

Supermarket Pricing Inquiry

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Mr. Tom Smith,
Member for Bundaberg.

Dear Tom,

I notice that you are the chairman of the Supermarket Pricing Select Committee.

I worked for Woolworth's at both of their stores in Gladstone, initially as a night fill manager, and then as grocery manager, in the 1970's. I found that some of their tactics towards their suppliers were disgusting. I would like to provide some information from my experience as one of their employees.

Sometimes the store ran out of white sliced bread late in the day. The store manager would telephone the local baker, who supplied the bulk of the bread, and demand one dozen loaves of bread to be delivered immediately. This was always after 4.30 pm. In those days the store closed at 5.10 pm. The baker often did not have that many loaves available. The bake house was situated in the valley area and the Woolworth's store was about 2.5 km away on the highway. The store manager would demand that the bread would need to be delivered ASAP or the bakers contract for the supply of bread would be terminated.

The baker would respond to the threat by immediately, and personally, leaving and trying to retrieve loaves of bread from two corner stores, and arriving often about 5pm, with the loaves of bread. The Woolworth's back dock man would be finishing off his paper work for the day, and often never ensured that the bread got put onto the shelves; in fact it stayed at the back dock. The next morning when new bread was delivered, the late delivered loaves from the previous day, would be returned as old bread. The baker was in a very awkward position. He could no longer sell the bread because it was not considered fresh. If the loaves had been left at the corner stores they would have been bought by people who bought after Woolworth's had closed or before they opened the next day. Both of those stores were on the direct route to the Woolworth's store.

Although the baker went to great lengths to oblige Woolworth's demands, he was never paid for the bread before three months had expired. I know, because I lived next door the bakers aunt. She had taught him his baking skills, and would lament that Woolworth's were the slowest paying business in town. (If a shopper did not have sufficient funds for their purchase, credit was never available. They had to reduce their purchase.)

Any farmers who tried to produce fruit or vegetables found that Woolworth's would not buy directly from them. They had to send their produce to the COD depot in Rockhampton. The produce would then be delivered by truck back to Gladstone. Woolworth's prefer this method, because they only have to deal directly with major suppliers, who are also at their mercy.

I cut and loaded cane by hand around Bundaberg before I went to Gladstone. I had to work harder for Woolworth's than when I was cutting cane.

I grew passion fruit after I retired, and lived in Gladstone. I found that even the corner stores could buy passion fruit at less than 50 cents each, and were selling them for over a dollar each. I sold all my passion fruit for 50 cents each to people working in the industrial estates. The farmers who grow fruit and vegetables must struggle to survive.

I wish you well with this enquiry.

I remain,
Yours faithfully
Bruce Jones.