

SUBMISSION ON

Commerce Commission (Commerce Reform) Amendment Bill

28 April 2026

To: Finance and Expenditure Committee

Name of Submitter: Horticulture New Zealand

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OVERVIEW

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Our submission

Horticulture New Zealand (HortNZ) thanks the Finance and Expenditure Committee for the opportunity to submit on the Commerce (Commerce Commission Reform) Amendment Bill and welcomes any opportunity to continue to work with the Committee to discuss our submission.

HortNZ wishes to be heard in support of our submission.

The details of HortNZ's submission and decisions we are seeking are set out in our submission below.

HortNZ's Role

Background to HortNZ

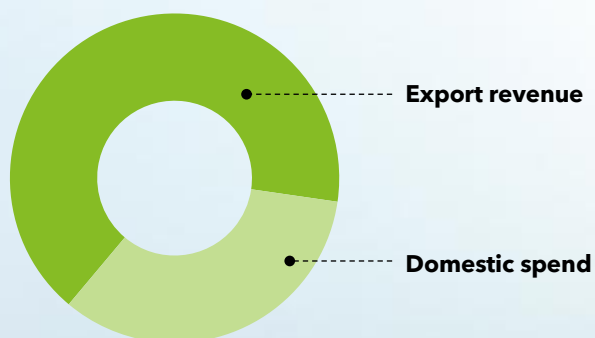
HortNZ represents the interests of approximately 4,300 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruits and vegetables. The horticultural sector provides over 40,000 jobs.

There are approximately 80,000 hectares of land in New Zealand producing fruit and vegetables for domestic consumers and supplying our global trading partners with high quality food.

It is not just the direct economic benefits associated with horticultural production that are important. Horticulture production provides a platform for long term prosperity for communities, supports the growth of knowledge-intensive agri-tech and suppliers along the supply chain, and plays a key role in helping to achieve New Zealand's climate change objectives.

The horticulture sector plays an important role in food security for New Zealanders. Over 80% of vegetables grown are for the domestic market and many varieties of fruits are grown to serve the domestic market.

HortNZ's purpose is to create an enduring environment where growers prosper. This is done through enabling, promoting and advocating for growers in New Zealand.



Industry value \$7.54bn

Farmgate value \$4.89bn

Export revenue \$4.99bn

Domestic spend \$2.55bn

Source: HortNZ Annual Report 2025

Executive Summary

HortNZ supports the intent of the Commerce (Commerce Commission Reform) Amendment Bill (Bill) to improve the governance and effectiveness of the Commerce Commission, however we are not yet confident that the proposed changes will deliver stronger enforcement outcomes in practice, particularly in the grocery sector.

The shift from sector specific commissioners to a broader panel and committee-based model introduces a risk that decision-making will lose the depth of expertise required in highly specialised sectors. This is compounded by the flexibility in how regulatory committees are formed and operate, with key aspects of decision-making to be set outside legislation.

Taken together, these changes risk reducing transparency, consistency, and accountability, at a time when effective enforcement of the Grocery Supply Code remains a key issue for suppliers.

HortNZ considers that additional safeguards are needed to ensure that sector expertise is retained, decision-making is consistent, and the Commission remains focused on delivering effective enforcement outcomes.

Submission

While HortNZ supports the intent of the Bill to strengthen the governance and effectiveness of the Commission, governance reform must translate into improved regulatory outcomes in practice, particularly in sectors such as groceries where enforcement has been limited.

HortNZ is concerned that the proposed changes may weaken sector-specific expertise and dilute accountability for enforcement. In our view, the Bill does not yet provide sufficient assurance that it will lead to improved enforcement outcomes in regulated sectors such as groceries.

1. Loss of Sector Specific Expertise

The Bill signals a shift away from the current model of a dedicated Grocery Commissioner toward a broader panel and committee-based approach. While the existing Grocery Commissioner will transition to the new regime and remain in place for the remainder of their term (expiring 11 July 2028), the role will ultimately be phased out.

HortNZ is concerned that this shift risks reducing the depth of sector specific expertise applied to the grocery sector, where effective regulation of the Grocery Supply Code requires a strong understanding of retailer-supplier power dynamics and supply chains. This is particularly relevant given ongoing issues in the grocery sector, including:

- Limited enforcement of existing Code provisions
- Supplier reluctance to raise concerns due to fear of retaliation
- Misalignment between guidance and legal interpretation in some areas.

The Cabinet paper indicates that appointments to the new panel of commissioners will be based on broad areas of expertise, including industry, commerce, finance, infrastructure, economics, law, public administration, or consumer affairs. While grocery could be interpreted as sitting within the industry or commerce categories, it is not expressly recognised. As a result, there is no assurance that grocery specific expertise will be retained under the new model.

Over time, this represents a shift away from dedicated sector oversight to a more generalist approach, with no guarantee that the level of expertise required to effectively regulate the grocery sector will be maintained.

2. Regulatory Committees

The Bill establishes a new model for regulatory decision making, where responsibility is delegated to regulatory committees drawn from a panel of commissioners. These committees will operate under a regulatory charter set by the Board, with the aim of improving efficiency and reducing fragmentation in decision-making.

HortNZ understands the rationale for this approach, but considers it creates a number of risks. In particular, the Bill allows flexibility in how committees are formed, without requiring the inclusion of sector-specific expertise. In sectors such as groceries, where

regulation depends on a detailed understanding of complex supply chains and power imbalances between suppliers and retailers, the absence of sector-specific expertise creates a material risk that decisions will be made without sufficient context, resulting in ineffective or poorly targeted regulatory outcomes.

In addition, key aspects of how committees operate, including procedures and decision-making, will be set through a charter rather than legislation. This may reduce transparency and lead to inconsistent approaches across sectors. Taken together, these changes risk weakening confidence that the new structure will deliver consistent, informed, and effective regulatory outcomes.

3. Objectives and functions of the Commission

HortNZ notes the clarification of the Commission's objectives, including promoting competition for the long-term benefit of consumers and supporting informed participation in markets, as well as confirmation of its advocacy role. While these functions are important, we emphasise that in sectors such as groceries, the key issue is not a lack of advocacy, but the effective enforcement of existing regulatory frameworks. It is therefore important that the proposed governance reforms strengthen, rather than dilute, the Commission's focus on enforcement.

4. Conclusion

HortNZ supports the intent of the Bill to improve the governance and effectiveness of the Commerce Commission. However, structural reform alone will not deliver better outcomes unless it results in stronger, more consistent enforcement in practice.

As currently drafted, the Bill creates a more flexible and generalised model for decision-making but does not provide sufficient assurance that sector-specific expertise will be retained or that accountability for enforcement outcomes will be strengthened. In sectors such as groceries, where power imbalances are significant and confidence in enforcement is already low, these risks are particularly acute.

HortNZ therefore considers that further safeguards are needed to ensure that the new governance and decision-making arrangements deliver informed, consistent, and effective regulatory outcomes. This includes ensuring that appropriate sector expertise is embedded in decision-making and that the Commission remains clearly focused on enforcing existing regulatory frameworks.