

Submission of opinions to the Senate Select Committee on Supermarket Prices

Context:

- i. In the last few years, Australians have been facing extreme cost of living pressure.
- ii. At the same time, supermarkets made record profits.
- iii. Food prices increased above the inflation rate.

All these impacted everyday Australians as they need to spend more for groceries and cut spending on other essentials. Psychological and mental pressures of everyday Australians climbed up when they understood they have been struggling and and supermarkets make record profits. Farmers and growers also accused supermarkets of profiting too much from their crops.

Way forward:

- i. Supermarkets should ensure price transparency and disclose cost breakdowns at the product level.
- ii. The government should work with retailers and other stakeholders to develop policies for transparent pricing.
- iii. A more competitive market could help force supermarkets to use more transparent pricing.
- iv. Transparency in end-to-end supply chain (farmers to consumers) could also be useful for fair pricing.
- v. The code of conduct should include consumers and allow regulation and monitoring of retail prices.

Reading:

<https://theconversation.com/amid-allegations-of-price-gouging-its-time-for-big-supermarkets-to-come-clean-on-how-they-price-their-products-219316>

Dr Sanjoy Paul

Associate Professor, UTS Business School

University of Technology Sydney, Sydney, Australia