

Unit pricing to help ease the grocery bill



Saving money at the supermarket should become easier in the coming months as unit pricing is introduced across the country.

On July 1 legislation came into force that requires large supermarkets, online grocery retailers and smaller stores that opt in to display the price for a standard measure, such as price per 100 g or 100 ml. Participating stores have until 1 December to ensure their labelling complies with the new legislation.

Introducing unit pricing was one of the key recommendations made by the ACCC in 2008 after it had conducted an extensive review of the level of competition in the Australian grocery sector.

Unit pricing is designed to make it easier to compare similar products in different sizes—for example, a 235 g jar of jam for \$3.15 and a 300 g jar for \$3.85. Under unit pricing, those jars will now carry on their labels additional

figures of \$1.34 per 100 g and \$1.28 per 100 g respectively, making it much easier to work out which one is cheaper.

Other than the additional information, shoppers should notice little change to the way prices are displayed.

Several major supermarket chains have already added unit pricing to their labels. Those stores with less than 1000 sq m of floor space that do not sell the minimum range of products listed in the legislation will not have to participate in unit pricing, but can opt to do so as a service to their customers.

While unit pricing makes it easier to compare prices, it is not designed to compare quality; therefore, higher quality products will still generally cost

more. Shoppers will have to decide for themselves which products represent the best quality.

Not all grocery items need to be unit priced—for example, cigarettes and alcohol are exempt under the scheme.

After December, stores that fail to meet unit pricing requirements can face legal action requiring corrective advertising or other penalties, including criminal prosecution carrying fines of up to \$1.1 million for companies that blatantly ignore the law.

At the end of the year the ACCC will also begin random checks to ensure supermarkets are complying, and members of the public will be able to report any concerns to an ACCC hotline on 1300 746 245.

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