

EXECUTIVE OFFICE



**Australian  
Competition &  
Consumer  
Commission**

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28 October 2009

Mr John Hawkins  
Committee Secretary  
Senate Standing Committee on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600

*By email: [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)*

Dear Mr Hawkins

**Inquiry into the GROCERYchoice Website – Questions on Notice**

Please find attached the Australian Competition and Consumer Commission's (ACCC) responses to the four questions placed on notice at the ACCC's appearance at the inquiry's 18 September 2009 public hearing.

Please also find attached the ACCC's responses to the two written questions on notice that we received on 6 October 2009.

I can be contacted on (02) 6243 1124 should you wish to discuss.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Brian Cassidy'.

Brian Cassidy  
Chief Executive Officer

**Senate Economics References Committee**  
Inquiry into the GROCERYchoice Website

**Questions on Notice**

**Taken from Hansard of the ACCC's appearance on 18 Sept 2009**

***Question One (Hansard Ref. E21)***

**Senator XENOPHON**—I apologise to Senator Barnett for interrupting his flow of questioning. You looked quite closely at Informed Source's ability to have the teams on the ground. Did you put to them, given that they had been doing it in the fuel business for years, 'Can you do this?' Did you actually give them an opportunity to put to you whether or not they could do this?

**Mr Wing**—Yes. They came down to Melbourne to give us a presentation and we talked to them for quite a period of time, going through their abilities and what they had and what they would do. Following that, we asked them supplementary questions and they provided supplementary answers. That was basically very much us trying to see whether we could take the cheapest option.

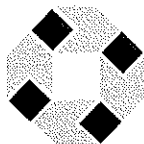
**Senator XENOPHON**—Sure. Finally, on notice, could you provide details of those questions and answers? Or would you need to get Informed Sources' permission for that?

**Mr Wing**—Can I take that on notice?

***Answer***

Following the 29 May 2008 meeting between the ACCC and Informed Sources, the ACCC contacted Informed Sources by phone on 2 June 2009 to request further information in relation to its ability to recruit and train the field force required to undertake the monthly price survey. Further information about the calculation of grocery basket prices and the use of information technology was also requested.

Attached is the Informed Sources response which was received by the ACCC on 3 June 2008.



## INFORMED SOURCES

3<sup>rd</sup> June, 2008

Mr Rod Middleton  
ACCC  
GPO Box 520  
Melbourne Vic 3000

Dear Rod,

### **Further Particulars of Tender**

Further to our discussion today where you raised three key points, let me detail more particulars regarding our tender:

#### **1. Staff recruitment.**

As outlined in our proposal and in our follow up discussions, we have decided to operate a completely separate field force for this ACCC grocery programme of collections. This ensures that there are minimal confidentiality issues and absolutely no conflict of interest issues. However, as you quite rightly point out, this approach results in an increased emphasis on Informed Sources recruitment capabilities. We have chosen this approach over using existing staff because of our confidence in our ability to recruit, train and deploy the necessary staff within the required 6 week deadline.

Week Commencing	Week #	Recruitment Stream	Training Stream
2nd June	0	Job Adverts and Telephone Interviews ready. List of Papers and on-line employment portals identified. Run adverts as soon as chosen for role.	Data entry portal and PDA usage manual ready to go
9th June	1	Early responses to adverts followed by early telephone interviews	Determine ACCC grocery "special issues" for training DVD
16th June	2	Full responses to adverts followed by completion of telephone interviews	Construct DVD
23rd June	3	Staff appointment and initial training	Distribution of training material and phone-in teleconference details for following week
30th June	4	Metro area field visits and appointment of local supervisor. Series of rural phone-in training sessions	Undertake "dummy" data entry
7th July	5	Paid "trial" survey by all staff	Real data entry of "trial" data
14th July	6	Survey	Survey data entry
21st July	7	Publish results in restricted format	Review performance
28th July	8	Publish results un-restricted format	

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Just as we did with the recruitment for the GST survey process some years ago, we will be consciously over-hiring to ensure we have "reserves" so that we can aggressively cull staff that are not performing and also to provide more hands in the crucial first few surveys where collection times may not be as high.

