Grocery Industry Competition Act Commencement Order 2023 [PCO 25681/2.0];
 - 4.2 Grocery Industry Competition (Grocery Supply Code) Amendment Regulations 2023 [PCO 25462/7.0];
- 5 **noted** that the Grocery Industry Competition (Grocery Supply Code) Amendment Regulations 2023 and the Grocery Industry Competition Act Commencement Order 2023 come into force on 28 September 2023;

Further policy decisions

- 6 **agreed** that the Code require retailers to provide written statements to suppliers when relying on certain exceptions in the Code, and when making decisions that have a material impact on suppliers;
- 7 **agreed** that the Code does not require a Regulated Grocery Retailer to undertake a range review when delisting a supplier's grocery product;
- 8 **agreed** that the Code does not require a Regulated Grocery Retailer to provide six-months' notice to the supplier when delisting fresh fruit and vegetables;

- 9 **agreed** that the Code includes requirements to improve transparency regarding the practice of investment buying, but does not contain provisions which seek to significantly limit the practice;
- 10 **agreed** that Tier 4 maximum penalty levels apply to a small number of administrative obligations in the Code;
- 11 **agreed** that Tier 2 penalties apply across all other duties and obligations in the Code;
- 12 **agreed** that the Code should not include specific protections regarding taonga at this stage;
- 13 **noted** that there was feedback on issues that do not pose any major issues to the functioning of the Code, but which may be something the Commission looks into during their scheduled review of the Code.

Rebecca Davies
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Damien O'Connor
Hon Andrew Little
Hon David Parker
Hon Barbara Edmonds
Hon Rachel Brooking
Hon Jo Luxton

Officials present from:

Office of the Prime Minister
Officials Committee for LEG