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Mr James Chisolm  
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Dear Mr Chisolm,

**Seafood Access Forum (SAF) Submission to the  
Australian Government Issues Paper on Unit Pricing**

The Seafood Access Forum (SAF) was established -- through cooperation by Seafood Services Australia, the Fisheries Research and Development Corporation, the National Aquaculture Council and Seafood Experience Australia, and with support from the Australian Seafood Cooperative Research Centre -- to address impediments to free and fair trade access for Australian seafood.

The SAF is an industry-driven process in which companies, associations and government agencies participate as equal partners, and are involved in making decisions on the issues that affect them.

The Australian Seafood Access Forum (SAF), in general, supports the introduction of unit pricing on grocery items subject to the responses to questions raised in the "Issues Paper" identified below.

The SAF would like to confirm that seafood in Australia is retailed in both packaged and unpackaged form with about 50 percent of product traded being in each of these forms. The vast majority of unpackaged product is retailed through "traditional" seafood outlets throughout Australia, including seafood cooperatives and seafood markets, although there has been a growing trend in retail sales of this product form through the larger grocery chains. Purchasers of product in this form are made up largely of general household consumers as well as patrons of "fish and chip" shops and the restaurant trade. The vast majority of packaged seafood products (including boxed frozen and canned) is retailed through the larger grocery chains, although there is a growing trend to retailing this product form through the traditional, smaller, seafood outlets.

The above trend in expanding the scope of available seafood product forms in all retail outlets is likely to continue and, as such, the introduction of unit pricing is likely to have cost implications, to varying degrees, across all seafood retail establishments in Australia. This has implications for the unit pricing model ultimately adopted under the proposed scheme that need to be taken into consideration during the design phase. In particular, the cost to retail establishments of implementing unit pricing at the enterprise level is likely to be unnecessarily burdensome on small establishments if the scheme developed is too prescriptive and lacks flexibility.

This is because the marginal cost (per unit cost) of introducing and maintaining unit pricing may be significantly higher for smaller establishments where throughput volumes are generally much lower than for the larger retail chains. The SAF would like to emphasise that this concern needs to be fully addressed in the design phase of the scheme and may warrant the provision of greater flexibility for smaller scale enterprises.

Importantly, designers of the scheme need to recognise that unit pricing is, in general, already widespread in the traditional unpackaged seafood retail sector. The general rule being that product prices are displayed on a per kilogram basis. As such, the SAF would argue that this well accepted unit of measure be adopted under the scheme as a benchmark as this will minimise implementation and maintenance costs for small enterprises in particular. In addition, consumers are already familiar with this pricing scheme as it already provides for ease of price comparison between products “within store” as well as “between stores”.

However, there are some exceptions to the general application of the per kilogram measure that the SAF would like to see remain under the unit pricing scheme. In particular, the per dozen pricing regime that currently applies to some seafood products such as oysters. Again, this pricing measure is currently universally applied in almost all retail establishments, including restaurants. The SAF is aware that some retail establishments have moved to a per ten pricing regime for some of these products under the guise that this reflects a shift to metric, but this practice has often been used to disguise the fact that the product is being retailed at an inflated price, and therefore, should be discouraged. The SAF supports a requirement under the proposed scheme to maintain the per dozen measure where this has historically been used in the seafood industry (as is the current situation with eggs).

The SAF's support for the introduction of an appropriately designed unit pricing scheme will also address industry concerns over the growing trend in some retail establishments to display product prices on a per item basis but without displaying the per kilogram price. A good example of this is the retailing of small Rocklobster at a fixed per item price, which, creates the perception of value for money but when translated to a per kilogram measure identifies an inflated retail price and relatively poor value for money. In such cases, the unit pricing scheme adopted should require the retailer to display the per kilogram equivalent to enable ease of price comparison by consumers.

The SAF supports the implementation of a unit pricing scheme by way of a Code of Conduct under Part IVB of the *Trade Practices Act 1974*, as opposed to implementation by way of prescriptive legislation. A Code of Conduct will provide greater flexibility to modify and fine tune the unit pricing scheme in response to consumer and retailer concerns. This degree of flexibility and responsiveness cannot be provided under prescriptive legislation. The SAF recognises that a Code of Conduct under the Trade Practices Act is enforceable in law, and as such, can provide an appropriate level of response to non compliance with the scheme. In addition, implementation by way of an appropriate Code of Conduct leaves open the possibility of progressing the scheme into legislation at a later date should this be warranted.

The SAF would like to emphasise that capacity of the system to respond and resolve unforeseen issues will be critical to its longer term acceptance by consumers and the retail sector. This will also be critical in minimising the scheme's cost to retailers, and ultimately consumers, by having a system that can be modified relatively quickly to meet changing requirements. The SAF would anticipate that implementation by way of Code of Conduct would also be more cost effective for government.

Implementation by way of Code of Conduct also sends a strong message to consumers and retailers that the government is taking a cooperative approach to the system's implementation as opposed to the traditional “big stick” approach through prescriptive legislation. The degree of consumer and retailer support for the scheme identified in the Issues Paper would also indicate that prescriptive legislation is not appropriate in this case.

In relation to the unit of measure to be used, the SAF believes that this should be a decision for the retail establishment provided the unit chosen achieves the desired outcomes of the scheme. That is the scheme must be outcomes based. The SAF is assuming that the desired outcome is for consumers to be able to make price comparisons between product brands across various packaging sizes within a single retail establishment. So provided a retailer applies the same unit pricing measure across comparable products, the consumer should be able to readily make price comparison.

Taking the approach identified above will require the development and inclusion of criteria within the Code of Conduct that must be met in order to achieve the scheme's higher level objective(s). That is, the Code does not need to be prescriptive to the extent that it prescribes the units of measure that must be used. Instead, the Code should identify criteria that the retail establishment should meet to enable the customer to readily compare the price per unit of complimentary products and/or products that are like in nature. Whether the retailer chooses to opt for price kilogram, price per 100 grams, per 50 grams or per 10 grams is entirely up to them.

Importantly, the system must recognise that the consumer must ultimately take responsibility for their purchasing choices.

Finally, the SAF would like to confirm that it is available to assist in the development of the scheme to ensure that it meets, as best as possible, the unique requirements of the Australian seafood industry.

Should you require clarification of the above comments, please do not hesitate to contact Mr Simon Liu on telephone 07 36336777 or at [simonliu@seafoodservices.com.au](mailto:simonliu@seafoodservices.com.au)

Yours sincerely

A handwritten signature in black ink that reads "Ted Loveday". The signature is written in a cursive, flowing style.

Ted Loveday  
**Managing Director**  
**Seafood Services Australia**