Please note that we will be using our existing staff to undertake the pilot in June and should the ACCC feel comfortable that the ongoing use of these staff does little to compromise the confidentiality and conflict of interest issues then we are more than comfortable with mixing, matching and blending these staff and their collections in amongst our other collections to minimise this matter.

## **2. Basket Construction.**

Our approach to the construction of "baskets" or "price Ratios" is not completely set and will be determined by working with:

- Commission staff – to establish what is felt to be easily understood by the community and achieve ACCC's objectives
- Economists – we already have several respected economists targeted to verify our thoughts on construction and representation of baskets or ratios but are happy to hear from ACCC in this area.
- Commission/Government media advisors – we must ensure that the outcome is seen as a step forward by both the press and community.

To achieve this we will use our Informed Sources "Retail Portal" to look at sensitivity analysis in the construction of the baskets and ratios. We need to examine the key categories and products that when added or removed have the greatest effect.

Our approach will be to work hard on the concept generation prior to the first release of data (by using the pilot data and other data we already have available) and then to embed the result into our standard operational programmes.

## **3. Use of PDA's for collection.**

The issue of PDA population across our staff network will be governed by the issue of anonymity and confidentiality. Let me explain:

To sign into a Coles or Woolworths store in Sydney or Melbourne and to get busy with a PDA scanning bar codes and eying prices will be seen as "normal" and very unlikely that any store staff member would pay attention. This is not the case in the independent stores and particularly in the rural areas where arrival with one of these devices in a store by an un-known visitor would send off warning bells.

The use of our Retail Portal Data Entry system adds little to the time in doing collections, has the same vetting processes and in rural areas a trip back to the store from home will cause little inconvenience.

We trust the forgoing has answered your questions satisfactorily. Should this not be the case then we would be pleased to handle further questioning by phone.

Yours sincerely,



Alan Cadd  
Managing Director

**Question Two (Hansard Ref. E22)**

**Mr Cassidy**—I think—and my colleagues might correct me—that was actually an election commitment. In a sense, when they were elected they had this commitment and we did not have any input. We undertook what you might loosely call a scoping study, looking at different ways of setting up the website. There were some obvious trade-offs in cost, reliability and so forth. We put that to the government. Out of that process emerged the sort of website that went up in August. There was not a cost benefit in any sense. It was simply, if you like, a bit of a scoping study of what we thought different types of websites would cost and involve.

**Senator BARNETT**—What were the options that you put to the government?

**Mr Cassidy**—The options really varied around a couple of what you might call the parameters of the website. They were things like coverage—that is, whether you would do it by regions or whether you would look at possibilities of doing it on an individual store basis. Also, there were issues about coverage of range of products and baskets and so forth.

**Senator BARNETT**—I understand that, Mr Cassidy. I presume you put a number of options to them. What was the preferred option that you put to the government?

**Mr Cassidy**—We are getting fairly close to the issue of advice to government. I really do not want to go too far down that path.

**Senator BARNETT**—How many options did you put to the government?

**Mr Cassidy**—Let me just say, if I could—and this might help—that the site that went up in early August was fairly close to what we put to the government as being the preferable way of going, trading off those various considerations.

**Senator BARNETT**—Let us go another way. Did you put a proposal to the government whereby you established and operated the website, or did the government request you to undertake that responsibility?

**Mr Cassidy**—The government indicated to us that they wished for us to be running the website—to set it up and run it.

**Senator BARNETT**—Could you provide, perhaps on notice, the committee a copy of that scoping study?

**Mr Cassidy**—Obviously I will have to take that on notice, because it does go to the issue of advice to government. I will take it on notice and we will see.

