

Fairer grocery prices



**More competition.
More choice.
Fairer prices.**

New Zealanders are paying too much for groceries.

Labour will take action to increase competition, giving consumers more choice and fairer prices.

This election is about the cost of living and who will take real action to get it under control. We all know families are paying too much for groceries. Labour has a plan to make sure all Kiwis can get a fairer price at the checkout.

A Labour Government will also crack down on big companies ripping you off by making price gouging illegal.

This election Labour's offering real action to tackle grocery prices. National is offering another review.

What's not working

New Zealand has lots of supermarket brands, but most are owned by just two groups: Woolworths and Foodstuffs. Together, they control more than 80 percent of the grocery market.

These two groups also control much of the wholesale supply that smaller grocers need to stock their shelves. That means a new or independent grocer often has to buy their products from the same supermarket group it is trying to compete with.

The big supermarket companies give their own stores better prices and better access to products. This often means smaller shops and independent supermarkets end up paying more, making it harder for them to compete and offer you a better deal.

Unless we tackle this problem, lower prices won't flow through to the checkout.

New Zealand's grocery market is closed to protect the two big companies and lock out competition. Less competition means less choice and higher prices at the checkout.

National promised to fix the cost of living and bring grocery prices down. Since National took office, the price of bread has gone up 66%, butter 72%, beef mince 36%, cheese 31% and milk 33%.

Despite talking big, National has had three years and done nothing. Now, with the election only weeks away, they say what we need is another review. **New Zealanders can't eat a review. It's time for real action.**

And Labour will act. We will open the market so more supermarkets can offer lower prices, giving shoppers more choice and a better deal at the checkout.



What Labour will deliver

Better prices for shoppers

More grocers competing for your business will mean fairer grocery prices that last.

A better deal for small, independent supermarkets

Every supermarket and grocer will be able to buy products on better terms.

More choice at the checkout

It'll be easier for new supermarkets to open and for independent grocers to grow.

A better deal for food producers

We'll stop big supermarkets charging suppliers unfair fees when they receive nothing in return.

These steps will help smaller grocers compete and offer better prices, helping to build a genuinely competitive grocery market for the future.

Instead of the two supermarket companies controlling the market and shutting out smaller retailers, a Labour Government will create two independently run wholesalers: Foodstuffs Wholesale and Woolworths Wholesale. This will give smaller grocers more places to buy their products and make it easier for new supermarkets to open and grow.

We will know the plan is working when homegrown grocery chains are gaining market share, challenging the two big supermarket groups and offering shoppers a genuinely better price.



How we'll do it

A Labour Government will deliver fairer grocery prices. Our first step to break up the supermarkets will be to free small grocers from anti-competitive restraints that keep prices high.

► End unfair contracts.

We will remove the rules that stop individual stores, like Four Square, lowering their prices, switching to another chain, or going independent.

► Ban junk fees.

We will stop the big supermarkets charging food producers fees for things that aren't valuable to them, and are intended to make pricing complicated.

► Back small supermarkets to grow and compete on price.

Smaller stores will have guaranteed access to wholesale products. The big supermarket companies will not be allowed to cut off their supply when they begin gaining customers.

► Make payments simpler and fairer.

We will simplify supermarket rebates and data charges so suppliers know what they are paying and what they receive in return.

► Start creating independent wholesalers.

Woolworths and Foodstuffs will have to begin separating their wholesale supply businesses from their supermarket stores.



Who it applies to

These new rules will apply to Woolworths and the two Foodstuffs cooperatives. They will not apply to local dairies, cafés or independent grocers. The changes are designed to help smaller businesses compete and offer shoppers a better deal.



Better now. Fairer prices for the future

Tackling the cost of living means finding long-term solutions to the drivers of high costs, but families also need a fair go now.

That's why Labour will take immediate action to get the cost of living under control:

- Cap public transport fares at \$20 a week in Auckland, Wellington and Christchurch, and \$10 elsewhere
- Provide three free GP visits every year
- Make prescriptions free
- Lower bills by helping households install solar power with no upfront cost, saving around \$1,000 a year
- Freeze fuel tax for three years

These changes will put money back in people's pockets now. Our grocery plan will deliver lasting change by giving shoppers more choice and ensuring fairer prices that last.

Better now. Fairer grocery prices for the future.
Better starts now.