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By email only: supermarketprices.sen@aph.gov.au

Select Committee on Supermarket Prices
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

Submission to senate select committee inquiry into supermarket prices.

Thank you for the opportunity to make a submission to this inquiry.

The Consumers Federation of Australia (CFA) is the peak body for consumer organisations in Australia. CFA represents a diverse range of consumer organisations, including most major national consumer organisations.

CFA's vision is a thriving Australian consumer movement that advances the diverse interests of consumers. As the peak body for the consumer movement, our purpose is to enable our members to connect and be more impactful.

CFA is a member of, and co-chairs, the stakeholder engagement forum for the Consumer Senior Officials Network. CSON is the key forum for consumer affairs senior officials from all jurisdictions and supports Ministers that oversees consumer affairs matters, including the Australian Consumer Law.

CFA is a full member of Consumers International, the international peak body for the world's consumer organisations.

CFA member submissions

Several of CFA's members have made submissions to this inquiry, and CFA endorses those submissions. Those include: CHOICE, Queensland Consumers Association, COTA Australia, Combined Pensioners and Superannuants Association of NSW Inc (CPSA NSW), and the Consumer Action Law Centre

In particular, CFA is very supportive of measures that:

- Ensure that the prices consumers pay for products and services are not higher than they need to be;
- Protect consumers and assist them to understand and compare prices and to make informed choices; and
- Facilitate competition between businesses.

Most consumers spend a substantial proportion of their income on groceries and are extremely concerned about cost-of-living pressures and their declining standard of living.

Unit pricing reforms

Over recent years, CFA has prioritised advocacy to improve the effectiveness of grocery unit pricing. Our advocacy has included making complaints to retailers about unit pricing failures and also raising systemic concerns with the Australian Competition and Consumer Commission (ACCC).

Issues about compliance with unit pricing requirements, has also been raised specifically by CHOICE, CPSA NSW and Queensland Consumers Association to this inquiry. In particular, consumers are concerned that the unit price is not always displayed, is difficult to read, or is obstructed or covered up by other labels.

While the ACCC has considered our specific complaints and raised some of them with retailers, it has only taken limited compliance and enforcement action to promote compliance with the requirements of the Grocery Unit Pricing Code. In 2022, CFA recommended that the ACCC issue media releases about its unit pricing compliance work, and also undertake a national sweep of audit, to promote greater compliance with the requirements. The ACCC has informed us that the costs of a national sweep of in-store compliance with the Grocery Unit Pricing Code would be significant, and that it was unable to prioritise this activity.

Given this, we recommend that the ACCC be provided with increased resourcing in order to prioritise the monitoring and enforcement of retail compliance with the Grocery Unit Pricing Code.

An additional barrier to ACCC prioritising this compliance work is that the current Grocery Unit Pricing Code is largely principles-based, for example, it requires unit prices to be 'prominent' and 'legible'. These terms create ambiguities about what is required and also inconsistency in implementation. The ACCC has informed us that improvements in this area is a policy issue for Government, and it cannot provide clear guidance or advice to ensure good standards in compliance. For example, the ACCC has indicated that it lacks legal basis to assess the prominence and legibility requirements of the code through the prism of whether unit prices can be easily read by consumers with low mobility or even low vision. Also, there are no penalty provisions for non-compliance with the Code and major problems with inconsistencies in the units of measure used for unit pricing. These problems need to be addressed in relation to both the Code and the national measurement legislation.

Given this, we recommend an independent, national review of the unit pricing system to identify barriers to compliance (including penalties for non-compliance, 'principles-based' requirements and the units of measure used for unit pricing) and identify opportunities to increase its effectiveness and scope.

We would be happy to provide further input into the committee's activities.

Yours sincerely

A handwritten signature in black ink, appearing to read "Gerard Brody". The signature is written in a cursive style with a prominent initial 'G'.

Gerard Brody
Chair, Consumers' Federation of Australia