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**TRADE PRACTICES ACT 1974**

**UNDERTAKING TO THE AUSTRALIAN COMPETITION AND CONSUMER COMMISSION  
GIVEN PURSUANT TO SECTION 87B OF THE TRADE PRACTICES ACT**

**BY**

**SUN IMPORTS PTY LTD  
(ACN 078 033 262)**

**Background:**

- A. Sun Imports Pty Limited ("Sun Imports") is engaged in the business of the wholesale supply of tanning products to its franchisees and distributors.
- B. The price of Sun Imports tanning products increased by a full 10 per cent with the implementation of the GST despite the removal of a 22 per cent wholesale sales tax which, in the absence of other factors, should have resulted in a reduction in the price of these products as a result of the changes arising under the New Tax System.
- C. The Commission wrote to Sun Imports expressing concern that the failure of Sun Imports to pass on savings resulting from the New Tax System changes may amount to conduct in breach of section 75AU (the price exploitation provision) of the *Trade Practices Act 1974* ("the Act"). The Commission also considered the conduct of Sun Imports may raise issues under sections 52 and 53(e) of the Act.
- D. Following the concern raised by the Commission and market pressures Sun Imports has introduced some price reductions for its tanning products to compensate its customers who have been overcharged and their consumers when they also have been overcharged.
- E. In response to the concerns expressed by the Commission Sun Imports has provided certain undertakings to the Commission. These undertakings are outlined below.

**Sun Imports undertakes as follows:**

- 1. That its previous GST exclusive prices will now become its GST inclusive prices, with the prices being set out in the price list at Attachment A.
- 2. That all Sun Imports customers will be issued with fresh invoices in respect to invoices issued between 1 July 2000 and 18 July 2000.
- 3. That it will seek confirmation in writing from all retail outlets and distributors how many, if any, of its tanning products were sold at the incorrect prices, and how many affected consumers have been provided with a refund.
- 4. That it will prepare and arrange for a corrective notice to be placed in a prominent location in the Sun Lounge store at 298 Bay Street, Port Melbourne and the Zanzi Beach store at Unit 3/1 Scarborough Beach Road, North Perth for a period of one month from the date of the undertaking. The corrective notice will conform to the notice at Attachment B to this undertaking.
- 5. That it will provide to the Commission copies of the fresh invoices issued to its retail outlets and its interstate distributors.

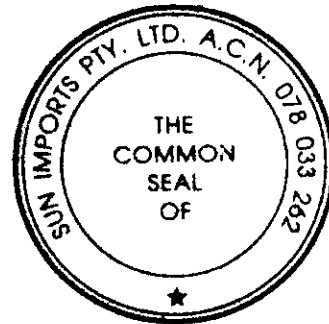
- 6. That it will provide to the Commission copies of letters from its retailers and distributors confirming the number of Sun Import products sold at the incorrect price from 1 July 2000 and the number of consumers that were provided with refunds.
- 7. That it will ensure that any future increases in price will be made on a close monitoring of exchange rates, supplier prices and operating costs, and in accordance with ACCC guidelines on price exploitation.

**Acknowledgements**

- 8. Sun Imports acknowledges the Commission's right to make this undertaking available to the public including by placing it on a register, publishing it and allowing third parties to publish it.
- 9. Sun Imports acknowledges that the Commission may issue a media release about this undertaking and may, from time to time, publicly refer to the undertaking.
- 10. Sun Imports acknowledges this undertaking in no way derogates from the rights or remedies available to any other person arising from the alleged conduct.

DATED: 18 DECEMBER 2000.

