



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

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UNIT PRICING REPORT CARD: ONLINE AND SMALLER SUPERMARKETS MUST DO BETTER

After 12 months of operation, unit pricing has had good take-up by major supermarkets, but online traders, and those small and independent supermarkets subject to the code have more to do to comply.

"A recent independent survey commissioned by the Australian Competition and Consumer Commission found that major supermarkets around the country have, on the whole, achieved a 98 per cent level of compliance," ACCC chairman Graeme Samuel said today. "But online traders rated only 35 per cent compliance with the code."

Unit pricing is a labelling system that helps consumers to compare prices and value at the supermarket. The code requires online and larger supermarkets to display a unit price on price tags and in advertising next to the selling price of an item. By using standard units — for example, cost per litre or per kilogram — consumers can easily compare the price of products, regardless of different sizes or brands. Smaller supermarkets can opt-in to the code.

The ACCC commissioned a national survey of 383 supermarkets in metropolitan, regional and rural areas and 17 online grocery traders regulated by the code. The survey covered in-store unit pricing as well as print and online advertising.

"The survey revealed that the level of compliance among small and independent supermarkets subject to the code and online traders was well below expectations one year on from the code becoming enforceable. Retailers have had 12 months to get unit pricing right. There is no excuse for no or low compliance."

"If consumers don't have confidence in the accuracy of the unit pricing information provided, or they can't see it, then it really undermines the integrity of the system," Mr Samuel said.

"With the marking of the one-year anniversary of the code being enforceable, the ACCC is sending a strong message that it expects retailers and in particular the small and independent supermarkets subject to the code and online retailers, to ensure their legal obligations under the unit pricing code are being met.

"Where the ACCC has identified code breaches, it has taken prompt action to require retailers remedy the situation.

"And for those retailers that engage in blatant or recurring conduct in breach of the code, the ACCC will use its powers under the *Trade Practices Act* to take swift action."

Further information about unit pricing is available at <http://www.accc.gov.au/unitpricing> or by phoning the ACCC Unit Pricing Hotline on 1300 746 245. The national survey is available at <http://www.accc.gov.au/content/index.phtml/itemId/957083>

The code came into effect on 1 July 2009 and requires grocery retailers bound by the code to display unit pricing information on their grocery price labels and in their print and web advertising. The code became enforceable on 1 December 2009.

Unit pricing means displaying the price of a grocery item as a standard unit of measurement alongside its selling price. The code sets out the units of measurement that must be used for each grocery item.

Unit pricing is mandatory for:

Retailers:

- whose retail premises are used primarily for the sale of food-based grocery items, and
- have floor space greater than 1000 square metre dedicated to the display of grocery items, and
- sell the minimum range of food based grocery items (the code sets out a list of these basic grocery items).

Online retailers that sell the minimum range of food-based grocery items.

Other retailers may also voluntarily opt to use unit pricing. Retailers that sell the minimum range of food-based groceries, but have a floor space of 1000 square metres or less, can opt into unit pricing in accordance with the code.

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