

MASTER
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AUSTRALIA

**National Trade Measurement Legislation
Proposal to Amend the National Measurement Regulations 1999 (Cth)**

**Submission by Master Grocers Australia
February 2009**

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Introduction

Master Grocers Association Australia (MGA) is a National Employer Industry Association representing all Independent Grocery and Liquor Supermarkets in Victoria, New South Wales, Western Australia, Tasmania and the ACT. Independent supermarkets trade under brand names, such as IGA and Foodworks and they range in size from small to medium and large businesses.

Independent supermarkets play a major role in the retail industry and make a substantial contribution to the communities in which they trade. There are 2,100 independently owned IGA and Foodworks supermarkets employing over 70,000 full time, part time and casual staff, representing \$12 billion in retail sales. Many MGA members are small family businesses, employing 25 or fewer staff.

MGA acknowledges the importance of maintaining and updating national trade measurement regulations. In addition, we are aware of the implications on independent grocers and welcome the opportunity to outline the concerns that may affect these businesses.

MGA makes this submission in order to further the introduction and delivery of an efficient and effective National Measurement System. It contains issues relating to the financial and other impacts of the proposals that may hinder the success of obtaining the overall objective.

It should be noted that MGA has not responded to all the issues raised in the consultation paper but has confined comments to those areas that are relevant to independent supermarkets.

MGA advises that the following responses are general comments only and recommends that a full inquiry is completed before any amendments are made to the regulations. This submission contains suggestions on the proposed changes and does not constitute full support for the new regulations.

MGA thanks the National Measurement Institute for the opportunity to comment on the consultation paper.

Jos de Bruin



CEO
Master Grocers Australia
February 2009



1. MEASURING INSTRUMENTS (INCLUDING WEIGHBRIDGES)

1.1 Measuring Instruments to have prescribed scale intervals

MGA supports the altering of the current legislation to incorporate minimum accuracy requirements for all types of measuring instruments.

However, a number of concerns are raised in relation to the compliance with this regulation. These include:

1. A clear explanation of why a particular measurement system is to be enforced;
2. A control on supplier markets to prevent profiteering or market manipulation to purchasers of measuring instruments;
3. The introduction of a transition period to allow retailers to purchase any necessary instruments to comply with the regulations; and
4. The provisions of a guide to the retailers in relation to self-checking tests.

The regulations must be accessible and easy to understand to ensure that all retailers are able to fully comply and implement the necessary changes. It is important that the criteria are not driven by technical complexities that cannot be easily understood. MGA recommends that the National Measurement Institute consults closely with the industry in order to develop a clear and viable set of regulations.

1.2 Verification Periods

It is important to note that many independent retailers already have voluntary controls in order to provide assurance on the accuracy of measuring instruments. A voluntary verification system would be favourable as it would not further burden retailers who are already taking action in regard to quality assurance procedures.

The requirement to place a destructible label on to the measuring instrument in a prominent position may pose an issue. For example, scales placed on the back bench of a delicatessen may not be sufficient to fulfil the requirement of a prominent position. From this position, a customer may not be able to see that the instrument owner has participated in the voluntary verification or the recommended date for re-verification. In light of this concern, it is necessary that the requirements are reasonable to ensure that the business is able to fulfil them.

2. LICENSING

2.1 Licensing Consultation Papers

This is not relevant to independent supermarkets.

2.2 Batch Testing including Marking

MGA does not support broadening the types of measuring instruments that can be batch tested as is it an additional cost that is unnecessary. This is due to the fact that the net weight or volume is generally verified by the manufacturer prior to the products being delivered to the retailer.



3. TRANSACTIONS BY MEASUREMENT

It is suggested that in regard to non pre-packed meat, the size of the point of sale lettering should be consistent with the current 'Food Code for Country of Origin Labeling'. This would make standardisation for the retail industry easier to enforce.

3.2.3: 'The weight must be 'only meat', without any wrapping or packaging' should read 'only meat and added food ingredients' as the former is confusing to some retailers.

3.2.5: Types of offal such as cheek, liver, spleen, tail, tongue and tripe should be included in the exceptions under 3.2.10. This is due to the fact that these types of meat are now not relevant to the standard being applied to meat.

A clear guide on the definition of meat should be provided as many independent retailers rely on information from existing local butchers or outsourced suppliers, which is not necessarily a definitive and reliable source of information.

3.7: A clear guide on testing standards for canned goods would be useful, in addition to a clear set of criteria on how to conduct the tests.

4. PREPACKED ARTICLES

4.1 Current UTML packaging system

This requirement has no implication on independent supermarkets.

4.2 Average Quantity System (AQS)

These requirements have no implication on independent supermarkets.

4.3 Desiccating Articles Trade Measurement (Pre-packed Articles) Regulations 1991

The retention of the exemptions such as 'mass when packed' and 'mass at standard condition' helps retailers to explain to customers any discrepancies in weight. MGA submits that these exemptions be retained.

4.4 Measurement Marking (Trade Measurement (Pre-packed Articles) Regulations 1991 – Schedule 1 – Exemptions From Marking General Goods)

MGA submits that it is not necessary to modify the list of articles in Schedule 1 of the UTML.

4.5 Units of measurement (Trade Measurement (Pre-packed Articles) Regulations 1991 – Schedule 2 – Expression of Measurement Marking)

MGA submits that it is not necessary to change the list in Schedule 2.

4.6 Part III – Marking of Measurement Division 1 – General requirements for measurement marking (Trade Measurement (Pre-packed Articles) Regulations 1991)

The deregulation of the positioning of marking statements on pre-packed articles may be applicable to selected retail outlets in the independent supermarket industry and MGA

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supports the proposal. It is necessary to note that customers frequently refer to the weight when making a price comparison. As such, caution should be taken when deciding which products the deregulation will apply to. It is necessary to ensure that the customers are able to make an informed decision when making their purchasing choices.

4.7 Unit etc. of measurement to be used (Trade Measurement (Pre-packed Articles) Regulations 1991)

MGA agrees that the term 'ordinarily sold' causes confusion. As a result, it is necessary to review and update or remove the term from the regulations.

4.8 Prohibited Expressions (Trade Measurement (Pre-packed Articles) Regulations 1991)

MGA submits that no changes are required to the current provisions for prohibited expressions.

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