

House of Representatives

Supplementary Order Paper

Tuesday, 21 June 2022

Commerce (Grocery Sector Covenants) Amendment Bill

Proposed amendments

Hon Dr David Clark, in Committee, to move the following amendments:

Clause 4

In the *heading to clause 4*, replace “**28B**” (page 2, line 9) with “**28C**”.

In *clause 4*, delete *new section 28A(3A)* (page 3, lines 22 and 23).

In *clause 4*, after *new section 28B* (page 6, after line 12), insert:

28C Commission may require designated grocery retailer to supply information about contract, etc, to which section 28A may apply

- (1) For the purpose of assessing compliance with the provisions listed in **subsection (2)**, the Commission may, by written notice, require a designated grocery retailer to—
 - (a) supply to the Commission information relating to any contract, arrangement, understanding, or covenant (including any process relating to the negotiation or renegotiation of that contract, arrangement, understanding, or covenant)—
 - (i) to which **section 28A** may apply; or
 - (ii) that contains a provision to which **section 28A** may apply; and
 - (b) supply that information within the time and in the manner specified in the notice.
- (2) The provisions are—
 - (a) sections 27, 28, **28A**, 36, and 47 of this Act; and
 - (b) sections 7, 8, 23, and 26B of the Fair Trading Act 1986.

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- (3) Part 7 applies to a notice under **subsection (1)** as if it were a notice given under section 98.
- (4) This section does not limit any of the Commission's other functions, duties, or powers under this Act or any other legislation.
- (5) In this section, **designated grocery retailer** has the same meaning as in **section 28A**.

Explanatory note

This Supplementary Order Paper proposes amendments to *clause 4* of the Commerce (Grocery Sector Covenants) Amendment Bill. The amendments include inserting *new section 28C* to—

- empower the Commission to require a designated grocery retailer to supply information relating to any contracts, arrangements, understandings, or covenants to which *new section 28A* (certain grocery-related covenants are treated as prohibited and unenforceable) may apply; but
- restrict the use of that power so that it may be used only for the purpose of assessing compliance with certain provisions of the Commerce Act 1986 and the Fair Trading Act 1986.

Three of those provisions (sections 7, 8, and 26B of the Fair Trading Act 1986) are not yet in force. They will come into force on 16 August 2022 (*see* section 2 of the Fair Trading Amendment Act 2021).

Departmental disclosure statement

The Ministry of Business, Innovation, and Employment is required to prepare a disclosure statement to assist with the scrutiny of this Supplementary Order Paper. The disclosure statement provides access to information about any material policy changes to the Bill and identifies any new significant or unusual legislative features of the Bill as amended.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=sop&subtype=government&year=2022&no=174&>