**Answer**

Attached is the advice provided to the Government. Please note that it is in redacted form given that during the ACCC's consultation process some of the parties supplied commercially sensitive information on a confidential basis.

EXECUTIVE OFFICE



**Australian  
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Consumer  
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22 February 2008

The Hon. Chris Bowen, MP  
Assistant Treasurer &  
Minister for Competition Policy &  
Consumer Affairs  
House of Representatives  
Parliament House  
Canberra ACT 2600

Dear Minister

I refer to your letter of 22 January 2007 and your request that the Australian Competition and Consumer Commission (ACCC) advise how it may deliver a periodic survey of grocery prices at supermarkets for a typical shopping basket; and how best to establish a dedicated website on grocery prices as well as any other methods that could be used to provide information to the public.

The ACCC has had preliminary consultations with various organisations with experience in monitoring grocery prices and has also discussed the issue with the key grocery retailers. Monitoring basic grocery prices in a manner that would assist consumers is a complicated task, particularly due to problems relating to the need to compare like-for-like products across stores. Significant further work is required prior to implementation.

In broad terms, the ACCC recommends a monthly survey of a basket of basic grocery products, with several sub-baskets (such as fruit and vegetables and meats), done on a regional basis throughout Australia. The viewer of the website would be able to assess, for their specific region, which of Coles, Woolworths, Aldi (where Aldi is present) and the leading independent supermarket offers lower prices on average.

More detail is provided in the attached memorandum.

Yours sincerely

A handwritten signature in black ink that reads 'Graeme Samuel'.

Graeme Samuel  
Chairman  
Australian Competition & Consumer Commission

(Encl.)

## Memorandum: ACCC Periodic Survey of Grocery Prices

### 1. Introduction

On 22 January 2007, the Minister requested that the ACCC advise how it may periodically monitor grocery prices at supermarkets for a typical shopping basket; and how best to establish a dedicated website on grocery prices as well as any other methods that could be used to provide information to the public.

This memorandum outlines the proposed method for the ongoing monitoring of grocery prices (the "Recommended Method"), including details as to proposed implementation, and explains why the Recommended Method may be preferred to possible alternative methods of monitoring grocery prices.

### 2. The Recommended Method

The ACCC recommends that periodic monitoring of grocery prices be conducted by way of a periodic survey of prices of a representative basket of basic grocery items, conducted for a sample of stores of each major grocery chain, in each of a number of regions per State/Territory.

The survey results would be communicated online on a dedicated website and would allow consumers to compare the average prices of different supermarket chains within their region on the basis of the basket total and totals for different basic grocery categories.

The identity of the actual individual supermarkets and actual individual products surveyed would remain confidential, to prevent 'price manipulation' of the monitoring process by the supermarkets.

The Recommended Method would have the following specific characteristics:

- a) *Supermarket coverage:* Coles, Woolworths, Aldi and the leading independent supermarket chain/group (IGA, Foodland, Franklins etc) within each state would be surveyed.
- b) *Data collection:* Survey data would be collected by a professional price survey company.
- c) *Geographic coverage level:* The survey and price information would cover the breadth of Australia. Australia would be separated into a number of regions. There would be approximately 5-7 metro and 4-6 non-metro regions per state in New South Wales, Victoria and Queensland. There would be slightly fewer regions in South Australia, Tasmania and Western Australia. Regions within ACT and Northern Territory would also be covered. Prices in each region would be surveyed and reported.

- d) *Sampling of stores:* A sample of Coles, Woolworths and independent supermarket stores would be identified within each region for each survey. Aldi would also be included.
- e) *Product level:* Approximately 500 items would be surveyed. From this the prices of a number of baskets of products would be reported including a general staple product basket (see discussion below), and baskets for a number of categories of groceries including fresh fruit and vegetables, fresh meat, etc.
- f) *Frequency:* Monthly.
- g) *Website reporting:* The website would report average grocery prices in the regions for each of the supermarkets listed in (a). An example of a region report is detailed below.

