

Sent: Tuesday, 19 February 2008 7:31 AM

To: Grocery Prices Inquiry

Subject: Public Submission to ACCC grocery enquiry by S van der Merwe on 19/02/2008

To whom it may concern,

Are you also, during this enquiry, looking at fair and competitive pricing and stocking of others' products vs. homebrands? I am greatly concerned about whether the prices and availability of non-homebrand products on the shelves of major supermarkets truly reflect their price and availability or whether the supermarkets are in fact using pricing and regular out-of-stocks as tools to force out competition and create a monopoly in the market.

I have observed that homebrand products are generally much, much cheaper than other products, but only because the prices of the other competitors' items have been upped, not because the homebrand products are really cheaper. I understand a marginal difference, but more often than not the cheapest competitors' product is almost double the price of the supermarket's products. I have also found that it seems as if the major supermarkets' supply lines have gone awry with many out-of-stocks of popular items and many items, which I previously bought, not available anymore in many outlets. I have tried asking for specific products only to be told they are unavailable or out-of-stock, but I find these readily enough in delis or smaller outlets, so I am not buying the excuse anymore. Furthermore the choices have been narrowed significantly in both Coles and Safeway over the past four years since I have come to live in Australia, as has the quality of what is offered as "choice", often leaving me with a "choice" that is actually no choice at all. E.g. I was recently looking for brand of syrup in Safeway Karingal Hub, but there were only two brands of syrup on offer and it was not one of them. An "other" brand in a plastic packaging that was very expensive and not particularly popular, then the Safeway homebrands which were available in a whole range of tins, tubs and bottles - the whole range, but only in Safeway products. I was looking for a specific tinned brand of syrup which Safeway there had always previously stocked, but could not find it, or could I even find a "sorry I'm out of stock" sticker for the product. I searched all over the shelves, up and down, even on the very top shelf, but there was nothing else available. Although this might cover Safeway legally when it comes to "choice", it is in fact not giving the consumer a choice at all. If I have to choose between homebrands and rubbish, then I don't consider that to be much of a choice at all.

This has occurred to me on several occasions with various products and I am concerned that Safeway and Coles are using unfair pricing and reduced choices in order to force their competitors out of the market. To my mind it is a massive conflict of interest, and definitely not in the buyers' best interest, for a supermarket to have its own brand of product on the shelves.

Can you please advise whether you will be investigating this during the course of your pricing enquiry?

Regards,

Schagné van der Merwe