

**Ministry of Business,  
Innovation and  
Enterprise**

**Mandatory unit pricing  
for grocery products**

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## Submitter details

Nelson Marlborough Health (Nelson Marlborough District Health Board) (NMH) is a key organisation involved in the health and wellbeing of the people within Te Tau Ihu o Te Waka a Maui. NMH appreciates the opportunity to comment from a public health perspective on the Ministry of Business, Innovation and Enterprise's *Mandatory unit pricing for grocery products*.

NMH makes this submission in recognition of its responsibilities to improve, promote and protect the health of people and communities under the New Zealand Public Health and Disability Act 2000 and the Health Act 1956.

This submission sets out particular matters of interest and concern to NMH.

## Specific Comments

### **1. Are there any other benefits or costs associated with mandatory unit pricing that are not mentioned above?**

Unit pricing allows consumers to compare values easily and quickly. Clear and accurate pricing information can help consumers to develop perceptions of value over time which in turn help them to decide what product to buy and where to shop to best meet their needs.

NMH agrees that unit pricing can provide transparency for consumers around the size and quantity of a product and therefore mitigate the incidence and effects of "shrinkflation", where products are shrunk in size, quantity, or quality, while prices remain the same or increase. However, NMH would argue that as unit pricing is the price per unit of measure for a product, it does not directly inform consumers about the quality of the product e.g. the nutritional value, sustainability, and origin of the food.

Consumer research by the NZ Health Promotion Agency found food choices for people of all ethnicities are already primarily influenced by price and specials, and health is a low priority to only a small niche of consumers<sup>1</sup>. The focus that unit pricing places on monetary value may reinforce consumers to choose products on price over the nutritional content and impact consumers' diet quality and health. Food consumption and dietary choices can also make an important contribution to environmental outcomes in relation to greenhouse

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<sup>1</sup>[Health Star Rating Consumer Research and Concept Testing \(nutritionandactivity.govt.nz\)](https://www.nutritionandactivity.govt.nz/)

gas emissions in terms of food miles, production of waste, scarcity-weighted water use <sup>2</sup> and nutrient pollution as part of food production.

Therefore, NMH recommends that consumers should be empowered to consider a product as a whole and should be informed to consider the nutritional value, the sustainability, and the monetary value of a product by viewing all the products' information labels so that people can make an informed decision that will meet their individual needs.

## **2. Should grocery retailers be required to educate consumers about unit pricing by providing in-store and online pamphlets, posters and/ or other guidance?**

Whilst NMH supports grocery retailers to educate consumers about unit pricing, this should not be done in isolation. NMH recommends a holistic approach is taken to this educational opportunity. NMH recommends that education should encourage consumers to consider a). the nutritional value through nutrition labelling information, b). the sustainability of the product through environmental labelling information and c). the monetary value through unit pricing.

The purpose of nutrition labelling information is to assist consumers in identifying and making healthier food choices for themselves and their whānau. There is a significant association between label use and the healthiness of products purchased leading to healthier diets<sup>3</sup>. An unhealthy diet is the leading preventable risk for poor health worldwide<sup>4</sup>. A healthy diet not only addresses nutrient deficiencies, it reduces the risk of long-term conditions such as such as diabetes, cancer, obesity and cardiovascular disease<sup>5</sup>.

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<sup>2</sup> scarcity-weighted water use is water use multiplied by a constant that scales regionally based water availability after demand from humans and aquatic ecosystems has been met

<sup>3</sup> Do nutrition labels influence healthier food choices? Analysis of label viewing behaviour and subsequent food purchases in a labelling intervention trial - ScienceDirect

<sup>4</sup> New study finds poor diet kills more people globally than tobacco and high blood pressure | Institute for Health Metrics and Evaluation (healthdata.org)

<sup>5</sup> Food-Nutrition-Issues-in-Aotearoa-.pdf (ana.org.nz)

The purpose of environmental labelling information is to assist consumers to identify the overall environmental impact of a product within a specific product category based on life cycle considerations. The use of environmental labels has the potential to improve the quality of the environment<sup>6</sup>. Nearly one-quarter (24%) of New Zealanders in Consumer NZ's Sentiment Tracker said when it comes to food choices and grocery shopping, they want to increase their focus on making sustainable choices. Sixty-one percent wanted to maintain their focus<sup>7</sup>. This data shows that consumers are ready to choose products based on their sustainability and therefore they should be educated on how to do this.