**March 2008 grocery basket prices for Melbourne Metro West Region**

	Coles		Safeway		IGA		Aldi*	
	Melbourne Metro-West region average	% Change from Feb 08	Melbourne Metro-West region average	% Change from Feb 08	Melbourne Metro-West region average	% Change from Feb 08	Melbourne Metro-West region average	% Change from Feb 08
Meat basket**	\$35.00	+0.13%	\$34.22	-0.06%	\$36.03	-0.16%	-	-
Fruit & veg basket**	\$36.00	+0.06%	\$33.51	+0.01%	\$35.32	+0.02%	-	-
Dairy basket	\$20.00	-0.06%	\$19.47	+0.09%	\$21.24	+0.05%	-	-
Bread & cereal basket	\$25.13	+0.20%	\$24.89	-0.02%	\$26.37	-0.02%	-	-
Soft drinks & snacks basket	\$18.17	-0.02%	\$18.13	+0.06%	\$18.51	-0.01%	-	-
Other foods basket	\$25.78	+0.01%	\$25.54	+0.01%	\$27.02	+0.03%	-	-
Household & personal care basket	\$25.45	+0.01%	\$25.21	-0.06%	\$26.69	-0.06%	-	-
Total of above Baskets	\$185.53	+0.03%	\$180.87	-0.02%	\$191.18	+0.01%	-	-
General Staple Product Basket	\$80.85	+0.02%	\$79.67	-0.01%	\$82.36	+0.04%	\$72.67	-0.01%

\* Note that Aldi generally stocks less products and different products to other supermarkets. Therefore the ACCC has only been able to compare Aldi to other supermarkets for a general staple product basket. The analysis is conducted on a 'matched similar product quality' basis rather than on an 'identical product' basis.



\*\* Note that it is particularly difficult to compare like-for-like meat and fruit/vegetables across different stores due to quality differences.

The proposed website would also include information about broadly which products fall into the baskets and caveats in comparing prices across stores. A key message for website users would be that price is only one factor when shopping. Other factors, such as quality, length of queues, range etc, need to be assessed by customers. Furthermore, it would be emphasised that prices can differ from store to store within a region are changed regularly by the supermarket chains. It would also be emphasised that the website baskets may not be representative of the basket of goods individual consumers purchase. Consumers should therefore be careful in drawing strong conclusions relating to the relative cost of purchasing their grocery items.

### **3. Issues regarding the Recommended Method**

#### *Selecting baskets and individual items*

The basket and sub-baskets would broadly contain the basic grocery products and brands that make up a large proportion of household grocery expenditure. The size of each basket and the content of baskets would reflect data from the Household Expenditure Survey (“HES”) and sales volume data obtained from the major grocery chains. However, due consideration would need to be given to the ability to compare like-for-like products across stores when choosing products (see below).

It is likely that about 30 to 50 items would be selected for each sub-basket in each month, so that in any month about 300 to 400 of the 500 items are used in the basket, and 100 to 200 are not. Over time, the contents of each basket is rotated through the entire list of 500 items, so that it changes gradually over time thereby assisting in maintaining basket confidentiality, but making sure the baskets can be sensibly compared over time.

Due to the large number of products in each sub-basket and the overall basket, products and baskets would be weighted according to the Household Expenditure Survey and sales volume data in order that the website dollar figures reflect approximate weekly expenditure by a typical household.

#### *Incorporating Aldi*

A very difficult task arises in finding appropriate comparison products in Coles, Woolworths and independents to the products Aldi stores offer. Comparing non-like products would distort the results significantly. Furthermore, Aldi stocks far fewer products than the other stores, which also creates difficulties. The ACCC recommends including Aldi, despite these difficulties, because Aldi is an important aspect of the competitive landscape in grocery retailing.

