Enforcement

The following are reports on new and concluded Commission actions in the courts, settlements requiring court enforceable undertakings (s. 87B) and mergers opposed by the Commission. Other matters currently before the court are reported in appendix 1. Section 87B undertakings accepted by the Commission and non-confidential mergers not opposed by the Commission are listed in appendix 2.

Anti-competitive agreements (Part IV)

Woolworths (SA) Pty Ltd and the Arnhem Club Incorporated

Alleged price fixing (s. 45A)

On 30 May 2003 the Federal Court, Darwin, made orders against Woolworths SA and the Arnhem Club and restrained them from making or giving effect to arrangements on the price of certain take-away alcohol beverages in Nhulunbuy Northern Territory.

The Commission instituted proceedings against Woolworths (SA) Pty Ltd, Rhonwood Pty Ltd (trading as the Walkabout Tavern) and the Arnhem Club Incorporated, alleging that they have breached the price fixing provisions of the Trade Practices Act in the market for take-away alcohol in Nhulunbuy, NT by agreeing to stop discounting those products.

Woolworths, the Walkabout Tavern and the Arnhem Club are the major take-away liquor outlets in Nhulunbuy, Northern Territory, located on the Gove Peninsula in north-eastern Arnhem Land in the Northern Territory.

Woolworths and the Arnhem Club have offered court enforceable undertakings to provide $300 000 to establish a service to address alcohol-related problems in Nhulunbuy, NT.

The Commission is aware of the social context under which the conduct occurred, including the assertion that it was aimed at addressing social problems in and around Nhulunbuy.

There is no evidence to indicate that the alleged agreement to stop discounting the price of the alcohol products led to lower alcohol consumption. The alleged agreement was not reviewed or evaluated to check its effectiveness in cutting consumption and only ended when the licensees were advised of the Commission investigation.

The Commission was told that Aboriginal groups have a history of opposition to the operations of liquor licenses in Nhulunbuy and had sought a reduction in access to alcohol in the town.

After an extensive investigation the Commission instituted proceedings alleging that in January/ February 1997, Woolworths, the Walkabout Tavern and the Arnhem Club met and agreed to stop discounting the takeaway sales of cartons of Victoria Bitter beer, Jim Beam Bourbon Whisky White and Berry Riesling Cask Wine. The Commission alleges that they gave effect to the agreement by stopping discounts on take-away sales of these goods during the period March 1997 to August 1999.

The outcomes of the court action include:

- Woolworths and the Arnhem Club admitting that they have breached the price-fixing provisions of the Act
- injunctions restraining Woolworths and the Arnhem Club from repeating the conduct
- the court noting court enforceable undertakings by Woolworths and the Arnhem Club to donate $300 000 to the Nambarra School Council (Yirrkala CEC) for an alcohol harm reduction, prevention, education or rehabilitation program in Nhulunbuy and the surrounding communities
- payment of Commission costs of $80 000
- the court noting court enforceable undertakings by Woolworths to review its trade practices compliance program and for the Arnhem Club to implement such a program.

Woolworths and the Arnhem Club consented to the court orders.

Woolworths and the Arnhem Club did not approach the Commission for authorisation of the contravening conduct and therefore the Commission was not in a position to consider whether or not a public benefit outweighed the possible public detriment.

The court action is continuing against the Walkabout Tavern.

A further directions hearing for the matter was listed before the Federal Court in Darwin on 31 July 2003.

Woolworths Limited, Liquorland (Australia) Pty Ltd

Alleged primary boycotts (s. 45(4D)), restrictive agreements (s. 45)

On 27 June 2003 the Commission instituted legal proceedings in the Federal Court, Sydney, against Woolworths Limited and Liquorland (Australia) Pty Ltd, a subsidiary of Coles Myer Ltd, two major operators of bottle shops in Australia.

The Commission alleged that the companies' conduct contravened the exclusionary (primary boycott) provisions of the Trade Practices Act to substantially lessen competition in packaged take-away liquor markets.

The Commission alleged that Woolworths and Liquorland engaged in anti-competitive conduct by entering into alleged restrictive agreements with several operators of licensed premises in New South Wales to restrict or prevent the supply of packaged take-away liquor by those operators to retail consumers.

