

AUST. COMPETITION &
CONSUMER COMMISSION
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5th April 2008

Mr. M. R. Pagan,
46 Tralee Drive,
Banora Point NSW 2486

Food Inquiry,
Australian Competition and Consumer Commission,
G.P.O Box 3648
Sydney NSW 2001

FILE NO

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MARS/PRISM

Dear Sir,

I wish to make the following submission to this Inquiry.

Firstly: The Supermarket Scanning Code AKA Scamming Code is a daily rip-off by supermarkets in Australia and this practice commenced with the introduction of this Code and has multiplied week by week for several years.

On the date that the Code was introduced each store had an inventory figure for every stock item. As new stock of each item is received into the store and entered into the inventory system and where there is a price increase these new items are priced accordingly. **However**, there is no differentiation between existing and new stock item prices ergo the previous stock prices are unjustly increased and are scanned at the new price. Instant questionable price increasing ergo scanning AKA scamming.

With this one scam supermarkets have scammed billions of dollars from people on the staple foodstuffs of life. How low can one go to satisfy greed?

In addition the quality of much alleged fresh food, especially fruit and vegetables are falsely advertised when one takes into consideration modern storage methods of freezing in gas and other means where it is obvious items are many months old. Also much of the fruit are second grade and the damage on many items proves they are second grade orchard wind blows.

Secondly: When paying for goods at the supermarkets customers generally have four choices; (a) cash (b) EFPOS (c) credit card (d) charge card.

Of all supermarkets, large or small where I have purchased goods all but one charge one price irrespective of the manner of payment as above. The exception is ALDI where one can pay cash or use EFTOS and the price paid is the advertised shelf price. However, should one wish to avail themselves of the credit or charge card options then they are charged a 2% fee for that privilege.

Thus the supermarket policy of one size fits all sees the cash or EFPOS customers unjustly paying the supermarkets merchants banking fees and the legality of that practice is questioned.

Thirdly: Enclosed is a download from UK on the matter of "Supermarket powers to be curbed" where further information can be accessed on; <http://news.bbc.co.uk/1/hi/business/7246756.stm>.

On another matter but in the same vein of scamming this price increases of current stocks also occurs at filling stations with fuels as price increase daily yet no daily fuel deliveries occur.

Yours sincerely


Marshall Pagan



Supermarket powers to be curbed

Suppliers are to get more protection in their dealings with big supermarkets in a bid to ensure fair competition.

An ombudsman will be appointed to resolve disputes between retailers and their food suppliers, the Competition Commission recommends.

They will have the power to award compensation and will uphold a stronger supermarket code of practice (SCOP).

Proposed changes to planning laws could also give shoppers a wider choice of supermarkets in their local areas.

We've seen the power of some of the bigger operators grow consistently over a period of time. We really need to redress the balance
Mike Smales, dairy farmer

The proposals come after a two-year investigation into the UK's supermarket sector, which is dominated by four major chains - Tesco, Asda, Sainsbury's, and Morrisons.

They broadly welcomed the report - although Tesco said a new ombudsman could be bureaucratic and an "unnecessary cog" in the supply chain.

Planning changes

The proposed changes could help farmers and consumers, but would do little to ease the plight of small shopkeepers on the High Street, campaigners said.

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"The proposed remedies should help farmers provided that the ombudsman is given sufficient powers to deal with the supermarkets' bully behaviour," said Friends of the Earth supermarket campaigner Sandra Bell.

The plan includes measures to stop retailers imposing restrictions on who can build on land they sell off.

Local councils are advised to implement a "competition test" when deciding whether to give planning permission for new large supermarkets.

There is also a proposed five-year time limit on the exclusivity agreements between supermarkets and local authorities that prevent rivals setting up shop nearby.

However, the plans do not require supermarkets to sell land or stores.

Critics said the plans would only encourage competition between the big chains and lead to more large out of town superstores.

"Real competition comes from promoting a range of choices from large supermarkets to smaller shops not just by encouraging the big chains to face off against each other," said Luke Herbert, head of UK public policy at the Royal Institution of Chartered Surveyors.

Tougher code

The code of practise, which sets out how supermarkets should treat their suppliers, was created in response to the Competition Commission's last major investigation into the grocery sector in 2000.

A new version will be created that includes all grocery retailers with turnover greater than £1bn.

"The farming industry will welcome an ombudsman," said farmer Mike Smales.

"We've seen the power of some of the bigger operators grow consistently over a period of time. We really need to redress the balance."

Supermarkets will have to employ compliance officers to make sure the code is followed.

The new code will also ban supermarkets from retrospectively changing the terms of contracts with suppliers.

'Time-consuming'

Interested parties now have three weeks to comment on these recommendations before the final report is published in April.

The British Retail Consortium, which represents retailers, said the investigation had been "costly and time-consuming".

"It's time retailers were allowed to get on with delivering for customers," said BRC Director General Stephen Robertson.

According to market research group TNS Worldpanel, Tesco, Asda, Sainsbury's and Morrisons - now account for more than three-quarters (76.2%) of the grocery market.

In October, the commission concluded that there were aspects of the grocery market that prevented or restricted competition although it said the sector was delivering a good deal for customers.

It said many people had too few large supermarkets to choose from in their local area which acted as a barrier to competition.

The commission also said it was concerned about retailers being able to transfer unexpected costs to their suppliers.

Story from BBC NEWS:

<http://news.bbc.co.uk/go/pr/fr/-/1/hi/business/7246756.stm>

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