The ACCC recommends Aldi be incorporated by having a ‘General Staple Product Basket’ of approximately 50 to 80 products drawn from across the full range of grocery items. This would be a collection of standard groceries that Aldi does stock. The ACCC would engage expert consultants for assistance in ensuring that appropriate like-for-like comparisons for the Aldi products are found at the other supermarket chains. Sometimes these comparison products at the other supermarkets

will be 'generic brands', but they may often be brand-name products. Testing of products may be required in order to ensure quality matches.

The website would make it clear that the basket price is calculated on a 'matched similar product quality' basis rather than on an 'identical product' basis, and that consumers need to make up their own minds as to the issue of product quality.

#### *Comparing like-for-like products in stores other than Aldi*

Finding appropriate comparisons across the supermarkets for home-brand goods, fruit and vegetables and meat will present significant difficulties, particularly since higher quality home-brand products are now very common and have high market shares. Simply choosing the cheapest product would create a bias towards supermarkets promoting low quality products.

An example of this problem arises in relation to a product such as steak. One supermarket chain may offer higher quality and higher priced steak as its standard product, but there is nothing on the packaging that clearly identifies it as higher quality compared to steak offered by other supermarket chains. To effectively 'punish' that chain by price-comparing its steaks to lower quality steaks would be a significant concern of the ACCC, particularly if this encouraged all supermarkets to sell lower quality steak as their standard product.

The ACCC would engage expert consultants, and consult with industry, to assist in ensuring that appropriate like-for-like comparisons are found at each supermarket. The task of finding appropriate product comparisons would involve significant upfront work, but the task would also continue over time because products, including product quality, can change.

#### *Selection of supermarkets in each region*

In each region, a sample of stores would be randomly selected, consisting of several Coles supermarkets, several Safeway/Woolworths supermarkets, and several supermarkets of the leading independent chain/banner in that state/territory. Aldi would also be surveyed.

Regional sample surveys are recommended in preference to census monitoring of each individual store in Australia. There are over 2,000 large sized supermarkets in Australia. To survey each of these stores would be an extremely expensive and logistically challenging exercise. The downside of using a sample of stores within each region is that the chains and independents do have different prices for different stores within a region. For example, if there is intense local competition with an Aldi store, a Coles or Woolworths store is likely to be cheaper on many key products compared to other Coles and Woolworths stores in the same area.

#### *Data source*

The ACCC has considered whether the collection of grocery prices should be done by survey or by requesting scanner data directly from the supermarkets. Survey data is recommended in preference to directly obtained scanner data for two reasons. First, while the major grocery chains may be able to supply such data readily, this may be

much more difficult or impossible for smaller and independent chains, so that the potential burden on smaller supermarkets would be high. Such scanner data would also need to be complemented by frequent survey audits. Secondly, the use of scanner data may compromise the perceived (in the eyes of the public) independence of the monitoring process compared to an analysis conducted on the basis of data collected independently.

A firm with specialist capabilities in conducting confidential surveys of prices in supermarkets, and the logistical capabilities and scale to engage in significant data collection exercises such as this, would be engaged on a basis of strict confidentiality in respect of the data collected and the basket contents.

There are a number and wide range of potential problems that can arise when price surveyors are sent into the field. The ACCC would liaise closely with the price survey firm to ensure that price surveyors are thoroughly trained and that adequate and comprehensive contingency plans are in place for problems arising in the field. The ACCC would need to ensure that data problems are dealt with appropriately (e.g. the goods are not on the shelf, or are a different size) and that surveyors maintain confidentiality and are not 'followed' by supermarket representatives (which is a common problem for this kind of work).

#### *Data collection and processing*

Each month, on a random and confidential day during that month, the data collectors of the price survey firm attend each of the supermarkets in the survey on an anonymous basis (but with ACCC letter in hand in case they are challenged), and collect the data on hand-held devices. The data would then be downloaded and processed by the price survey firm. Although we would hope that the survey could be achieved in a single day for maximum data consistency, it may need to occur over several days to avoid very high labour costs, particularly in some regional areas. Intra-week price variations do occur and the data issues arising from a multiple day survey would need to be dealt with in a fair manner.