The Commission alleged that the conduct arose in circumstances where Woolworths and Liquorland objected to certain liquor licence applications and then proposed restrictive agreements in return for withdrawing their objections. The restrictive agreements contained one or more conditions:

- preventing liquor licence applicants from selling packaged take-away liquor from their premises
- preventing liquor licence applicants from opening a dedicated bottle shop
- restricting and preventing liquor licence applicants from establishing a separate drive-through bottle shop
- restricting and preventing liquor licence applicants from advertising or conducting promotions for the sale of packaged take-away liquor over the counter to consumers
- preventing liquor licence applicants from offering home delivery services for packaged take-away liquor to consumers, for parties, functions or home consumption
- preventing liquor licence applicants from expanding the size of their licensed premises to meet potential increased consumer demand
- limiting the amount of packaged take-away liquor that liquor licence applicants can keep on their premises to meet consumer demand.

The Commission instituted legal proceedings against Liquorland for 30 contraventions and Woolworths for 16 contraventions of the Act. The Commission is seeking declarations, injunctions, pecuniary penalties, findings of fact, orders relating to trade practices compliance programs and costs.

On 23 July 2003 Justice Allsop made orders by consent, setting out the timetable for progressing the case.

AMWU, AWU and CEPU

Alleged secondary boycotts for the purpose of causing substantial loss or damage (s. 45D)

On 16 May 2003 the Commission instituted legal proceedings in the Federal Court, Melbourne, against the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (AMWU), the Australian Workers' Union (AWU) and the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU) alleging that they had breached the secondary boycott provisions of the Trade Practices Act.

The Commission alleged that between 2 October 2002 and 23 October 2002 the AMWU, the AWU and the CEPU maintained a picket at the entrance to the construction site of the Patricia Baleen gas plant near Orbost in Victoria. The picket allegedly prevented construction workers and vehicles delivering materials from entering the site.

The Commission is seeking the following orders against the unions:

- declarations that their conduct contravened s. 45D of the Act
- injunctions preventing them from engaging in similar conduct in the future
- pecuniary penalties

- an order that they implement a trade practices compliance program
- an order that they publicise in their respective journals a public notice detailing the substance of the orders ultimately made by the court.

The matter has been set down for hearing on 11 September 2003.

Australian Safeway Stores Pty Ltd

Alleged price fixing and market sharing (s. 45); misuse of market power (s. 46); exclusive dealing (s. 47); resale price maintenance (s. 48)

On 30 June 2003 the Full Court of the Federal Court partially upheld the Commission's appeal against a decision of a single judge of the Federal Court who dismissed proceedings brought by the Commission against Australian Safeway Stores Pty Ltd (trading as Safeway) alleging price fixing and misuse of market power and other provisions of the Trade Practices Act in the Victorian bread market.

The Full Court unanimously agreed that the Commission had established Safeway's engagement in the price fixing of bread to be sold at Tip Top Bakeries store located in Preston markets.

A majority of the court found that Safeway had misused its market power in four of the nine instances.

The allegations concerned the supply of bread by Tip Top, Buttercup and Sunicrust bakeries to retailers who discounted the price of bread. The Commission alleged that Safeway took action against each of the bread manufacturers to persuade them, or attempt to persuade them to stop the discounting.

The Commission notes that in this judgment the Full Federal Court appears to have placed more emphasis on the actual conduct of Safeway rather than Safeway's stated policy.

Safeway allegedly refused to accept further supplies of bread from the baker supplying retailers who were discounting the price of bread. The Commission alleged that Safeway recommenced purchasing bread from the manufacturer concerned once the discounter had ceased discounting.

The successful allegations related to bread sales by discounters in Frankston, Cheltenham, Vermont and Albury (May 1995). The court held that Safeway had not engaged in a misuse of market power in the other five instances pleaded by the Commission.

Metro Brick and Midland Brick Company Pty Ltd

Alleged price fixing agreements (s. 45A)

On 27 June 2003 the Commission instituted proceedings alleging price fixing by brick manufacturers, Bristile Operations Pty Ltd, trading as Metro Brick, and Midland Brick Company Pty Ltd (trading as Midland Brick) in the Federal Court, Perth.

The Commission alleges that between September and November 2001 company representatives had several meetings and telephone conversations during which they reached price fixing arrangements or understandings about bricks supplied to builders in Western Australia.

It is alleged the arrangement contained a provision that the prices for all clay brick products supplied by Metro and/or Midland would increase by approximately 3 per cent for trade builders from about October 2001 and for major builders from about January 2002.

It is also alleged the companies reached an agreement or understanding that the tender price at which Metro Brick was to supply Verticore; and Midland Brick was to supply Maxibrick to major builders would not be below $570 per thousand bricks.