THE COMMON SEAL of SUN IMPORTS )  
 PTY LIMITED ACN 078 033 262 was affixed )  
 in accordance with the Corporations Law in )  
 the presence of:



*[Handwritten signature]* ..... Director

*George Filomenos* ..... Director/Company Secretary

OR

..... Sole Director and Sole Company Secretary

ACCEPTED by THE AUSTRALIAN COMPETITION & CONSUMER COMMISSION under Section 87B of the Trade Practices Act 1974

Professor Allan Fels, Chairman

*[Handwritten signature]*

DATED 21 DECEMBER 2000

ATTACHMENT A**SUPRE**

<u>Order No</u>	<u>Product Type</u>	<u>Size (Metric)</u>	<u>Case Units</u>	<u>Salon Price per unit (\$)</u>	<u>Retail Price per unit (\$)</u>
<b><u>Step 1 &amp; 2 Tan Accelerators</u></b>					
4000	Coco Beach Lotion	8oz (224ml)	12	14.40	20.00
4000P	Coco Beach Lotion Packette	.75oz (22ml)	60	2.50	3.50
4005	Coco Beach Gel	8oz (224ml)	12	14.40	20.00
4005P	Coco Beach Gel Packette	.75oz (22ml)	60	2.50	3.50
4010	Coco Beach Dry Oil	8oz (224ml)	12	14.40	20.00
4015 New!	Coco Beach Gold Lotion	8oz (224ml)	12	25.20	35.00
4015P New!	Coco Beach Gold Lotion Packette	.75oz (22ml)	60	3.96	5.50
4020 New!	Coco Beach Gold Hot Lotion	8oz (224ml)	12	25.20	35.00
4020P New!	Coco Beach Gold Hot Lotion Packette	.75oz (22ml)	60	3.96	5.50
CBDS New!	Coco Beach Display Special		1	340.00	
CBPDSNew!	Coco Beach Packette Display Special		1	125.00	
<b><u>Step 1 Tan Intensifiers</u></b>					
6013	Rayz Spray	6oz (168ml)	12	14.40	20.00
6015	Rayz Lotion	6oz (18ml)	12	14.40	20.00
6015P	Rayz Lotion Packette	.75oz (22ml)	60	2.70	4.00
6016	Rayz Cream Gel	6oz (168ml)	12	14.40	20.00
6016P	Rayz Cream Gel Packette	.75oz (22ml)	60	2.70	4.00
<b><u>Step 2 Tan Maximizers</u></b>					
6009	Extreme Lotion	9oz (250ml)	6	21.60	30.00
6009M	Extreme Lotion Mini	4.5oz (130ml)	12	12.95	18.00
6009P	Extreme Lotion Packette	.75oz (22ml)	30	4.30	6.00
6014	Extreme Cream Gel	9oz (250ml)	6	21.30	30.00
6014M	Extreme Cream Gel Mini	4.5oz (130ml)	12	12.95	18.00
6014P	Extreme Cream Gel Packette	.75oz (22ml)	30	4.30	6.00
<b><u>Step 2 Super Strength Tan Maximizers</u></b>					
6017	Jam Lotion	9oz (250ml)	6	32.40	45.00
6017M	Jam Lotion	4.5oz (130ml)	12	18.00	25.00
6017P	Jam Lotion	.75oz (22ml)	30	4.65	6.50
6018	Jam Cream Gel	9oz (250ml)	6	32.40	45.00
6018M	Jam Cream Gel	4.5oz (130ml)	12	18.00	25.00
6018P	Jam Cream Gel	.75oz (22ml)	30	4.65	6.50
6020	Vibe Lotion	7oz (205ml)	6	28.80	40.00
6020P	Vibe Lotion	.75oz (22ml)	30	4.65	6.50
6021	Vibe Oil Spray	7oz (205ml)	6	28.80	40.00
6022	Mega Vibe Lotion	7oz (205ml)	6	45.00	62.50
6022P	Mega Vibe Lotion	.75oz (22ml)	30	6.12	8.50
6050	Café Bronzer	7oz (205ml)	6	36.00	50.00
6050P	Café Bronzer	.75oz (22ml)	30	5.00	7.00
6055	Café Bronzer Hot	7oz (205ml)	6	39.60	55.00
6055P	Café Bronzer Hot	.75oz (22ml)	30	5.40	7.50
CFDS	Café Bronzer Display Special		1	378.00	
<b><u>Step 2 Colour Shimmering Tanning Products</u></b>					
2000 New!	Shimmering Tan Maximizer - Regular	7oz (205ml)	6	41.40	57.50
2000P New!	Shimmering Tan Maximizer - Regular Packette	.75oz (22ml)	30	5.76	8.00
2005 New!	Shimmering Tan Maximizer - Hot	7oz (205ml)	6	41.40	57.50

