

2 February 2024

Select Committee on Supermarket Prices
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretariat

Senate Select Committee on Supermarket Prices

National Seniors Australia, the peak body representing older people, welcomes the opportunity to make this submission to the Senate Select Committee inquiry into supermarket prices. NSA has over 230,000 direct members and supporters who regularly provide us with information via our regular survey and research activities.

NSA recently conducted a brief survey of 6,500 older people to ascertain their views on critical issues and on pressing cost-of-living concerns. The results of this survey are unpublished, but the insights are relevant to this inquiry.

It found that cost-of-living was the most important issue for survey participants.

When asked about specific cost-of-living concerns, groceries were the second most important concern (behind insurance) among older people in the survey. For older people: whose income was the Age Pension only, who had a home with mortgage, or who were renting, groceries were the highest cost-of-living concern.

Older people are clearly worried about the rising cost of living and the cost of groceries, in particular.

Historically, supermarkets have played a positive role in reducing the cost of everyday grocery items. Greater choice and ability to compare and switch brands is an important part of the supermarket experience. However, price comparison relies on consumers having easy access to information to enable comparison. In recent times, comparison is getting more difficult.

The Grocery Unit Pricing Code requires certain grocery retailers, such as supermarkets, to provide consumers with the unit price (price per standardised unit of measure) to facilitate value comparisons. This enables informed consumer choice and competition between brands and products.

Unit pricing is a simple tool to allow consumers to make comparisons, but only if unit pricing information is easy to read and understand. Unfortunately, supermarkets do not always provide unit pricing in ways that are easily legible and understandable, especially for older people with vision impairment.

The ACCC administers the Grocery Unit Pricing Code and should be taking stronger action to monitor and enforce unit pricing to enable consumers to make informed decisions about product prices. This is especially critical when product sizes are inconsistent or change over time.

National Seniors Australia, therefore, supports recommendations made by the Queensland Consumer Association (QCA), in its submission, to improve monitoring and compliance of unit pricing as a method to ensure consumers have the information they need to compare product prices easily and quickly.

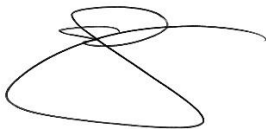
QCA recommends the following, which NSA supports:

1. The Australian Competition and Consumer Commission (ACCC) give higher priority to monitoring and enforcing retailer compliance with the Retail Grocery Industry (Unit Pricing) Code of Conduct and be resourced to undertake, or commission, such activities.
2. The Commonwealth government commission an independent, national review of the unit pricing system in order to:
 - Assess the effectiveness and administration of the current unit pricing and other relevant legislation (including measurement legislation).
 - Identify opportunities to increase the effectiveness and scope of the current legislation and its administration.

By improving the display of unit pricing information this will improve consumers' ability to compare similar products and make better informed decisions that will improve competition, leading to downward pressure on prices.

Thank you for the opportunity to make this brief submission.

Your Sincerely

A handwritten signature in black ink, consisting of a large, stylized loop with a horizontal line extending to the right.

Chris Grice

Chief Executive Officer