NMH supports a multimodal delivery of education which engages all ages, abilities and ethnicities e.g. for people hard of hearing, for people with low vision and for people with English as their second language. These modes should include in-store and online pamphlets, posters, radio, television, social media and include different languages e.g. Te Reo Māori. In addition, NMH suggests any materials used to produce pamphlets or posters should be plastic free sustainable materials with a low waste footprint.

**3. How much do you estimate it will cost to implement unit pricing in grocery stores? Please explain how you have arrived at this estimate.**

No comment.

**4. Which grocery retailers should a mandatory unit pricing standard apply to?**

NMH recommends that all retailers who sell the grocery products listed in the *Discussion Paper*, such as fruit and vegetables, meat, eggs, dairy products, canned foods, and other household products like cleaning products, toilet paper, and pet food should be included in the mandatory unit pricing requirements. NMH notes that the requirements should be for retailers who sell any of the grocery products listed not just all of the products listed. Therefore, online retailers who do not sell perishable products like fresh fruit and vegetables are still required to provide unit prices.

NMH also recommends that fruit and vegetable stores, that primarily sell fruit and vegetables be included in mandatory unit pricing, as fresh vegetables and

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<sup>6</sup> [Ecolabelling | Environmental Choice New Zealand](#)

<sup>7</sup> [Which diet is best for saving the planet? - Consumer NZ](#)

fruit are often viewed as a significant expense for consumers and transparency around pricing is essential. Unit pricing of fruit and vegetables will empower households and families in their purchasing decisions and encourage more purchases of these products which in turn may improve diet quality and health outcomes.

**5. Which of the approaches to threshold requirements (store size, product range, annual revenue) should be used to set the threshold for mandatory unit pricing in New Zealand?**

NMH recommends that threshold requirements for the mandatory unit pricing be developed around product range rather than store size or annual revenue. As grocery prices increase, it is more likely that consumers will be visiting more locations to source the best prices i.e. green grocers and supermarkets. To achieve clarity on prices, it would be more advantageous for consumers to have mandatory unit prices on a product range rather than the size or revenue of a shop.

**6. If New Zealand adopts:**

- a) a floor size threshold, what should be the appropriate floor size (in square metres) for this threshold?**
- b) a product range threshold, what products should be included?**
- c) an annual revenue threshold, what is the appropriate dollar amount for this threshold, and should the threshold be set at group level or store level?**

NMH recommends that it is done by product range (Option b). It is important to note that there should not be requirements that all the product list must be sold before unit pricing is mandatory. Rather that if a store typically sells the grocery items listed then unit pricing is mandatory. This makes it easier for consumers to access information.

NMH recommends that the following products should be included: fruit and vegetables, meat, dairy products, canned goods, breakfast cereals, flour, sugar, and other baking products, rice, pasta, frozen foods, packaged foods, cleaning products, toilet paper and pet food.

**7. Where should retailers be required to display unit pricing, and why?**

NMH recommends that retailers (including online) be required to display unit pricing at the point of purchase, in close proximity with the product. The unit

pricing should be displayed in a place that can easily be interpreted from a standing or seated (in a wheelchair) position that accommodates all ages and abilities. For example, reading the unit pricing should not require a person to bend over or to overextend upwards as these positions could pose a risk to a person's health through a fall or injury. This is especially pertinent for older adults and people with disabilities who may be less mobile. NMH notes that the UK regulator's guidance on the unit pricing legislation's prominence and legibility requirements says:

*Pricing information must be available, and clearly visible to consumers without them having to ask for assistance in order to see it.*

*Legibility refers to a consumer with normal sight. Traders must also comply with the Equality Act 2010 and take account of the special needs of the elderly and disabled groups.<sup>8</sup>*

NMH also recommends that unit pricing be included in all forms of advertising where a retail price is displayed or shared, including print, radio, television, and online print, audio and video. This should also include social media. It is important that unit pricing is advertised in a variety of methods and languages to accommodate for all ages and abilities e.g. for people hard of hearing and for people with low vision.

#### **8. Where the selling price is displayed on a product itself, should the unit price also be displayed on the product?**

Yes, NMH supports the unit price to be displayed on the product. The unit price should be consistently displayed in a way that can be found and read by people with low vision. NMH recommends working with Low Vision Blind NZ and Blind Citizen advocacy groups to meet the needs of blind low vision consumers.