The Commission is seeking declarations, injunctions, pecuniary penalties, other remedial orders and costs.

A directions hearing has been listed for 8 October 2003.

Mergers (Part IV)

Pfizer Pty Ltd

Mergers (s. 50)

On 16 May 2003 the Commission accepted a court enforceable undertaking from Pfizer Pty Ltd and Pfizer Overseas Inc. to address anti-competitive concerns the Commission identified on the acquisition of Pharmacia Corporation by Pfizer Inc. 'The undertaking addresses the Commission's concerns that the worldwide merger of the parties may result in a substantial lessening of competition in Australia in relation to certain products used by cattle breeders, veterinarians and farmers for the management of cattle reproduction', Acting Chairman Sitesh Bhojani said at the time. 'In the absence of the divestiture post-merger Pfizer would have enjoyed a veritable monopoly for cattle progesterone delivery devices.'

The undertaking, which requires Pfizer to divest its CueMate product, aims to preserve competition between two key products used for the treatment of non-cycling cows and synchronisation of the mating of multiple cows.

As part of its examination of the merger proposal the Commission conducted extensive market inquiries with a range of interested parties, as well as cooperating with overseas competition authorities. Given the companies' broad interests in a range of human pharmaceutical products and products used for animal healthcare the Commission analysed the effect of the merger on competition in a range of markets.

While the Commission also had concerns about the erectile dysfunction market the undertakings which have been given by the parties to the European Commission are considered sufficient to address the concerns for the Australian market. This involves the transfer of two products Pharmacia has in development: the dopamine D2 receptor (PNU-142774E) and Apomorphine hydrochloride nasal spray, which is being developed by Pharmacia in cooperation with Nastech Pharmaceutical Company, Inc.

Fair trading (Part V)

Morgan Buckley Pty Ltd

Alleged false, misleading or deceptive conduct (s. 52), false or misleading representations (s. 53(e))

On 27 June 2003 the Commission instituted proceedings in the Federal Court, Darwin, against Morgan Buckley and Mr Anthony Whitelum, a partner and legal practitioner of the law firm.

The Commission alleges that Morgan Buckley has engaged in conduct in breach of the Act by issuing tax invoices for legal fees to a client that implicitly represented that the invoices had been calculated in accordance with the retainer agreement between Morgan Buckley Pty Ltd and the client.

The Commission alleges that the fee invoices had not been calculated in accordance with the retainer agreement with the result that the client had been overcharged. The next directions hearing has been set down for 16 September 2003.

The South Australian Olive Corporation Pty Ltd & ors

Alleged misleading or deceptive conduct (s. 52), misleading representation about the standard, quality, value, grade, composition, style, model, or history of goods or services (s. 53(a)), false or misleading representations as to place of origin (s. 53(eb)), misleading representations as to the nature, manufacturing process, characteristics, suitability for their purpose or quantity of any goods (s. 55).

On 15 October 2002 the Commission instituted proceedings in the Federal Court, Adelaide, against The South Australian Olive Corporation Pty Ltd, Inglewood Olive Processors Ltd and Mark Sybert Troy, a director of The South Australian Olive Corporation Pty Ltd.

The Commission alleged that between late 1998 and mid 2002, The South Australian Olive Corporation supplied Viva Early Harvest Extra Virgin Olive Oil and Viva Late Harvest Extra Virgin Olive Oil with labels containing a prominent representation that the oils were 'Australian' to major supermarket chains. It is alleged that the oils contained a proportion of imported extra virgin olive oil. The inclusion of the imported olive oil was not disclosed anywhere on the product labelling. The Commission alleged that manner in which the word 'Australian' was used on the labelling would be likely to mislead a consumer into believing that the oils were a product of Australia.

On 14 July 2003 the Federal Court, Adelaide, found that The South Australian Olive Corporation Pty Ltd and Inglewood Olive Processors Limited engaged in misleading and deceptive conduct about representations made about Viva Extra Virgin Olive Oils in television and magazine advertising and on product labels.

As a result of the proceedings, the court declared that The South Australian Olive Corporation and Inglewood Olive Processors had:

- engaged in misleading and deceptive conduct in contravention of s. 52 of the Act
- made false representations about the olive oil in contravention of ss. 53(a) and 53(eb) of the Act
- engaged in conduct that was liable to mislead its customers or its potential customers as to the nature, manufacturing process or the characteristics of the olive oil in contravention of s. 55 of the Act
- granted an injunction restraining the companies from making the same or similar

representations about olive oil for a period of three years where any of the olive oil is imported

- ordered that the companies place corrective advertisements in Australian Gourmet Traveller, Better Homes and Gardens, Delicious and Vogue Entertaining and nine daily newspapers.

