

# Chapter 4

## Conclusions

4.1 The committee supports the policy intent of this Bill, namely to provide for a mandatory unit pricing scheme in Australia, and commends Senator Fielding for advancing the policy debate on this issue.

4.2 However, the committee is not convinced that the Bill achieves the right balance between maximising the usefulness and effectiveness of the scheme for consumers and minimising the costs of implementation to grocery retailers. In particular, the committee is concerned about:

- the exemption criteria for grocery stores required to implement mandatory unit pricing;
- the definition of grocery retailers and grocery products;
- the definition of units of measure for unit pricing; and
- the definition of the required font size for unit pricing.

### Recommendation 1

4.3 **The committee recommends that this bill not be passed.**

4.4 The committee notes that the Australian Government has committed, as a matter of urgency, to consider the best way to introduce a mandatory nationally-consistent unit pricing scheme.<sup>1</sup> While the committee has some concerns about elements of this Bill, it nevertheless considers the Bill to be a useful starting point for consultation with industry and consumer groups on the formulation of such a scheme.

4.5 The committee is of the view that the paramount purpose of such consultations should be the development of a unit pricing scheme in which the needs of the consumer are given substantial weight.

4.6 The committee also support the recommendation of the ACCC that, prior to the introduction of unit pricing, a detailed cost benefit analysis should be conducted to assist in determining to which stores unit pricing should apply. Consideration should be given to allowing voluntary implementation or a longer implementation time for those stores that fall under the 1200 square metres identified as the level at which stores compete against the major supermarkets.

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1 Assistant Treasurer, *Rudd Government Releases its Preliminary Action Plan in Response to the ACCC's Grocery Inquiry*, Media Release No. 065, 5 August 2008, p. 1.

## **Recommendation 2**

4.7 The committee recommends that the details of a nationally-consistent mandatory unit pricing scheme be developed in consultation with all stakeholders, including consumer groups, industry, and state and territory governments.

## **Recommendation 3**

4.8 The committee recommends that, once the features of the national scheme are identified, a detailed cost benefit analysis be undertaken, as recommended by the ACCC, to assist in determining to which stores unit pricing should apply.

## **Recommendation 4**

4.9 The committee recommends that implementation should be phased in over a period of twelve months once the details of the national mandatory unit pricing scheme are established.

**Senator Annette Hurley**

**Chair**