
Policy developments

ACCC directed to take action on small business matters

On 25 August 1998 the then Minister for Customs and Consumer Affairs, the Hon. Warren Truss, MP, issued a notice directing the Commission to take action against breaches of the new s. 51AC of the Trade Practices Act. The new section, which is designed to protect small business from unconscionable commercial conduct, applies from 1 July 1998.

The new provision was introduced following recommendations of the House of Representatives Standing Committee on Industry, Science and Technology in its report 'Finding a balance — towards fair trading in Australia'. The report identified problems facing small business arising from unfair business conduct towards small business with respect to franchising arrangements, retail tenancies, and misuse of market power.

The Commonwealth Government also committed to provide the Commission with an extra \$480 000 funding per year for the next four years to initiate cases under the Trade Practices Act in areas of specific relevance to small business.

The Minister's notice directed the Commission to initiate proceedings, where breaches of the Trade Practices Act occurred, to set legal precedent under the new s. 51AC. The Commission was directed to give preference to representative actions on behalf of small business. The Commission must account in its Annual Report for expenditure of the extra annual funding of \$480 000 over the next four years that is used for actions arising from alleged breaches of the new provision. It will report quarterly to the Minister on complaints received from small business, including alleged breaches

of s. 51AC, and action taken by the Commission in relation to the complaints.

New care labelling standard

On 14 July 1998 the then Minister for Customs and Consumer Affairs, the Hon. Warren Truss, MP, announced a revised mandatory consumer product information standard for care labelling of clothing and textiles.

The revised standard is designed to make compliance easier and reduce some of the costs involved for manufacturers, while maintaining the benefits of the current regulation for consumers.

The aim of the mandatory standard is to ensure that consumers, drycleaners and launderers have information about care procedures and warnings so that:

- consumers will be aware of the method and potential cost of caring for products when buying them;
- consumers, drycleaners and launderers are able to confidently select correct care treatments;
- the useful life of articles will be prolonged; and
- products will not be damaged by improper care.

The standard sets out words, phrases and symbols to be used for giving care instructions for consumer textile products, leather apparel and upholstery. It also specifies methods by which these goods may be labelled or, where appropriate, the instructions separately supplied.

The revised standard differs from the 1987 version by specifying that individual pieces of furniture should be care labelled; expanding the care instructions for leather and upholstery; and including as options the international symbols

for care treatment. Written instructions are still required.

Manufacturers and suppliers can comply with the revised mandatory standard by meeting the requirements of the latest version of the *Australian/New Zealand Standard AS 1957:1998, Textiles – care labelling*, published on 5 January 1998. Until 1 January 2000 they can comply with the revised mandatory standard by meeting the requirements of Australian Standard AS 1957-1987.

The standard for care labelling was reviewed under the Commonwealth Legislation Review Schedule.

New standard for portable fire extinguishers

On 29 July 1998 the then Minister for Customs and Consumer Affairs, the Hon. Warren Truss, MP, announced a new mandatory standard for portable fire extinguishers.

The new standard covers:

- design issues, such as operation by one operator;
- construction issues, such as anti-corrosion treatments;
- performance issues, such as fire rating and electrical capability; and
- testing requirements, such as pressure tests.

The revised standard is less prescriptive, and should make it easier for manufacturers to use the best design and not be restricted to a particular design.

Manufacturers can comply with the standard by meeting the requirements of the latest version of the *Australian/New Zealand Standard, AS1841 parts 1–8 of 1997*. The new standard also allows compliance with the previous *Australian Standard AS1841 parts 2–7 of 1992* until 31 December 1999. This will allow existing stocks of fire extinguishers made in accordance with its requirements to be legally sold, and ensure that aerosol fire extinguishers are covered by the mandatory standard until a new standard to cover aerosols is finalised.