The court also found that Mr Mark Troy aided and abetted and was knowingly concerned in the conduct. The court noted that Mr Troy has undertaken to attend a trade practices compliance program approved by the Australian Compliance Institute.

The court orders were made with consent of the parties.

In August 2002 the Viva brand was sold to Origin Olives Australasia Limited. Origin Olives was not a party to the contraventions.

Australian Biologics Testing Services Pty Ltd

Alleged misleading or deceptive conduct (s. 52); false or misleading representations (s. 53(c)); and certain misleading conduct in relation to services (s. 55A)

On 27 June 2003 the Commission instituted proceedings against Australian Biologics Testing Services Pty Ltd and its director, Ms Janette Maree Burke, alleging misleading and false representations.

Australian Biologics is a provider of medical services including thermography, live blood analysis and the Bolans clot retraction test and promoted these services in printed brochures and on the internet. Australian Biologics made several specific statements about these medical services, such as:

- thermography 'frequently provides an indication of unrecognised disease, hidden cause and dangerous sequelae (complications)'
- CRT can determine whether a patient's treatment regime is effective within a short period of time by way of a 'simple finger prick test'
- LBA shows the oxygen carrying capacity of the red cells, the efficiency of protein and fat metabolism, liver and gall bladder function and the degree of bowel toxicity.

The Commission alleges that Australian Biologics did not have reasonable grounds for making specific statements of this kind about thermography, live blood analysis and the Bolans clot retraction test.

The next directions hearing is set down for 20 November 2003. The Commission is seeking declarations, injunctions, corrective notices, other remedial orders and costs.

Econovite Pty Ltd

Alleged misleading or deceptive conduct (s. 52), misleading representations (s. 53(a) and (d)),

On 27 June 2003 the Commission instituted proceedings in the Federal Court, Perth against Econovite Pty Ltd alleging that as a manufacturer and retailer of livestock feed supplements, the company engaged in false and misleading conduct regarding the quality, composition, nature and characteristics of some of its feed supplement products used by farmers.

The Commission alleges that during March 2002 until about March 2003, Econovite Pty Ltd, in manufacturing and distributing the livestock feed supplements including Econovite Mineral Block, Econovite Dry Feed Block and Econovite Cattle Block, had made false and misleading representations on the package labelling of the products about its quality, composition, nature and characteristics. The Commission alleges such conduct breaches ss. 52, 53(a), 53(c), 53(d) and 55 of the consumer protection provisions of Trade Practices Act which prohibit false and misleading representations.

The court documents filed by the Commission seek remedies including:

- declarations that Econovite has breached sections 52, 53(a), 53(c), 53(d) and 55 of the Act
- injunctions restraining Econovite from engaging in similar conduct in the future
- orders for Econovite to publish a corrective notice
- orders for Econovite to write to all resellers of its products informing them of the outcome of this matter and any rulings made by the court
- orders for Econovite to undertake an industry education program
- the implementation of a corporate trade practices compliance program
- the Commission's court costs.

A directions hearing has been set down for 25 July 2003.

Karmy Pty Ltd t/a Schots Restoration Emporium

Alleged misleading or deceptive conduct (s. 52), false or misleading representations (s. 53(g))

On 22 May 2003 the Federal Court declared that Karmy Pty Ltd, trading as Schots Restoration Emporium, had misled consumers about their rights to refunds, in breach of the Trade Practices Act.

The misrepresentations appeared in advertisements published in the *Sunday Age* TV magazine on 6 and 20 April 2003, in signs displayed at Schots' Clifton Hill and Moonee Ponds stores, and in the conditions of sale displayed on Schots' website.

By consent of the parties, Justice North made various orders including:

- declarations that Schots had contravened ss. 52 and 53(g) of the Act, which deal with misleading and deceptive conduct and the existence, exclusion or effect of any condition, warranty, guarantee, right or remedy
- injunctions prohibiting Schots from making representations that consumers are not entitled to refunds under any conditions
- publishing corrective advertisements in the *Sunday Age* TV magazine, the *Australian Retailer* magazine, in-store signs and on Schots' website.

Under the Act consumers are entitled to obtain a refund if the goods they buy are not of merchantable quality, are not fit for their purpose or do not correspond with their description or sample. These rights exist even if the goods are seconds items or are not new.

