

Dear Sir,

I welcome this opportunity to contribute to the inquiry that the Assistant Treasurer and Minister for Competition Policy & Consumer Affairs has launched into the Grocery Industry. I note that the Prime Minister has on occasion referred to the importance of consumer matters as they relate to "working families". I am specifically interested in the "pricing practices of national grocery retailers and their methods of representation of grocery prices to consumers".

I specifically wish to draw to the attention of the Minister to what I regard as unconscionable practices as they are currently manifested in the duopoly businesses of Coles and Woolworths and other sizeable retailers. I see that it is the view of some businesses that consumers are "not interested" in unit pricing and suggest that in the population in general there is little understanding of the benefits to consumers. I am sure that, once introduced consumers will soon develop an affiliation and appreciation for such changes and being able to read the differences between prices for goods, in relation to their size or volume.

As Australians we are not exempt from food price increases, so anything that can be done to see that consumers get a "fair deal", especially as the last government was inert on such issues is very timely. From a purely inflationary angle consumers are vitally interested in government overseeing pricing policies and, I understand, that the committee may have before it a number of representations by consumer groups at large in the same matter.

I feel that the supermarket "shelf labels" should contain (by law) the price per unit in relation to the content volume or weight, which must be shown on every product label on the shelf including the date that the product in question was first provided in that specific size/volume and its earlier unit price. This will give the consumer an excellent idea of price/volume increases over time, so that they may make representations to the manufacturer about price increases or quantity decreases as they occur. I also think that the unit/price data should appear on the checkout receipt to enable consumers to have a record reference detailing the individual transactions.

Ultimately, consumers (especially those who have much the same buying pattern), will be able to construct and become familiar with their own purchasing habits and how much and how often increases are made. Observant consumers and oversight bodies will have information which will allow them to make representations directly to the manufacturer and retailer and will allow direct comparisons to be made between competing operators at the same level.

Finally, in respect of "specials" (applied only to price reduced items), no great change is needed, just a change in label colour with the new unit price printed in the same colour.

I am sure the government is aware unit pricing has been introduced in many countries. I am aware, however, that unit pricing has not always been promoted on television or radio in those countries and I suggest that a federal budget be created for advertising this system so that consumers obtain an early and positive grasp of how unit pricing benefits them. I questioned shoppings in the southern states of the US a year ago. I found that several shoppers I questioned had not received information about unit pricing on television or direct mail. I understand that the US basic legislation did not include an educational budget.

In terms of administration by government, I suspect that very little administration will be needed except to ensure that unit pricing of a variable range of goods is supplied to the Australian Bureau of Statistics to ensure that sufficient information is compiled and published in suitable form for the consumer bodies to make necessary representations to appropriate manufacturing interests where increases in price or reductions in volume exceed inflationary norms.

Lastly, may I suggest that to consolidate in the public's minds eye that something is, at last, being done, that a television advertising campaign be undertaken to alert the consumer to these changes, when introduced, along with any actions consumers may take to protect their interests, eg alerting government to malpractice, etc.

Yours faithfully,

Graham C Farr