



**CONSUMERS'
FEDERATION
OF AUSTRALIA**

Developing and promoting
the consumer interest

MEDIA RELEASE

1 August 2021

Federal government misses opportunity to help shoppers save at the checkout

The nation's peak body for consumer organisations, the Consumers Federation of Australia (CFA) says shoppers will miss out on big savings possible when buying groceries, and other packaged products, as a result of federal government not improving the current Unit Pricing Code.

The Code requires only large supermarkets and some online grocery retailers to provide the unit price (for example the price per 100g) of packaged grocery items.

CFA, and other consumer groups, asked for changes to increase the Code's effectiveness and scope, in order to help consumers make better informed choices and save money and time.

Changes were also proposed by some retailers and retailer associations, as well as by the ACCC which administers the Code.

However, only a rebadged version of the current Code will operate after 1 October 2021 and the ACCC is to review its guidance for retailers on display of unit prices.

CFA chair Gerard Brody says the government's decisions will be very detrimental not only for consumers but also for the economy, since effective unit pricing also increases competition between producers and between retailers.

"It is a great waste of a long awaited and overdue opportunity to make the Code even more effective by taking account of the lessons learned since it started in 2009 and of the many changes in retailing and consumer practices and needs since then", he said.

National surveys have shown that many consumers use unit pricing to compare the value of grocery items, but also that they want it improved, for example for unit prices to be much easier to notice, read and use.

Consumers also want more consistency in the units of measure used to show unit prices and for more grocery retailers, and some non-grocery retailers such as chemists and hardware stores, to have to provide unit pricing.

CFA's submission on the rebadged Code recommended changes to:

- Make existing unit prices much easier for consumers to notice, read, and use.
- Require more grocery retailers to provide unit prices.
- Require some non-grocery retailers to provide unit prices.

The submission also said that:

- The government's Code review gave excessive weight to possible (but often unquantified) cost implications for industry and that insufficient account was taken of the benefits for consumers, retailers, and the economy.
- There has been insufficient recognition of:
 - The very large amounts consumers spend annually on grocery (estimated at around \$100 billion) and other relevant products.
 - The very high proportion of the population that spend large amounts of scarce time buying grocery and other products.
 - The very high value of the benefits relative to industry costs likely from even very small changes in consumer purchasing behaviours and time savings if the amount and quality of unit pricing provided by retailers were increased.
 - The increasing awareness by regulators and others that the quality and consistency of provision greatly affects consumer awareness and use of written consumer information.
- The rebadged Code does not address the requirements of consumers with specific needs, including those with disability, and the provisions of discrimination legislation.

Contacts:

Gerard Brody ph: 0415223211 email: chair@consumersfederation.org.au

Ian Jarratt ph: 0448012482 email: ijarratt@australiainmail.com

Notes for Editors

1. CFA's submission on the rebadged Code is available here:

<http://consumersfederation.org.au/wp-content/uploads/2021/06/210614-CFA-final-sub-on-UP-review.pdf>

2. The review outcomes are available here:

<https://treasury.gov.au/review/grocery-unit-pricing-code-review/reviewing-code>

3. The publicly available submissions made on the government's 2018 Discussion Paper are here: <https://treasury.gov.au/consultation/grocery-unit-pricing-code-review>

4. The results of the government's survey of nearly 4000 consumers (which showed high levels of use of unit prices but that 74% had trouble always/often/sometimes finding and reading unit prices) are here:

https://treasury.gov.au/sites/default/files/2021-05/c2018-174951_consumer_survey_results_0.pdf

5. In CHOICE's 2018 nationally representative survey, most (86%) respondents believed unit prices should be extended to shops that are not currently covered by the Code.

- 66% of people want to see unit pricing in pharmacies and chemists;
- 55% of people want to see unit pricing in convenience stores;
- 54% of people want to see unit pricing in small grocery retailers; and
- 44% of people want to see unit pricing in hardware stores.