The Outback Juice Company Pty Ltd

Alleged misleading or deceptive conduct (s. 52), false or misleading representations (s. 53(a)), misleading the public as to the nature or characteristics of goods or services (s. 55)

On 26 May 2003 The Outback Juice Company Pty Ltd provided the Commission with a court enforceable undertaking concerning misleading labels on its orange juice products.

The Commission investigated the matter after concerns from the Australian Fruit Juice Association about the labelling of OJC's orange juice products.

OJC made claims on its orange juice products that it was '100% Fresh Orange Juice' and '100% Orange Juice Squeezed Daily'. OJC has admitted that its products did not contain 100 per cent orange juice as represented on its labels but contained added cane sugar and preservatives. OJC has recently stopped production of orange juice products and has closed its manufacturing plant.

In resolving this matter with the Commission, OJC provided a court enforceable undertaking that should it decide to recommence operations it will:

- notify the Commission of its decision not less than 30 days before operations recommence
- not engage in conduct that is misleading and deceptive, falsely represents that the juice products are of a particular quality, grade or composition, or is likely to mislead the public about the nature, the manufacturing process or the characteristics of the juice products, in contravention of ss. 52, 53 and 55 of the Act, by making representations:
  - that juice products are '100%' or '100% fresh' where the juice products contain added sugars or other sweetening products
  - that juice products are '100%' or '100% fresh' where the juice products contain one or more preservative
- create and maintain at its own expense, a trade practices compliance program.

Three officers of the company have also undertaken that should they recommence or commence as directors, secretaries, managers, shareholders, or agents of a corporation engaged in the production of juice products, then they will:

- notify the ACCC of their decision not less than 30 days before operations recommence or commence
- adhere to the undertakings given by the company.

Thorn Australia Pty Ltd t/a Radio Rentals

Alleged misleading or deceptive conduct (s. 52, 53(g)), misleading representation as to price (s. 53C)

On 23 May 2003 the Commission instituted proceedings in the Federal Court, Perth, against Thorn Australia Pty Ltd trading as Radio Rentals alleging that representations made in its 'Rent Two, Get One Rent Free' advertising campaign in October and November 2002 and its 'Rent, Try, Buy' campaign in 2003 were misleading.

The Commission alleged that in these campaigns, Radio Rentals advertised the supply of goods at a weekly rental price but did not specify the cash price for the goods.

The Commission also alleged that in the 'Rent Two, Get One Rent Free' television advertising, Radio Rental did not disclose, or sufficiently disclose, the advertised offer was subject to terms and conditions. These qualifications stated that the free rental only applied to the third item with the lowest rent, selected items, was based on a minimum 18-month rental contract, and that the free rental for the third item was available only while the consumer continued to rent the original two items.

The Commission is seeking declarations, injunctions, corrective notices, other remedial orders and costs.

A directions hearing was set for 29 July 2003.

Voyages Hotels and Resorts Pty Ltd

Alleged misleading and deceptive conduct (s. 52)

On 7 May 2003 the Federal Court, Darwin, declared Voyages Hotels and Resorts Pty Ltd had misled consumers and contravened the Trade Practices Act by promoting tours to Yulara Pulka, Aboriginal land near Uluru, when they had no permission to enter the land or conduct the tours.

Voyages has given a court enforceable undertaking that it will not promote tours to Yulara Pulka if it does not have the required permit or the required agreement with the Aboriginal people or the appropriate Aboriginal bodies. It has been ordered to pay the Commission's legal costs of $45 000.

Voyages extensively promoted exclusive tours to Aboriginal land at Yulara Pulka while they had no permission entitling them to conduct such tours. Exclusive tours to Yulara Pulka were likely to be a very powerful incentive to attract tourists to the Voyages resort at Uluru.

At the time of promoting the tours Voyages did not have an agreement with the Aboriginal people, the Central Land Council or the Katiti Aboriginal Land Trust.

Voyages also did not have the required permit from the Central Land Council on behalf of the Katiti Aboriginal Land Trust under the Aboriginal Land Rights Act to allow entry to Yulara Pulka.

Voyages promoted tours of Yulara Pulka to local and international agents, consultants, tour operators, tourist information centres and members of the general public between 25 June 2001 and 8 May 2002 through media releases, brochures, international trade shows and the internet. The tours formed part of Longitude 131° Resort accommodation packages or as part of tour packages from the Ayers Rock Resort. The promotions represented that customers would be taken to and would be permitted to enter Yulara Pulka.

