

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

10-11 February 2010

Question: aet 1

Topic: Groceries

Hansard Page: Written

Senator XENOPHON asked:

1. Has the Commission found any statistical correlation between prices of grocery products and the socio-economic status of an area? How is this information being used?

Answer

No such analysis has been undertaken.

As part of its regulatory functions the Australian Competition and Consumer Commission (ACCC) undertakes specific pricing inquiries and price monitoring as directed by the Minister under the *Trade Practices Act 1974* (TPA). The ACCC does not have a role in either ongoing monitoring or regulation of grocery prices.

More broadly, the role of the ACCC is to ensure compliance with the TPA, which is designed to encourage fair trading and discourage unlawful anti-competitive conduct through a specific set of competition and consumer rules.

Generally speaking, suppliers of goods and services are free to set their own prices and provided that they do this independently, variations in pricing across different geographical areas is unlikely to raise concerns under the TPA.