

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates, 2 June – 4 June 2009

**Question: bet 101**

**Topic: GROCERYchoice Website**

**Hansard Page: E27, E28-30**

**Senator Barnett asked:**

**Senator BARNETT**—I have some questions regarding GROCERYchoice. Ms Holdaway, can you advise how many hits there have been on the website per month since its inception? I am happy for you to table a document if you have that available.

**Ms Holdaway**—I do have some basic information available, if you would just bear with me. These are counts of what we call page views. Since the inception in the period leading up to 25 August—

**Senator BARNETT**—From when to when?

**Ms Holdaway**—This was when it was first launched by the ACCC.

**Senator BARNETT**—We will find that date. You can confirm that on notice, if you like.

**Ms Holdaway**—Sure, will do. At the initial stage there were around 3.15 million page views.

**Senator BARNETT**—Per month?

**Ms Holdaway**—For that whole period, from start till the end of August. In November 2008 there were—

**Senator BARNETT**—Sorry, let us get this clear. There were 3.15 million page views were from when to when? From inception to?

**Ms Holdaway**—To 25 August 2008.

**Senator BARNETT**—Do you have a monthly breakdown, please?

**Ms Holdaway**—I do not have that on me, Senator. I can take that on notice.

**Senator BARNETT**—Thank you.

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**Senator BARNETT**—Going back to October, I have 104,000 hits in October 2008. Does that correlate with your figures?

**Ms Holdaway**—For some reason I do not have figures for that particular month.

**Senator BARNETT**—You can get them on notice. These are page views rather than hits on the website?

**Ms Holdaway**—That is correct.

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

#### Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

**Senator BARNETT**—What we need to break that down into is entry to the website and then page views. Page views is one thing; hits on the website is another.

**Ms Holdaway**—The hits are actually greater in number because it will count the number of file loads that you have as a page is entered. I have been informed that the page views is actually a better representation of how many users you might have of the site.

**Senator BARNETT**—Can you on notice let us know those figures?

**Ms Holdaway**—I can.

**Senator BARNETT**—What about downloads, can you advise on notice the downloads?

**Ms Holdaway**—We will try our best. I do understand there are some complications but we will try our best to provide those figures.

**Senator BARNETT**—Your reason for the ten times higher figure in May is that there was special work being done on the website at the time?

**Ms Holdaway**—Yes.

**Senator BARNETT**—Presumably that was by CHOICE?

**Ms Holdaway**—That is correct. Once again, we will take it on notice to provide the closest figure possible around the actual visitors, but we have been informed that the number of visitors has remained consistent throughout the period.

**Senator BARNETT**—There has been a considerable drop obviously this year from January, February, March and April. A huge drop—

**Ms Holdaway**—It has been consistent—

**Senator BARNETT**—from November, December and January. Nevertheless, that is fine. Can you tell us about the funds expended to date? We know it is a \$13 million website but, for the funds expended to date, can you provide that figure to us and give us a breakdown as to where those funds have been expended?

**Ms Holdaway**—Yes, of course. I will try my best. There was \$12.9 million allocated to the GROCERYchoice website over four years in the 2008-09 budget. Of that amount, approximately just over \$9 million was actually transferred from the ACCC to Treasury when the functions were transferred from the ACCC and Treasury for the website, at which point—

**Senator BARNETT**—Do you have a date for that?

**Ms Holdaway**—The approval took place on 5 November 2008 and the transfer took place on 5 January 2009.

**Senator BARNETT**—That is when the ACCC said that they did not wish to pursue it further and they transferred it back to Treasury?

**Ms Holdaway**—It was actually obviously the decision by the government to explore different options that would provide better value for money services for the consumer for the same amount. It was at the time that the decision was made by the government; 5 November was really the critical date at which the decision was made

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates, 2 June – 4 June 2009

by the government for that function to be transferred from the ACCC to Treasury in order for us to be able to explore the outsourcing option.

**Senator BARNETT**—Which ultimately went to CHOICE?

**Ms Holdaway**—Yes.

**Senator BARNETT**—So \$9 million was transferred. Before that, can you advise the costs incurred since inception?

**Ms Holdaway**—I will have to take that on notice. I will have to seek that information from the ACCC, which was responsible for administering the funds. I do recall that we had extensive information available on that about exactly how it was expended. Most of it was really through IT, and the ACCC also used outsourcing, as well as through collection of data for the purpose of providing that data from the website.

**Senator BARNETT**—That is exactly right. In regard to the data collection company, there would have been an outsource arrangement agreement with that company to provide the data to the ACCC. I would like to know the cost incurred for that agreement. Do you have that with you?

**Ms Holdaway**—The figures I have here are not what the ACCC has actually incurred. I think it is probably best to take that on notice.

**Senator BARNETT**—You are Treasury; you provide your figures to us that you have in front of you and then we can take on notice further information vis-a-vis the ACCC. What information do you have regarding costs incurred?