Voyages also provided a court enforceable undertaking to the Commission to implement a trade practices compliance program to ensure that employees are aware of their advertising obligations.

The Commission acknowledges Voyages cooperation in resolving this matter by consent.

Product safety (Part V)

Trans Oriental Import & Export Pty Ltd and Steven Thai Tran

Alleged misleading or deceptive conduct (s. 52), misleading conduct (s. 55), contravention of product safety standards (s. 65C)

On 14 May 2003 the Federal Court, Perth, declared that Trans Oriental Import & Export Pty Ltd and Steven Thai Tran had contravened the Trade Practices Act by supplying banned mini-cup jelly confectionaries containing the ingredient konjac. The banned mini-cup jellies were declared unsafe goods under the product safety provisions of the Act and are currently subject to an 18-month temporary ban.

The Federal Court declared that by supplying the banned mini-cup jellies the company and Mr Tran misled retailers and consumers by representing they were safe to eat when in fact they had been declared dangerous and unsafe by notices published under both state and federal legislation.

Justice Carr of the Federal Court agreed to consent orders that the company and Mr Tran breached the Act by supplying the banned mini-cup jellies. The orders follow court action by the Commission.

The company and Mr Tran also consented to orders by the court which:

- made injunctions restraining the company and Mr Tran from misleading the public about the characteristics of its products, and selling mini-cup jellies containing the ingredient konjac

- ordered publication of a recall notice in two newspapers distributed in the Perth metropolitan area
- ordered publication of corrective information notices to the company's wholesale customers and consumers
- required refunds to customers and retailers who return and provide proof of purchasing the jellies
- ordered Mr Tran to attend a trade practices training program
- ordered a contribution to the Commission's court costs.

Konjac jelly is different from gelatine-based jellies in that it does not dissolve readily in saliva. It poses a serious choking hazard, particularly to young children and the elderly. The jelly is usually sucked out of the cup into the back of the mouth. This can cause the jelly to be drawn into a person's air passage and act as a plug which would restrict air supply.

The ban applies to any mini-cup jellies containing the ingredient konjac, also known as glucomannan, conjac, konnyaku, konjonac, taro powder or yam flour, and having a height or width of less than 45mm. Similar confections not containing the banned ingredient are available.

JM Australia Pty Ltd and Creative Brands Pty Ltd

Alleged mandatory product safety standards (s. 65C)

On 16 June 2003 sunglass makers JM Australia Pty Ltd and Creative Brands Pty Ltd gave the Commission court enforceable undertakings, including voluntary product safety recalls, for sunglasses that failed the relevant product safety standard.

Under a continuing Commission survey program, products in a variety of retail outlets in Perth, Darwin and Sydney were examined. While compliance was generally high considering the large number of sunglasses surveyed, the Commission is concerned that several brands or styles failed to comply with some of the requirements of the standard.

The Commission raised its concerns with the retailers and the suppliers of all the non-complying sunglasses.

JM Australia Pty Ltd and Creative Brands Pty Ltd have cooperated giving court enforceable undertakings to stop supplying the sunglasses, withdraw all remaining supplies from sale, establish trade practices compliance programs and place recall notices in newspapers.

The Commission continues to follow up action with several companies. It reminds suppliers of sunglasses and fashion spectacles to comply with the mandatory product safety standard. The mandatory standard requires compliance with Australian Standard 1067.1-1990.

All trading corporations who supply goods covered by a mandatory standard are required to ensure that the goods comply with the standard. The term 'supply' includes retail and wholesale transactions, exchange, lease, hire, hire-purchase and 'give-aways'.

The safety standard for sunglasses and fashion spectacles aims to reduce the risk to eyesight caused by excessive exposure to ultra-violet light and to ensure that sunglasses are labelled with appropriate warnings. Warnings provide valuable guidance to consumers about the purpose of sunglasses. Some sunglasses may, for example, distort the vision of people with defective colour vision.

The standard also requires that the manufacturer's name, trade name or trade mark, and the classification of the sunglasses be marked on the frames of sunglasses and fashion spectacles or on labels attached to them. Following amendments to the mandatory standard, general purpose sunglasses are no longer required to be marked with a classification but must carry a driving warning where appropriate.

The tests were conducted against the Australian Standard by Unisearch Optics and Radiometry at the University of New South Wales.

The Commission will continue to monitor sunglasses as part of its survey program. Random surveys are also conducted from time to time to ensure compliance with the standard.

Copies of the relevant standard can be bought from Standards Australia in each state. Booklets providing a guide to the standard can be obtained from Commission offices.