

1 August 2008

Committee Secretary  
Senate Economics Committee  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Submitted via email - [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

Dear Secretary,

**Re: Inquiry into *Unit Pricing (Easy comparison of grocery prices) Bill 2008***

Growcom appreciates the opportunity to provide feedback to the Senate Economics Committee on the *Unit Pricing (Easy comparison of grocery prices) Bill 2008*. We would like to raise some key points that we have relating to mandatory unit pricing and anticipate that they will be taken into consideration by the Committee.

As the peak representative body for the Queensland horticulture industry, Growcom is supportive of providing consumers with tools that allow them to access meaningful and user-friendly information relating to fruit and vegetable products and prices. However, we are not supportive of introducing these tools if they come at the expense of reducing consumer demand for horticultural products in grocery stores, or reducing the profit margins received by growers.

Growcom is aware that this inquiry is coinciding with a consultation process in Queensland on the Regulatory Impact Statement regarding the *Fair Trading (Unit Pricing) Amendment Regulation 2008*. If mandatory unit pricing is to be introduced, it is essential that a nationally consistent framework be applied to reduce the potential for confusion, and to ensure unit pricing is applied consistently across Australia. This is important for fruit and vegetable producers, as they commonly trade across state borders and associated regulatory frameworks.

From our preliminary investigations, Growcom does not believe that the introduction of mandatory unit pricing would have a large impact on the Queensland horticulture industry. Currently, loose horticulture products (such as apples, bananas, grapes, potatoes, onions and carrots) are commonly traded using a price per unit of measure (for example \$2 per kilogram). Furthermore, growers who sell their products to processors are unlikely to have a relationship with the end product and would therefore not be directly impacted upon by unit pricing. However, if processors feel any negative economic impacts, these would most likely be passed down the supply chain to growers.


There are many processed and value-added horticultural products that could be impacted upon by unit pricing. Allowing consumers to more accurately compare products (for example, fresh versus frozen vegetables, fresh versus canned or dried fruits, loose potatoes versus bagged potatoes) could result in changing consumer

demands for certain products, which may have either a negative or positive flow-on effect for growers.

Growcom has identified that there would need to be changes made to the way some fresh horticultural products are sold in order to apply unit pricing. For example, changes would need to be made for products that are currently traded per unit, such as lettuce heads, cobs of corn, passionfruit and rockmelon (ie. passionfruit currently sold for \$1 per passionfruit). The introduction of mandatory unit pricing would require retailers to advertise the price of these products per unit of measurement. For example, instead of advertising passionfruit as \$1 each, retailers would be required to advertise the product as say \$20 per kilogram. These changes could result in unnecessary ramifications.

Growcom appreciates the opportunity to provide feedback to the Senate Economics Committee on the *Unit Pricing (Easy comparison of grocery prices) Bill 2008*. If there are any questions regarding the matters raised in this submission, please contact me on (07) 3620 3844.

Yours sincerely,



Jan Davis  
CEO