**Ms Holdaway**—In terms of Retail Facts the arrangements were that, as the GROCERYchoice website is actually being managed by CHOICE, Treasury would continue with the subcontract with Retail Facts, as you have stated. The cost for the January 2009 survey was \$208,019. Did you want the whole breakdown or did you want the total? With Retail Facts, we are looking at a total of about \$900,000.

**Senator BARNETT**—To date?

**Ms Holdaway**—Yes, to date, since Treasury has taken on the responsibility.

**Senator BARNETT**—So from 5 January Treasury has taken on that responsibility. They have continued to outsource this work to Retail Facts, the data collection company, and the first survey—for January was it—was \$208,019?

**Ms Holdaway**—That is right.

**Senator BARNETT**—And was there then a further survey in February?

**Ms Holdaway**—There was.

**Senator BARNETT**—And what was that?

**Ms Holdaway**—It was substantially cut down to \$169,390 and that figure remained right up until May 2009.

**Senator BARNETT**—And that is a monthly figure?

**Ms Holdaway**—That is correct.

**Senator BARNETT**—\$169,319 or 90?

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates, 2 June – 4 June 2009

**Ms Holdaway**—390.

**Senator BARNETT**—So that is per month in February, March, April and May. That is how much they are receiving and that total amount is about \$900,000 to date?

**Ms Holdaway**—That is correct.

**Senator BARNETT**—What were the figures before Treasury took it over? You do not have those?

**Ms Holdaway**—No, I do not, but it would have been somewhere along those lines. It may have been slightly higher to begin with. I will have to get that for you.

**Senator BARNETT**—Fine. Let us just go back. What costs were incurred prior to Treasury taking it over? You said there was \$9 million transferred from ACCC to Treasury on 5 January. How much—

**Ms Holdaway**—The rest. From the \$12—

**Senator BARNETT**—So \$3.9 million has been expended to date and effectively that money has gone to Treasury and they have expended it as they have seen appropriate. Is that correct?

**Ms Holdaway**—No, around \$9 million was transferred to Treasury and it is within that bucket of funds that these costs have been incurred, and obviously there has been a contract with CHOICE. Prior to that, the ACCC have expended the difference between \$12.9 million and \$9.3 million.

**Senator BARNETT**—So the difference between \$12.9 million and \$9.3 million which is \$3.6 million. Is that right?

**Ms Holdaway**—Yes.

**Senator BARNETT**—So that is how much has been expended to date. That money has gone to ACCC; they have done their work.

**Ms Holdaway**—That has been expended.

**Senator BARNETT**—And they have transferred it back.

**Ms Holdaway**—That is correct.

**Senator BARNETT**—And you do not have a breakdown of that \$3.6 million but you could take that on notice?

**Ms Holdaway**—Yes.

**Answer:**

- There were 3.15 million page views and 7.50 million hits recorded between the launch date (6 August 2008) and 31 August 2008.
- There were 446,091 page views and 810,942 hits in the September 2008
- There were 104, 100 page views and 631,614 hits in October 2008.

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

#### Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

- There were 111,030 page views and 843,925 hits recorded in November 2008.
- There were 105,872 page views and 835,705 hits recorded in December 2008.
- There were 104,757 page views and 292,886 hits recorded in January 2009.
- There were 63,993 page views and 245,730 hits recorded in February 2009.
- There were 51,662 page views and 204,465 hits recorded in March 2009.
- There were 60,698 page views and 260,165 hits recorded in April 2009.
- There were 697,466 page views and 878,901 hits recorded in May 2009.
- NOTE: Choice has advised that the spike at the end of May 2009 is attributable to an automated Google program accessing the website for information (referred to as a “spider”), which resulted in an artificial inflation of these figures. Choice has advised that it has no reason to believe that pages views by actual visitors in May 2009 would not have been similar to previous months.
- The terms 'hits' and 'page views' tend to be used interchangeably by the general public, despite having different meanings. A ‘download’ is a general concept relating to the transfer of files or programs from a server or host computer to a recipient computer or device. ‘Hits’ and ‘page views’ are the only indicators Treasury has related to Grocerychoice website usage.
- Treasury considers that page views are the best indicator of the usage of the Grocerychoice website.
  - One ‘page view’ is equal to one webpage.
  - One ‘hit’ is equal to one graphic. One webpage contains multiple graphics. As such, the number of ‘hits’ is greater than the number of pages launched and dependent on the number of graphics on a website.
  - As Choice made significant changes to the graphics of Grocerychoice, the number of ‘hits’ measured during the ACCC’s and Choice’s management of the Grocerychoice website are not directly comparable.

*Can you advise of the costs incurred for the Grocerychoice website from inception until it was transferred to Treasury?*

*Can you advise of the costs incurred for the outsource agreement with the data collection company that provided the ACCC with data?*

- The ACCC advised Treasury that \$3.64 million was spent in 2008-09 on the development and implementation of the Grocerychoice website program. A further breakdown of this amount is as follows:

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates, 2 June – 4 June 2009

- \$0.48m – Salaries
- \$1.46m – Retail Facts – Data collection consultant
- \$1.58m – IT consultants; website design and build, IT support etc
- \$0.06m – Staff on-costs
- \$0.06m – property expenses allocation