

# There's more to the ACCC than the big picture

Much of the ACCC's work is on 'big picture' issues, e.g. assessing major company mergers and active participation in the sweeping reforms in telecommunications, transport and energy markets. All of this work ultimately has an effect on everyday lives — it's not just something for readers of the business pages.

The ACCC's central objective of preserving or fostering competition throughout the economy is not an end in itself. The real prize is what flows from fair and vigorous competition — lower costs for business leading to lower prices for consumers, improved quality and choice in goods and services.

Often these goals are necessarily long term. Industries like gas, electricity, telecommunications, which had for long been the unchallenged preserve of government monopolies or near monopolies, can't be reformed and opened up overnight.

The present challenge is in getting the groundwork right, in laying foundations for lasting competitive structures which will reliably deliver the benefits in future.

But this is only part of the ACCC's work and has not reduced the 'traditional' task of enforcing the provisions of the Trade Practices Act dealing with restrictive trade practices, consumer protection, unconscionable conduct and product safety.

In these areas the benefits often show up quickly and can be measured by the people and markets affected, and this is often what drives the ACCC's approach to enforcement work.

Where there appears to be a breach of the Act the ACCC's first aim is to stop the offending conduct and to prevent its recurrence. Wherever possible and appropriate it also seeks compensation or other remedies for the people who have suffered loss.

Take, for instance, these examples of matters the ACCC has finalised in the last few weeks.

## Xmas toys

A combination toy abacus and clock face was recalled by its importer after the toy failed ACCC-initiated mandatory safety standard tests for children under three. The importer agreed to recall the abacus from retailers and provide for retailers to refund consumers the full cost of the toy or to provide a replacement to the same value.

Push bikes were another cause for concern with wrongly assembled brakes, missing chainguards, bells or other warning devices just some of the faults found in ACCC surveys.

The ACCC puts a high priority on its product safety and information standards responsibilities. (See page 12.)

## Burns victim gets compensation

In December the Full Federal Court dismissed an appeal by a company selling caustic soda that it was not responsible for a man receiving burns while using its product. Glendale Chemical Products Pty Limited contended that it wasn't the manufacturer, merely the packager/supplier.

The philosophy of the product liability provisions of the Trade Practices Act is that a consumer who suffers injury can succeed against the supplier even if the actual manufacturer does not conduct business within Australia.

## Kmart discounts

Kmart gave the ACCC court-enforceable undertakings in relation to its pricing policy after Commission allegations that it had breached the two-price advertising and misleading and deceptive conduct provisions of the Trade Practices Act in relation to a series of deductions on the shelf price of a Black & Decker 2-cup espresso machine.

## Doctors' agreement

ACCC update issue 1 reported an ACCC court action against several NSW anaesthetists and the Australian Society of Anaesthetists (ASA) in relation to alleged unlawful agreements fixing the charges for 'on-call' services to hospitals.

That case has now been settled with the ASA giving undertakings not to engage in fixing, controlling or maintaining prices for the supply of on-call services and to implement a trade practices compliance program.

## Berri fruit juice

Berri Limited had until 10 February 1999 to cease labelling its new Frusion fruit drinks as made from 100 per cent whole fruit when they are actually a blend of reconstituted juices (mainly grape) and purees. Berri also gave s. 87B court enforceable undertakings to publish corrective advertising and offer refunds.