

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates 3-5 June 2008

**Question: bet 9**

**Topic: Grocery Prices (ACCC)**

**Hansard Page: Written**

**Senator Eggleston asked:**

1. On page 289 of Budget Paper 2 it is stated that the Government will provide \$12.9 million over four years to monitor grocery prices and publishing prices data on a dedicated website. How is it proposed to gather and update the prices of literally millions of different products in thousands of supermarkets and grocery stores?
2. How practical will it be to include the numerous varieties of products which differ by price, quality, etc? For example, there are numerous differing cereals on sale.
3. Do you expect that shoppers would use such a website and find that they could save 5 cents on cereal in supermarket X and 4 cents on milk in supermarket Y and so forth? That they would then go from one supermarket to another to minimise the price for a given selection of grocery products but perhaps maximise the time and travel expenses to do so?
4. Will it be mandatory for supermarkets to provide prices to the grocery watch website, or will there be inspectors going around and checking on prices?
5. Will prices posted on the website need to be kept constant for 24 hours or some other defined period?
6. I understand that the Australia.gov.au website costs something like \$40 million a year to run. Is it likely that this scheme could be only \$12.9 million over four years?
7. Since supermarkets such as Coles, Woolworths and Aldi already provide pricing information on their own websites, isn't this policy just encroaching on the private sector and wasting taxpayers' money?
8. Will the ACCC be more forthcoming with your data and economic analysis in the grocery inquiry than has been the case with the petrol inquiry? Such data and modelling should be made public do you not agree as it is a matter of public interest and importance?

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

#### Treasury Portfolio

Budget Estimates 3-5 June 2008

#### Answer:

1. The website will provide information surveyed monthly on prices for typical baskets of grocery products. Consumers will be able to use the website to identify which supermarket chain in their region is cheapest for typical grocery baskets. This information will be collected for the ACCC by price surveyors independently of the supermarket chains.
2. The website will provide information on prices for typical baskets of grocery products.
3. No. The website will provide information on prices for typical baskets of grocery products. Whilst the supermarket chains advertise 'specials', it is difficult for consumers to compare prices generally across all the products they buy. Consumers will be able to use the website to identify which supermarket chain in their region is cheapest for typical grocery baskets.
4. There will be price surveyors collecting the price data for the ACCC independent of the supermarket chains.
5. Not applicable. The data is not provided by the supermarket chains.
6. Australia.gov.au is a more extensive website and portal, and not a good comparison.
7. No. The website will provide information on prices for typical baskets of grocery products. Whilst the supermarket chains advertise 'specials', it is difficult for consumers to compare prices generally across all the products they buy. Consumers will be able to use the website to identify which supermarket chain in their region is cheapest for typical grocery baskets.
8. The ACCC's Grocery Inquiry report will include the results of ACCC analysis. The underlying data provided to the Inquiry belongs to, and is confidential to, the companies providing it and is not the ACCC's to publish.