

## [Grocery Website 'Waste and Mismanagement' Revealed](#)

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The much-hyped Federal plan to bring down grocery prices by a FuelWatch-style scheme instead became an exercise in "waste and mismanagement", a Senate inquiry has found.

It has also called for the Australian National Retailers Association be investigated for a potential breach of the Trade Practices Act in the way it negotiated with Choice, the consumer group which was to run the website.

The Senate economics references committee recommendations after an inquiry into the GroceryChoice scheme include that the Government reveals what plans it had for a replacement website, and that the Commonwealth Auditor-General investigate the tender process undertaken by the consumer watchdog in relation to the data collection contract.

The Opposition-dominated committee slammed Consumer Affairs Minister Craig Emerson for the "lack of professionalism" in the way he [ditched the Choice-run website](#) and called for steps to ensure "such unprofessional and discourteous conduct" did not occur again.

Problems with the website [first surfaced in January](#), with retailers indicating they would not supply it with the pricing data required.

Dr Emerson ditched the revamped site in June, less than a week before it was due to go online. It is estimated to have cost taxpayers about \$7.7 million.

Choice had earlier won the \$13-million contract to take over the site from the Australian Competition and Consumer Commission, which had run it since it was first launched in August last year, as part of a Labor election promise.

The ACCC site was criticised for being too vague and not covering specific geographic areas in enough detail. Choice's plan was to get retailers to provide it with real-time pricing data.

The committee found he had not told Choice of his decision before making it public, nor provided it with an opportunity to respond.

"His behaviour lacked a clear sense of transparency or fair play," the committee's report said.

The ACCC also overlooked a \$2.7 million cheaper tender to gather data for the site from Informed Sources in favour of Retail Facts, which was linked to Woolworths.

"(The ACCC decision) is particularly concerning ... this lack of due diligence on the part of the ACCC leaves open the possibility that the integrity and secrecy of the GroceryChoice data may have been compromised," the report said.

GroceryChoice was also "prejudicial and unfair" to independent retailers, while the ACCC version "unfairly" compared smaller retailers to larger chains.

ANRA - in its role as negotiator for Coles and Woolworths - could have breached the Trade Practices Act as it represented two major competitors working together, the committee found.

The industry body said it was simply acting as a "good broker" but the committee recommended the ACCC investigate any possible breaches of the Act.

Labor senators on the committee, in a dissenting report, said they were "disappointed" the Choice-run website did not come to fruition but supported Dr Emerson's decision.

The senators, WA's Louise Pratt and South Australian Annette Hurley, said they were confident that work on the website would not be wasted, and could be used for a similar site in future.

But Liberal consumer affairs spokesman Luke Hartsuyker said the inquiry confirmed "what every consumer who used the site already knew - that it was useless and its management was bungled".

"The report is a shocking indictment of the way in which this project was handled by the Government," Mr Hartsuyker said.

"GroceryChoice has been exposed as a fraud ... and an expensive fraud at that. The taxpayer could be more than \$8 million worse off as a result of Labor's mismanagement and bungling and it has still done nothing to bring down grocery or fuel prices."

Competition expert Frank Zumbo, an associate professor at the University of NSW's school of business and taxation and an outspoken critic of GroceryChoice, said Dr Emerson needed to ensure Coles and Woolworths provided the information via their own websites.

"Coles knows the prices of all their products at each of their supermarkets," Mr Zumbo said.

"So does Woolworths. Consumers could easily be given that information ... via the chains' own websites as part of their customer service."

Such "real time" pricing information - not dissimilar to what airlines provided - would allow consumers to make informed decisions, Mr Zumbo said.

"If Coles and Woolworths fail to provide customers with real time pricing information, then the Federal Government should move to require Coles and Woolworths to do so," he said.

That could involve legislating to ensure supermarkets larger than 2000 square metres made the pricing information publicly available.

<http://www.watoday.com.au/national/grocery-website-waste-and-mismanagement-revealed-20091118-imcv.html>