NZ electioneering fraud over escalating retail prices

John Braddock
22 September 2026

With New Zealand's November 7 general election now just over six weeks away, the country's main capitalist parties are deeply unpopular.

A *Post*/Freshwater Strategy Poll released on September 15 confirmed both the National Party, which leads the coalition government, and the opposition Labour Party are registering below 30 percent support. *Post* editor Matthew Hooton noted that it is the first time since the National Party was formed in 1936 that the two main parties have been "so unpopular at the same time."

A majority of voters, 56 percent, believe the country is going in the wrong direction, while just 27 percent think the opposite. Labour, however, has not benefited from this sentiment and does not present itself as any alternative to the current government.

Increasingly nervous about their collapsing support, the major parties last week announced policies ostensibly to address the soaring cost of living, targeting the groceries sector. The hypocrisy is breathtaking: For years successive governments led by both parties have presided over soaring inflation, while driving down wages.

Both parties are now making demagogic proposals to reorganise New Zealand's supermarket chains. New Zealand's grocery retail market is dominated by two major companies: Foodstuffs—which owns New World, Four Square and PAK'nSAVE—and Woolworths. The duopoly controls 82 percent of the grocery sector and garners among the highest per-store revenues in the world.

According to a 2022 Commerce Commission report, together they generate $NZ1 million a day in excess profit above what they would make in a properly "competitive" market. The Commission noted that Foodstuffs had margins of more than 6 percent, the second-highest globally and ahead of Coles, Walmart, Tesco, Sainsbury and Carrefour.

On September 16 Finance Minister Nicola Willis made an unexpected announcement that National would pursue the structural separation of Foodstuffs "so Kiwis get a fairer deal at the checkout." The forced restructure would create two separate grocery chains, with New World and Four Square in one and PAK'nSAVE the other. Both would ostensibly be competing against the Australian-owned conglomerate Woolworths.

Willis' announcement was so abrupt it reportedly caught the caucus off guard and was widely interpreted as a panicked manoeuvre. David Seymour, leader of the right-wing ACT party in the coalition denounced it as "desperate and visionless campaigning driven more by focus groups than economic policy."

Prime Minister Christopher Luxon justified the policy by declaring that National is "the party of competition." It is far from certain that the measure will be implemented: National is proposing an independent Commerce Commission assessment first, expected to take at least six months.

Labour Party leader Chris Hipkins earlier last week made a vague promise to make price gouging illegal by prohibiting supermarkets from taking "unreasonable" profit margins.

Within days of Willis' announcement, however, Labour suddenly produced its own policy to make the two supermarket chains run their wholesale supply businesses independently from their retail stores. Hipkins said Labour "will crack down on big companies ripping you off, and we'll take immediate action on grocery prices."

Foodstuffs and Woolworths control most of the wholesale supply which small grocers depend on. Labour promises to remove "anti-competitive" rules that stop small stores from lowering their prices, switching to another chain or going independent.

The far-right populist NZ First Party, which is part of the ruling coalition, has also declared it would legislate to break up Foodstuffs into two cooperatives.

Labour's ally the Green Party also proposes to break up the duopoly but says it would do so by purchasing 120 Woolworths and Foodstuffs supermarkets and two distribution centres to create a state-owned chain, called KiwiMart. This policy will not be implemented by a Labour-led government, but even if it was, the Greens are unable to say how much money working people would eventually save.

A few media commentators have sought to raise expectations of real change. A *Post* editorial on September 9 praised the Greens' idea for "a powerful third player" to address "a lack of supermarket competition." Gareth Hughes, a former Green MP, told Radio NZ on September 21 that the "very strong policies" announced by Labour and National "signals the end of this very hands-off neoliberal approach which has been dominant for the last 40-plus years."

In fact, there is no reason to believe that any of the parties' proposals would actually lead to lower prices. Their record demonstrates that they will take no action that seriously undermines supermarket profits.

The last Labour-Greens government appointed a dedicated Grocery Commissioner in 2023. Commerce and Consumer Affairs Minister Duncan Webb said the new role would ensure "increased competition in the grocery industry, and for the benefit of Kiwi consumers."

A report by the Commerce Commission in June 2026, however, found there had been no significant change. Annual food price inflation was 4.6 percent—more than double the increase in wages—and grocery prices were rising further due to the US-Israeli war of aggression against Iran.

Retail prices and profits are determined fundamentally by the operations of the global market. New Zealand is a major international exporter of meat, fish and dairy products, but working-class consumers frequently find them unaffordable because they are forced to pay global market prices.

The escalating cost of food and other necessities is due to policies pursued by the capitalist ruling class, which is transferring the cost of its own crises onto the working class.

Real wages have been pushed down by 6.4 percent between 2021 and 2026, with the collaboration of the trade union bureaucracy. Following an historic "mega strike" by 100,000 public sector workers in October 2025, the unions refused to organise any further joint strikes and pressured teachers, nurses and healthcare workers to accept real wage cuts.

Meanwhile, according to Stats NZ, from June 2024 to June 2026, the prices of everyday household staples skyrocketed. A two-litre bottle of milk has risen from $4.00 to $6.90 in some stores, while other increases included 28.2 percent for beef mince, 42 percent for butter and 67.6 percent for bread. There was also a 21.4 percent rise for electricity and 17.2 percent for petrol.

The surge in prices is an international phenomenon. Following the 2008 financial crash and the 2020 crisis triggered by the pandemic, governments printed hundreds of billions of dollars to prop up the financial markets and the fortunes of the super-rich, producing a surge in inflation. The US-NATO proxy war against Russia, including economic sanctions, followed by the war against Iran, have further driven up prices, sparking mass protests throughout the world.

Whichever combination of capitalist parties makes up the next government, the cost-of-living crisis will continue and worsen. The task facing workers is to break politically from all these parties and to unite internationally against the capitalist system, which is plunging the world into poverty, war and barbarism.

The struggle for the socialist reorganisation of society includes the demand for public ownership of the supermarket chains and food producing industries, under the democratic control of the working class.