The ACCC would then analyse the data, deal with flaws in the data, and then calculate the respective basket and sub-basket prices, and publish the results on the dedicated website. We expect the website to be updated within approximately two weeks of the survey. This two week timeframe would be likely to shorten significantly over time as the data processing methodologies are refined by the ACCC.

#### *Other issues*

Five hundred items per store is recommended as an appropriate balance of the need for the basket to be representative against the cost of data collection. The larger the basket, the less individual specials/discounts would affect the overall analysis and the greater the accuracy of the survey of prices of sub-baskets.

The survey would cover large supermarket chains only. It is not intended to cover smaller supermarkets and convenience stores as their prices typically reflect their offering of convenience. It is recommended that the survey cover the two major

chains (Coles and Safeway/Woolworths), Aldi, and the largest independent grocery chain/banner in each respective state/territory (e.g. IGA, Foodland, etc).

## 5. Additional options considered

An additional option considered was to limit the regions to two per state, i.e. a metro and non-metro region per state. While this option would be significantly cheaper, it was decided that the lack of localised information would make it less relevant to consumers.

Two further options were considered, each comprising monitoring and publishing the prices of individual products at individual stores:

- One option was to track and publish the prices of a fixed list of (say, 50) products at all (2000+) supermarket stores on a weekly basis.
- A second option was to do the same as the first option but to vary the product list from one week to the next.

The principal advantage of both these options is that they would provide information on the prices of individual products on a store-by-store basis and in that sense would be highly transparent.

The principal disadvantage of such options would be that very large quantities of data and other information would need to be regularly collected and processed. This would give rise to the following issues:

- These options could probably only be carried out by way of direct provision of price data by the supermarkets. There are over 2,000 large supermarkets in Australia, and regular collection of price data from each of these stores by means of a survey would involve substantial logistical challenges and costs. These options would rely on the cooperation of the chains and stores in the regular provision of price data across a large number of items and stores. This would in turn give rise to the following substantial disadvantages:
  - The monitoring system could be beholden to the continuing good will of the participating supermarkets, as it would only be effective with prompt, accurate and regular provision of data by the stores.
  - The burden of data provision would likely be significant for smaller supermarket chains. Coles and Woolworths would likely be able to comply readily with such a data request. However, such a request would likely be burdensome on individual IGA stores (which is essentially a decentralised franchise operation) and other independent supermarkets, and possibly unworkable for Aldi (which does not stock many of the items that would be considered standard in the other chains). The likely result would therefore be exclusion of IGA and Aldi (and other independents) from individual store monitoring.

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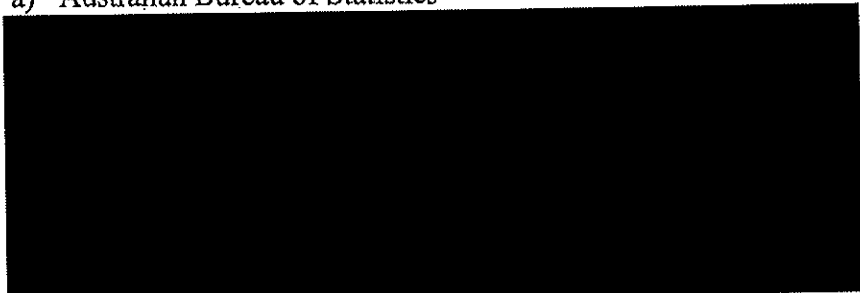
A further disadvantage of the first (but not the second) of these further options is that the list of monitored items would be fixed and known to stores. This would create incentives for chains and stores to manipulate the prices of those items, in attempts to appear to be cheaper than competitors. This would be an undesirable result.

