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Transcript
2UE Breakfast with John Stanley and Sandy Aloisi
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E&OE

Subjects: brand name groceries vs generic brands.

ALOISI: Now, if I gave you, with a blindfold on, a can of Coke and a can of Pepsi, could you tell the difference...

STANLEY: Oh...

ALOISI: ...without looking to see what you were drinking?

STANLEY: No problem at all. I'd have no problem picking the Pepsi from the Coke. You can tell the difference between those.

ALOISI: What about the difference between a no brand, say, version of butter and a particular brand of butter, could you tell the difference?

STANLEY: Well, I don't know; I don't know.

ALOISI: This is the burning question.

STANLEY: Because the Federal Minister for Consumer Affairs, he has said that people can save lots of money - \$450 a year - by buying home brand or no name products instead of brand names down at the supermarket. Of course, the Food and Grocery Council, which is headed by Kate Carnell, who used to be the ACT Chief Minister, she's hit back and said, no, that's not the case, and she's been challenged to a taste test of all of this by the

Consumer Affairs Minister, Craig Emerson, who joins us on the line now. Mr Emerson, good morning to you.

EMERSON: Good morning, John. Hi Sandy.

ALOISI: Hi. Could you tell the difference, Minister, between a no brand brand of butter and a butter with a particular brand. Could you?

EMERSON: No, I couldn't. And I...

ALOISI: Are you sure?

EMERSON: ... actually had a look at the composition of the unbranded and branded butters and it's virtually identical.

ALOISI: Did you taste them?

EMERSON: Yes, I have, and I can't tell the difference. And the other ones that I think your listeners will agree ... there's no difference ... products like milk, and eggs and sugar and basic salt. I can just hear the chooks now going "Bwaaarrk here comes an unbranded egg, bwaaarrk here comes a branded Sunrise egg." I mean, it's just absurd. The eggs come out of the same chooks.

STANLEY: And you were doing this to point out to people that if they choose these other products, they can save money on their grocery prices.

EMERSON: Yes. And the feature of the survey that I did was that the products themselves are the same, so we're not talking about a Coca-Cola or Pepsi versus an unbranded soft drink. We're not talking about, say, biscuits, or dish washing liquid or baked beans. People make their own decisions about the quality of those. But where it's an absolutely standard product, like milk, or eggs or sugar, then why pay double just for the fancy packaging? And that's what we found - that people were paying twice as much for these standard, homogeneous products just for the fancy packaging.

ALOISI: And the ta...

EMERSON: That's when Kate Carnell said, "Oh well, they are different." Well let's put it to the test.

STANLEY: Is she going to do it? Is she going to do the blind taste test?

EMERSON: We haven't heard from her yet. I made the challenge yesterday at World Consumer Day. I don't know whether Kate will do it, but I'd be very happy to participate in testing on those products that

we know, in fact, are the same. It's only the fancy packaging that doubles the price.

ALOISI: As you...

EMERSON: And that's - as you said in the introduction, if we concentrate on those standard products, the savings to a family could be up to \$450 a year.

ALOISI: Interesting what you say, you say that the taste, you say, would be the same, but also that the quality's the same, because I think a lot of people would possibly imagine that the no brand versions of those products, perhaps, the quality's inferior.

EMERSON: And, in some cases that may be the case, such as, perhaps, baked beans or - and we talked about soft drinks, dishwashing liquid. I buy those. I've tried different brands. Some of the brands of dishwashing liquids are much more concentrated than the unbranded with more water in it. I accept that. What I was talking about were 20 items that we know are standard. Sugar comes out of the same sugar cane.

STANLEY: Yeah.

EMERSON: And the price is double for branded sugar versus unbranded sugar.

STANLEY: Isn't there though a separate issue that a lot of these home brands are the result of the supermarkets using their buying power, and that's where they make their biggest margins because they're screwing the producers?

EMERSON: Yeah, well, I'm not - I don't think that this is an impact on the producers. If you think about sugar producers, they sell to a refinery. The sugar cane producers sell to a refinery. They don't say, well, here's some of my sugar cane. I'll sell that as branded sugar cane and I'll sell the rest as unbranded.

STANLEY: All right.

EMERSON: It's probably the multinational manufacturers who get a premium on the brand on a standard product through the advertising that they do, and who pays for that?

STANLEY: All right.

EMERSON: The consumer.

ALOISI: Okay minister. Well, I suppose, the proof's in the pudding. We'll ask our listeners what they think, but we appreciate your time

this morning. And interested to see whether Kate Carnell takes up your challenge. Thank you.

EMERSON: I look forward to it. Thanks a lot.

STANLEY: Craig Emerson there, the Consumer Affairs Minister. What do you reckon? I don't know how many people are going to agree with him.

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