

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

**Budget Estimates**

1 June – 3 June 2010

**Question: BET 78**

**Topic: Uniform Pricing by Supermarkets**

**Hansard Page: E101-102 (02/06/2010)**

**Senator XENOPHON asked:**

**Senator XENOPHON**—Has the ACCC welcomed the move by, I think, Coles and Woolworths to have uniform pricing over a number of their products throughout their stores?

**Mr Samuel**—In fact, we had this discussion, I think I recall, two Senate estimates committees ago, Senator. What I said—

**Senator XENOPHON**—It is an oldie but a goodie, though.

**Mr Samuel**—Yes. It is an old but good one. I think I indicated at the time that the general reaction from consumers seemed to be to welcome that. Insofar as consumers are better able to assess the competitive offerings of different suppliers and that is facilitated by having similar prices across geographic regions, so be it. But there is no process for the ACCC to approve or disapprove of geographic price differentials that are charged by suppliers. That is just not part of the act.

**Senator XENOPHON**—I understand that. But whilst you do not have a role in respect of that because there are no laws at the moment for uniform pricing, does the commission monitor claims by major supermarket chains insofar as they make claims that they have uniform pricing?

**Mr Samuel**—There is no question that if a claim is made that in marketing a product they have uniform pricing—

**Senator XENOPHON**—Which has been the case.

**Mr Samuel**—which is not the case—

**Senator XENOPHON**—But they have, have they not?

**Mr Samuel**—That is correct, yes. But if in fact it was demonstrated that that was not the case in practice, that may well form a basis for an investigation as to misleading and deceptive conduct.

**Senator XENOPHON**—That is right. My question is: given that it has been a marketing tool by a couple of the chains that they have the same prices across the metropolitan region across the state, has there been any monitoring by the ACCC of the veracity of those claims?

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

1 June – 3 June 2010

**Mr Samuel**—I think it is fair to say that since the claims were made so widely and so publicly, the matter has been under constant review by the commission.

**Senator XENOPHON**—Does ‘review’ mean—

**Mr Samuel**—A review means monitoring, watching and checking.

**Mr Cassidy**—We have checked, yes.

**Senator XENOPHON**—Perhaps on notice you could indicate the extent of checking in respect of that.

**Mr Samuel**—Yes, without going over the line of not commenting upon matters we may or may not be investigating.

**Answer:**

It is the responsibility of businesses to determine their pricing levels and structures, including whether or not to apply uniform pricing across a geographic region. The *Trade Practices Act 1974* prescribes that such representations must not be misleading or deceptive.

The ACCC has received a number of complaints in relation to uniform pricing representations by supermarkets. The ACCC continues to monitor complaints to determine whether they reveal cause to believe supermarket representations are not being honoured.