NMH suggests the unit pricing should be consistently placed on products. This could be next to the nutrition and environmental labelling and therefore prompt consumers to consider the nutritional and environmental benefits of the product.

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<sup>8</sup> [Ian-Jarratt-Submission-on-Market-study-into-grocery-sector-draft-report-26-August-2021.pdf \(comcom.govt.nz\)](#)

**9. Should grocery retailers be required to have a “sort and/ or filter by unit price” option on their website?**

Yes, NMH supports requiring online grocery retailers to have a “sort and/or filter by unit price” in their online shop. As stated in the *Discussion Paper*, this will support consumers to compare prices on products and make the most cost-effective decision. This is particularly important for consumers who use online grocery retailers as their method of shopping, specifically blind low vision people who use screen readers that read out the text.

**10. In which forms of advertising should retailers be required to display unit pricing?**

As stated above, NMH supports the requirement of retailers displaying unit pricing in all forms of advertising and recommends including social media.

**11. What are the potential costs and benefits of including unit pricing in audio and video advertising formats?**

Retailers should be required to provide the unit price of a product in any advertisement where the selling price is displayed visually or audibly. Such a requirement would increase consumer awareness and use of unit prices. NMH supports audio and video advertising formats to ensure the engagement of people with a range of ages and abilities. This form of advertising is particularly important for those whose preference may be audio or video (e.g. people with hearing difficulties or people who are blind low vision).

**12. What should be the standard and non-standard measurements for unit pricing in New Zealand?**

NMH recommends that Aotearoa New Zealand adopts a consistent and accurate approach when standardising unit pricing and that all units across a product category should be unit priced the same:

- Supplied by volume: Per 1 litre.
- Supplied by weight: Per 1 kilogram. Drained weight should be used as the unit of measurement for unit pricing when net and drained weight information is available. E.g. canned food.
- Supplied by length: Per metre.
- Supplied by area: Per square metre.
- Supplied by number: Per item.

**13. Should the same unit of measurement be used for all products within the same product category?**

NMH recommends that the same unit of measurement be used for all products within the same category whether sold in a pre-pack, loose from bulk or random weight, regardless of (multiple) locations within the store. For example:

- a) Pre-packed bulk fruits and vegetables should be unit priced in the same format as loose fruits and vegetables, per weight not per item.
- b) Items in different form should be unit priced in the same format e.g., fresh, and dried herbs and liquid and powder laundry powder.
- c) Products normally sold in packs of 1kg or more, such as rice and sugar, be unit priced per kg, not per 100g.

This consistency will mean that consumers can easily compare prices of the same product, increase transparency from suppliers and prevent confusion when products are displayed with different unit measurements.

**14. Is the Australian approach to product exemptions appropriate for New Zealand?**

Yes, NMH supports the Australian approach to product exemption.

**15. Should mandatory unit pricing apply to tobacco products in New Zealand?**

No, NMH does not support mandatory unit pricing to tobacco products (including e-cigarettes and vapes) in Aotearoa New Zealand, these are not typical grocery products and have their own rules around their specific sales requirements. Unit pricing may further encourage consumers to buy these products.

**16. Should mandatory unit pricing apply to alcohol products in New Zealand?**

No, NMH does not support mandatory unit pricing to alcohol products in Aotearoa New Zealand. Alcohol is not an ordinary commodity and is covered by its own laws namely the Sale and Supply of Alcohol Act 2012. The object of the



Act is safe and responsible sale, supply, and consumption of alcohol and the minimisation of harm caused by its excessive or inappropriate use<sup>9</sup>.

New Zealand and international evidence has found that lower prices of alcohol are associated with heavy drinking and that heavy drinkers are more likely to drink cheaper alcohol<sup>10</sup>. Unit pricing may further encourage consumers to buy these products.

**17. Are there any other products for which unit pricing may not be workable or appropriate? What are these products?**

As noted earlier in this submission, many people will use unit pricing as a way of determining the most cost-effective product, and overall NMH endorses this. However, in terms of sugar sweetened beverages (SSB), NMH does not want to see an increase in consumption. Discounted prices of SSB are associated with higher annual per capita SSB purchases<sup>11</sup>. SSB consumption is associated with obesity, type 2 diabetes, and cardiovascular disease<sup>12</sup>. A reduction in SSB intake will reduce the likelihood of developing these conditions.

