Appendix A:

ASSISTANT TREASURER
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22 January, 2007

Mr G Samuel AO
Chairman
Australian Competition and Consumer Commission
GPO Box 520J
MELBOURNE VIC 3001

Dear Mr Samuel

I am writing to require the Australian Competition and Consumer Commission (ACCC) to hold a public inquiry into the competitiveness of grocery prices pursuant to subsections 95G(2) and 95H(1) of the *Trade Practices Act 1974* (TPA).

I enclose a notice under subsection 95H(1) of the TPA identifying the matters the inquiry is to consider and when the inquiry is to be completed.

The terms of reference also include evaluation of the effectiveness of the Horticulture Code of Conduct (the code) and whether the inclusion of other major buyers such as retailers would improve the effectiveness of the code. Given that policy responsibility for the code resides with the Minister for Agriculture, Fisheries and Forestry, I ask that the ACCC, along with Treasury, liaise closely with the Minister's department to determine how the effectiveness of the code can best be evaluated.

The final report is required to be submitted to the Government by the 31st July 2008.

Furthermore, I seek your advice to me by the 29th February 2008 on how the ACCC may deliver a periodic survey of grocery prices at supermarkets for a typical shopping basket; and how best to establish a dedicated website on grocery prices as well as any other methods that could be used to provide information to the public.

Yours sincerely

CHRIS BOWEN
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