

10th September 2009

The Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra, ACT. 2600.



180 Hay Street
EAST PERTH WA 6004
PO Box 6209
EAST PERTH WA 6892
Tel: (08) 9365 7695
Fax: (08) 9365 7550

Dear Sir/Madam,

Re: Inquiry into 'The Grocery Choice website'

The Retail Traders' Association of Western Australia (RTA) is the State's largest group representing local retailers of all sizes. The RTA has been providing professional support and services for local retailers for 87 years.

The RTA appreciates the opportunity to comment on the Grocery Choice website.

The Associations comments can be summarised as follows:

- a) We consider that the objective of the program as perceived to be too altruistic, if not impossible to achieve, given the nature of the grocery business in Australia.
- b) The issues and challenges to be overcome for the success of the website should have been better thought through, commonsense should have prevailed
- c) If industry should have been consulted and involved in the formative processes we believe that the futility of the project would have been clearly identified and the project would never have been started
- d) Government should have taken the time to gain a clear understanding of the industry capabilities and consumer requirements
- e) The realities of the market should have been clearly ascertained. There are thousands of grocery supermarkets throughout this country, selling tens of thousands of different products into their specific market areas
- f) Understanding the consumer's habits would also have shown the complexity of the project. Consumers by nature do not travel extensive distances for food and grocery necessities and generally restrict their shopping for these items to within a 5 to 10 kilometre radius of their homes.
- g) Pricing of specific grocery items can not only vary from supermarket to supermarket, but also from suburb to suburb. Variations in price can occur daily, or even on an hourly basis depending on the circumstances and the type of product being considered
- h) To be useful to the consumer, the price information must be real-time, accurate and relevant to the shopping precincts they frequent. Averages, historical data and other non-specific pricing data are useless, even misleading and totally irrelevant.

Trying to keep track on pricing under these circumstances is a huge challenge. This should have been blatantly obvious before this project was even contemplated.



In Partnership with the Chamber of
Commerce and Industry of WA

Working Together for Better Business Growth

However, there are lessons to be learned from this wasteful exercise.

- Government has failed to consult with industry, to determine the availability of data, and more so failed to quantify the cost to industry in this matter.
- Practical benefit to the consumer has also not been carefully considered.
- In fact the entire feasibility of this project has been too hasty, not thought through with a costly negative result as the consequence.
- The project should never have happened; the funds wasted could have been better spent elsewhere.

The Association's Director Mr Wayne Spencer would be pleased to provide further detail on this matter if required. Mr Spencer can be contacted on (08) 9365 7606 or by email at wayne.spencer@cciwa.com

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Wayne Spencer', with a long horizontal flourish extending to the right.

Wayne Spencer
Executive Director