



Media Release
Thursday, 7 August 2008

ACCC Grocery Choice Sham

Tasmanian Independent Retailers (TIR) has exposed the ACCC's Grocery Choice website as a misleading sham for Tasmanian shoppers.

TIR Chief Executive Officer Grant Hinchcliffe said if true, reported claims by ACCC chairman Graeme Samuel that the website only compared supermarkets that were 1000 square metres or larger were wrong.

"There are no independent supermarkets in southern or north west Tasmania over 1000 sq metres in size, be they IGA banner supermarkets, Foodworks or other non-aligned grocery retailers," Mr Hinchcliffe said.

"In fact there are only two independent supermarkets in the State with a floor space over 1000 sq metres and they are located in St Helens and Prospect.

"TIR is supportive of any policy that will encourage increased competition in the grocery sector, however, the methodology of the Grocery Choice Policy is clearly flawed.

"It's unfair and unreasonable to compare the retail prices of a small independent to that of Woolworths or Coles that operate stores up to three times or more in size, with on average up to six to eight times the turnover.

"These two major chains, which collectively control 80 per cent of the grocery market, have greater cost efficiencies relative to their higher turnover, not to mention the capacity to negotiate more favourable terms with their suppliers and ultimately buy at better prices than the smaller independents."

Mr Hinchcliffe said the ACCC's misleading claims made the surveys and the Grocery Choice website meaningless to the consumers who referred to it.

"I can only hope that over time the Government and the ACCC will take into consideration the criticism raised and modify the system accordingly so that it can provide more factual information to those consumers who use it," he said.

"IGA supermarkets provide convenient shopping, exceptional service, the right product range to suit local customers' needs and highly competitive specials, while contributing back a proportion of their sales to community and charity groups in their areas."

TIR is a cooperative, which represents over 120 stores in Tasmania operating under the Festival IGA, Supa IGA, Value Plus IGA and Friendly Grocer IGA banners.

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SUPERMARKET shoppers in Tasmania pay some of the highest prices in the country for food and basic household goods, the Federal Government's new **grocery** watch website shows.

The **Grocery** Choice website is one of the recommendations to come out of the Australian Competition and Consumer Commission's inquiry into food prices. The website will be updated monthly and allows shoppers to compare the costs of baskets of **groceries** at Coles, Woolworths and independent supermarkets in their region.

According to the site, in southern Tasmania a shopping trolley full of meat, seafood, fruit and vegetables, dairy, breads, cereals, drinks, snacks and other household items costs \$161.51 at Coles, \$162.97 at Woolworths and \$185.66 at independent grocers.

The costs were slightly cheaper in the state's North and North-West.

The only places in the nation where prices for the same items were higher was in northern parts of Western Australia and the Northern Territory.

Sydney's prices were about \$7 cheaper than southern Tasmania's at the big chains and \$12 at the independents.

The ACCC's inquiry found "higher prices in Tasmanian supermarkets are likely to result from a combination of the higher costs of goods and possibly a less competitive environment".

Brighton councillor Leigh Gray pounced, saying: "The ACCC **Grocery** Report exposes the terrible cost to Tasmanian consumers of the State Government's hypocritical refusal to be proactive in attracting the rapidly expanding discount supermarket chain ALDI to our state."

Some retailers said the website unfairly lumped all independents into one category.

Bill Behrakis said his family's Fresh Fruit Markets in Salamanca and Kingston competed with the big chains and should be put in a separate category on the website.

"We're a little bit dearer on some cleaning products, but on deli lines and fruits and vegies we're much better," he said.

Hill Street Grocer's Nick Nikitaris said the website was misleading as consumers would look at the comparisons and assume grocers like his were more expensive.

"The definition of independents is too broad," he said.

ACCC chairman Graeme Samuel said the website only compared supermarkets that were 1000 sq metres or larger.

"Today is a major leap forward and we'll see how the website develops. It is but a start."

The website's address is www.grocerychoice.gov.au.

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