2005P New!	Shimmering Tan Maximisers - Hot Packette	.75oz (22ml)	30	5.76	8.00
2010 New!	Shimmering Tan Facial Maximizers	3oz (88ml)	12	18.00	25.00
2015 New!	Colour Self Tanning Mousse	4oz (117ml)	6	18.00	25.00
2020L New!	Colour Flash Bronzer - Light	2oz (59ml)	6	18.00	25.00
2020M New!	Colour Flash Bronzer - Medium	2oz (59ml)	6	18.00	25.00
2020D New!	Colour Flash Bronzer - Dark	2oz (59ml)	6	18.00	25.00
CLDS New!	Colour Display Special		1	399.00	

**Step 2 Ultimate Strength Tan Maximizer**

6019	Impact Lotion	9oz (250ml)	6	50.40	70.00
6019M	Impact Lotion	1.5oz (44ml)	12	11.52	16.00

**Step 3 After Tan Skin Recovery**

6030	Sun Recover	6oz (168ml)	6	14.40	20.00
6030P	Sun Recover	.75oz (22ml)	30	3.25	4.50
6030 Special	Sun Recover Special		1	90.00	

**Step 3 Moisturising Body Lotion**

9005 New!	Skin System Advanced All Day Moisturiser	16oz (448ml)	12	18.00	25.00
9005M New!	Skin System Advanced All Day Moisturiser	2oz (59ml)	24	4.32	6.00
9010 New!	Skin System Essential Daily Moisturiser for Tanners	16oz (448ml)	12	21.60	30.00
9010M New!	Skin System Essential Daily Moisturiser for Tanners	2oz (59ml)	24	6.84	9.50
9020 (S1-S6) New!	Skin System Tinted Day Emulsion	2oz (59ml)	6	18.00	25.00
9000 Special	Skin System Display Special		1	339.00	

**Step 3 Bath & Shower Gels**

3001-3004	Aromabody	Relaxation Energy Sensual Refreshing	9oz (250ml)	12	12.25	17.00
3001L-3004L	Aromabody	Relaxation Energy Sensual Refreshing	32oz (940ml)	4	31.50	44.00
3001M-3004M	Aromabody	Relaxation Energy Sensual Refreshing	3.25oz (103ml)	12	5.65	9.00
KITAROMA 3000 Special	Aromabody Bath Kit		3.25oz (102ml) x 4	1	22.50	31.50
3001-3004 Deal	Aromabody Display Special			1	135.00	
	Aromabody/Skin System/Puff			1	21.96	30.50

**Introductory Special Offer**

PDS New!	Packette Display Special	1	229.00
CDS New!	Counter Display Special	1	475.00
WDS New!	Wall Display Special	1	1890.00
FDS New!	Floor Display Special	1	3255.00

Please note: Prices include Goods and Services Tax (GST)

**PUBLIC DISCLOSURE**

# **An apology from**

# **Sun Imports**

Sun Imports apologises to any consumer of its products who may have been overcharged during the month of July 2000 as a result of any failure by Sun Imports to pass on savings resulting from the New Tax System changes.

If you believe you have been overcharged for a product we will be happy to offer a refund on production of a receipt.



*Australian Competition & Consumer Commission*

This Public Disclosure has been displayed at the request of the  
Australian Competition and Consumer Commission (ACCC)