

Senate Inquiry into Grocerychoice Website

Questions on Notice to Treasury

Senator Xenophon - Perhaps you could give details on notice of the circumstances and the protocols involved with going outside those procurement guidelines in terms of direct sourcing.

- Treasury engaged Choice under a direct sourcing arrangement in accordance with the Commonwealth Procurement Guidelines.
- Condition 8.65c of the Commonwealth Procurement Guidelines specifies that a direct sourcing arrangement may be applicable where a purchase is made under exceptionally advantageous conditions that only arise in the very short term, such as an unsolicited, innovative proposal:
 - **Choice's proposal was uniquely innovative by combining the core services provided by Choice (unbiased product information for consumers) with the Government's existing broad region-based grocery price survey to provide a comprehensive suite of grocery information for consumers.**
 - **Choice had a unique position in the market because of its longstanding trustworthy reputation with consumers.**
 - **Choice's offer arose in the very short term, with Choice initially nominating a handover date of 1 November 2008.**
 - **Treasury signed a contract with Choice on 19 December 2008.**
 - **Treasury also received legal advice from the Australian Government Solicitor on engaging Choice via a direct sourcing arrangement.**

Senator Xenophon – And obviously, given the Australian Government Solicitor's involvement to the tune of \$71,000, legal advice has been sought in relation to that – without asking about the content of that advice

Mr Martine – Legal advice is currently being sought. I am pretty sure the \$71,000 relates to previous work, but I will check that.

Senator Barnett – Do you have a figure for June with you?

As of 19 October 2009, Treasury has spent \$72,745 (GST exclusive) on legal advice regarding the Grocerychoice website to date (this figure is updated since Treasury's appearance at the Senate Inquiry into Grocerychoice on 18 September 2009).

This includes:

- \$40,653 on legal advice for the period December 08 to February 09; and
- \$32,092 on legal advice for the period June 09 – to 19 October 2009.