It was judged that the disadvantages of these approaches substantially outweighed the advantages, so that none of these approaches could be recommended.

## 6. Consultations

The ACCC has consulted informally with several parties in relation to the proposed monitoring of grocery prices, including:

a) Australian Bureau of Statistics



j) Department of Health & Ageing



**Question Three (Hansard Ref. E24)**

**Senator XENOPHON**—Were the same data collection teams from Retail Facts used to collect price information for Woolworths?

**Mr Wing**—I would have to take that on notice.

**Senator XENOPHON**—It is pretty fundamental, isn't it?

**Mr Wing**—I would not like to say. I would have to take that on notice.

**Answer**

The majority of data collectors engaged by Retail Facts to collect price information for the ACCC were not used for the collection of price information for Woolworths. There were a very small number of exceptions to this in remote regional areas. However, in these limited instances the price collections for the ACCC and Woolworths were undertaken in different weeks and were never performed in the same store.

As noted by the ACCC at its 18 September 2009 appearance, each price collector had access to the list of products included in each monthly collection for a period of only two days. Price collectors downloaded the product list information using a PDA network on the night before the price collection. Access to the product list was removed immediately following the completion of the collection.

In addition to that above, Retail Facts' procedures included a rigorous audit process, in which price collection supervisors would ensure the accuracy of the data collected by undertaking an audit of approximately 10% of stores following each monthly collection.

All Retail Facts' price collectors, management and support staff signed a confidentiality agreement with the ACCC. This agreement clearly stated that they had undertaken to not disclose to any other person information relating to the services performed for the ACCC.

***Question Four (Hansard Ref. E26)***

**Senator XENOPHON**—Is the ACCC able to tell us how many times and in what regions Woolworths was found to be the cheapest overall during the life of GROCERYchoice?

**Mr Cassidy**—We would have to take that on notice. We were collecting 61 regions a month, which, over six months, is 366 regions, and off the top of my head I do not know the answer to that question. We could take it on notice. We can give you the answer.

***Answer***

The ACCC published the results of six monthly surveys (July 2008 to December 2008) prior to the transfer of the GROCERYchoice program to Treasury on 5 January 2009. Over this period price data was collected and published for a total of 366 regions across Australia. Of these, Woolworths was the cheapest in 198 regions, Coles was the cheapest in 160 regions and independent supermarkets were the cheapest in 8 regions.

## **Additional Questions on Notice provided by the Committee Secretary on 6 October 2009**

- 1. Did the ACCC advise the Government of the \$2.7 million cost difference in the two main tenders for data collection? If not, why not? If so, what was the Government's response?**
- 2. Given that Informed Sources' tender was lower on cost but you were concerned about the timeliness, did you advise the Government of the merit of deferring the start date for a few weeks?**

### **Answer**

1. No. The procurement was conducted in accordance with Commonwealth Government procurement policies regarding value-for-money. A Budget appropriation of \$12.86 million over four years was received for the GROCERYchoice program and the website was produced in accordance with the stated objectives.

Of the five quotes received for the provision of data collection services, only Informed Sources and Retail Facts provided a quote that was both compliant and within the budget for the program.

The ACCC did not advise the Government of the difference in price between the two quotes because while both were assessed to be within the budget for the program, only the Retail Facts quote adequately provided for the delivery of services within the timeframe required.

The Informed Sources quote included a proposal to recruit and train the field force of staff to undertake a monthly price survey of approximately 500 products from approximately 600 supermarkets across metropolitan and regional Australia.

The ACCC considered that there was an unacceptable degree of risk that the recruitment and training of staff could not be completed to the level required in the time available.

2. No. The procurement was conducted in accordance with Commonwealth Government procurement policies regarding value-for-money. A Budget appropriation of \$12.86 million over four years was received for the GROCERYchoice program and the website was produced in accordance with the stated objectives.