

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 221

Topic: Unit Pricing Code of Conduct

Hansard Page: Written

Senator XENOPHON asked:

1. Does the ACCC intend to hold a review of the Unit Pricing Code or undertake any monitoring to determine how useful the code is for consumers in the future? If so, when? If not, why not?
2. Can the Commission indicate how much it has spent on educational initiatives in relation to the mandatory unit pricing code of conduct?

Answer:

1. The ACCC's primary roles in relation to the Unit Pricing Code (the Code) are to promote and ensure compliance with the code, investigate complaints and to take enforcement action where necessary.

The *Regulation Impact Statement: Unit Pricing*¹ ('the RIS') also provides:

... As an industry code of conduct, the operation of the unit pricing scheme would be kept under constant review by the ACCC, in collaboration with industry representatives. Key indicators that the scheme may need to be reviewed would be if there are unusually high rates of non-compliance observed by the ACCC or reported by consumers.

More formally, longer term review of the scheme after a five year period should be undertaken by an independent body or eminent persons.

The formal review referred to in the RIS would be called for by the Parliamentary Secretary to the Treasurer and administered by the Treasury.

The ACCC will meet its obligations to monitor the operation of the Code in consultation with the Treasury. Information and education campaigns to support the introduction of unit pricing have assisted—and will continue to assist—ensuring that unit pricing information is useful to as wide a range of consumers as possible. However the extent of usefulness of the Code is a policy matter for the Treasury.

2. The ACCC has a role to provide industry and consumers with educative measures in relation to the Code. 'Educational initiatives' consist of both direct awareness raising measures for consumers and also proactive compliance measures for industry—these activities are not discrete nor mutually exclusive.

¹ OBPR Reference number 9806

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To the extent that all of the ACCC activities and functions in relation to unit pricing in 2009–10 have been to support the implementation of the new code, the ACCC considers that all of its expenditure to date on unit pricing has effectively been for educational and compliance initiatives.

These initiatives reflect the cumulative efforts of multiple branches within the ACCC which deliver unit pricing functions. These branches include Compliance Strategies, Enforcement Operations, Strategic Communications, and Information, Research & Analysis. The funding received by the ACCC with respect to unit pricing is not accounted for separately within the budget of any one branch. Further, staff within each branch who undertake unit pricing functions also undertake other functions.

As noted in the response provided by the ACCC to BET 75, the ACCC estimates that it spent close to \$700,000 delivering unit pricing functions in 2009–10 for the broad purposes of eliciting industry confidence and compliance and consumer awareness.

Specific achievements include the development of a range of print, web and multimedia resources for industry and consumers; nation-wide stakeholder consultation; nation-wide outreach activities, media engagement; and field work activities to identify systemic transitory compliance issues.