



Submission by the Master Grocers Australia

To the Senate Economics Committee
Inquiry into Unit pricing

1. About Master Grocers Australia

The Master Grocers Association Australia (MGA) is a National Employer Industry Association representing all Independent Grocery and Liquor Supermarkets in Victoria, New South Wales, Western Australia and the ACT. Independent Supermarkets trade under brand names, such as IGA and FoodWorks, and they range in size from small, to medium and large businesses.

Independent Supermarkets play a major role in the retail industry and make a substantial contribution to the communities in which they trade. There are 2100 independently owned supermarkets employing over 70,000 full time, part time and casual staff, representing \$12 billion in retail sales. Many MGA members are small family businesses, employing 25 or fewer staff.

Preamble

MGA notes that the Unit Pricing (Easy comparison of grocery prices) Bill 2008 was introduced as a Private Members Bill into the Senate in May 2008. MGA also notes that the Senate Committee of Inquiry has sought submissions with respect to the contents of the Bill.

MGA welcomes this opportunity to make a brief comment on the Bill and records its views below.

2. Comment on the Unit Pricing Bill 2008 by MGA

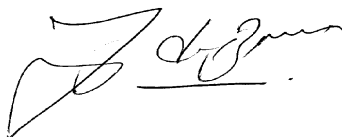
It is noted that the pre packaging of goods that carry the sale price with additional labeling, displaying an equivalent price per kilogram is supported by many consumer organizations in Australia and that this is in line with international labeling. This is commonly referred to as unit pricing.

However, the introduction of laws to enforce unit pricing will impose additional compliance obligations on the retailer. In an industry that is already burdened by a plethora of Government "red tape" it seems an unnecessary additional burden to make unit pricing a legal requirement. In addition to the regulatory burden there is also the issue of the costs involved in providing this additional service.

MGA believes that the right of the retailer to introduce a system of unit pricing on a voluntary basis should remain. MGA also believes that if unit pricing is successfully introduced by law there is no guarantee that it will necessarily reduce the price of the weekly food bill for consumers or increase competition in the marketplace.

MGA thanks the Senate Inquiry for the opportunity to make this short comment.

Jos de Bruin



CEO
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