**18. Should New Zealand adopt a principle-based approach to the display of unit pricing, or should there be more prescriptive requirements around font size, font, contrast, and location?**

NMH supports developing a prescriptive approach to unit pricing that ensures a consistent approach is taken to unit pricing that meets the needs of all people including people who are blind, deaf-blind or have low vision.

**19. In your view, what are the most important principles or requirements for the display of unit pricing?'**

NMH suggests that the most important requirements for the display of unit pricing are those that meet the needs of the whole population particularly people with low vision. Blindness and low vision can happen to anyone, but it is

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<sup>9</sup> [Sale and Supply of Alcohol Act 2012 | Alcohol.org.nz](#)

<sup>10</sup> [Trends in affordability of alcohol in New Zealand | Te Hiringa Hauora/Health Promotion Agency \(hpa.org.nz\)](#)

<sup>11</sup> [Are price discounts on sugar-sweetened beverages \(SSB\) linked to household SSB purchases? – a cross-sectional study in a large US household and retail scanner database | Nutrition Journal | Full Text \(biomedcentral.com\)](#)

<sup>12</sup> [Supporting a sugar tax in New Zealand: Sugar sweetened beverage \('fizzy drink'\) consumption as a normal behaviour within the obesogenic environment - PMC \(nih.gov\)](#)

more common in the older adult population which is increasing. By 2030 it is expected that 19–21 percent of New Zealanders will be aged 65+<sup>13</sup>.

NMH suggests the display of unit pricing align with the Low Vision Blind NZ guidelines for accessible signage<sup>14</sup>. These are best practice guidelines for design of signage that is usable by people who are blind, deaf-blind or have low vision. This guideline also aligns with the New Zealand Disability Strategy 2016-2026 Outcome 5 – Accessibility, which states: "*We access all places, services and information with ease and dignity*"<sup>15</sup>.

Accessible signs should use:

- Easy to read fonts.
- Good contrast between letter colour and its background (black on white).
- Letters big enough to read from the appropriate distance.
- The letters should not be capitalised.
- The unit price should be the same size as the retail price.
- Unit pricing should also be displayed for the sale price.

NMH supports Consumer NZ's example of what a useful label should look like<sup>16</sup>:



<sup>13</sup>[National population projections: 2020\(base\)-2073 | Stats NZ](#)

<sup>14</sup> [Accessible-Signage-Guidelines-Fifth-Edition-December-2018.pdf \(blv-website-uploads-production.s3.amazonaws.com\)](#)

<sup>15</sup> [pdf-nz-disability-strategy-2016.pdf \(odi.govt.nz\)](#)

<sup>16</sup> [Unit pricing - what you need to know - Consumer NZ](#)

Clear, consistent, logical, contrasting, concise signage benefits everyone, and supports the access to unit pricing information.

In addition, NMH suggests any materials used to display unit pricing should be plastic free sustainable materials with a low waste footprint.

**20. What should officials keep in mind when considering a more prescriptive option that specifies minimum requirements for the display of unit pricing?**

NMH recommend officials work with Low Blind NZ and Blind Citizen advocacy groups when formulating requirements. Low vision citizens have difficulty reading unit pricing, especially a) in electronic formats and b) when the unit pricing is smaller than the retail price. NMH suggests considering displaying unit pricing on signage that is provided in large print, embossed (raised) print and braille.

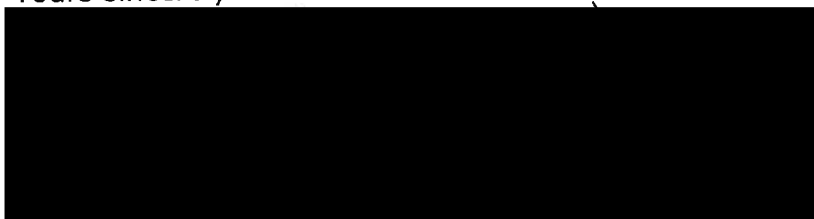
**21. Do you have any views on whether mandatory unit pricing should be implemented through a consumer information standard under the Fair Trading Act 1986, or through amendment of the Weights and Measures Act 1987?**

No answer

**Conclusion**

NMH thanks the Ministry of Business, Innovation and Enterprise for the opportunity to comment on the Mandatory unit pricing for grocery products.

Yours sincerely



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