

1973
VICTORIA

CONSUMER AFFAIRS COUNCIL
OF VICTORIA

REPORT
FOR THE YEAR ENDED 30TH JUNE, 1973

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CONTENTS

	PAGE
INTRODUCTION	3
SECTION I.—Summary of Recommendations incorporated in the current Report	5
SECTION II.—Comments on the implementation or otherwise of Recommendations made in the previous Report	7
SECTION III.—Summary of Firms named in this Report	9
SECTION IV.—Consumer Legislation	10
SECTION V.—Objectives of the Council	11
SECTION VI.—Objectionable Sales and Service Practices	12
A. Motor Vehicles	12
1. New Motor Cars	12
2. Second-hand Motor Cars	13
3. Roadworthy Certificate	13
B. Electrical Household Appliances	14
C. Colour Television	14
D. Furniture Removals and Storage	15
E. Food Freezer Plans	15
F. Hearing Aids	16
G. Pyramid Selling	16
H. Door to Door Sales	18
I. Inertia Selling	19
SECTION VII.—Toys	19
SECTION VIII.—Health and Nutrition	20
A. Fruit Juices and Drinks	20
B. Aluminium and Stainless Steel Cookware	20
C. Dating of Perishable Foods	21
D. Bread Industry	21
E. Organically Grown Foods	21
SECTION IX.—Textiles	22
SECTION X.—Safe Design and Construction of Goods	22
SECTION XI.—Building Industry	23
SECTION XII.—Firms Holding Trust Money	26
SECTION XIII.—Metric Conversion	26
SECTION XIV.—Insurance	27
SECTION XV.—Advertising	27
SECTION XVI.—Consumer Education	29
SECTION XVII.—Consumer Credit	30
SECTION XVIII.—Interstate Collaboration	31
SECTION XIX.—Overseas Collaboration	32
APPENDICES	
A. General Summary of Complaints received by the Consumer Protection Bureau	33
B. Written or personal complaints lodged with the Consumer Protection Bureau since the Bureau's inception in November 1970	36
C. New Motor Car Complaints	37
D. Classification of used motor car complaints	38
E. 1. Classification of Television, Radio, Stereogram and Tape Recorder service complaints	38
2. Classification of Washing Machine and Refrigerator service complaints	39
3. Classification of Space Heater service complaints	40
F. Classification of Food Freezer Plan complaints	40
G. Outline of Consumer Education Courses	41
H. Case Histories of families involved in credit agreements	43

INTRODUCTION.

In accordance with the *Consumer Protection Act 1972*, Section 7, the Consumer Affairs Council of Victoria has much pleasure in presenting this report covering the activities of the Council for the year ending the 30th June, 1973, to the Honorable the Minister of Labour and Industry for tabling before both Houses of Parliament.

The report covers much of the work of the Consumer Protection Bureau as well as the work of the Council, as many of the matters under consideration involve both bodies. The Council is dependent upon the staff of the Bureau for all its administrative and research work.

The Council again wishes to pay tribute to the complete cooperation that it has received from all members of the Consumer Protection Bureau. The Council realizes that the Bureau has been subjected to considerable stress by :—

- (a) demands placed upon it by the Council ;
- (b) the great increase in the volume of :
 - (i) telephone calls from consumers seeking advice and/or aid ;
 - (ii) written complaints — requiring, in some cases, prolonged and difficult enquiries ;
 - (iii) interviews granted to consumers in the office at 100 Exhibition-street ;
 - (iv) the complexity and range of the complaints ;
 - (v) consumer education.

In regard to the increased volume mentioned above, telephone calls have increased from some 13,000 in 1971–72 to approximately 25,000 in 1972–73, written complaints and personal interviews have risen from 2,359 in 1971–72 to 3,718 in 1972–73. Further details can be obtained from Appendix A.

An ever increasing number of students as well as teachers and lecturers from various institutions are being granted interviews with the Bureau and the Council as part of their research. Representatives of various Trade and Professional Associations and of individual firms have conferred with the Chairman of the Consumer Affairs Council and the Chief Executive Officer of the Consumer Protection Bureau on matters of policy affecting consumers ;

- (c) the number of consultations in which the Bureau has become involved either directly or by request from the Council. The foregoing is amplified in the detailed sections of this report. **However, it must be realized that this and the added growth of requests for assistance have restricted both the Council and the Bureau in advancing the development of consumer protection in the State of Victoria, as much as each body would have wished. The Bureau is currently considerably behind in dealing with individual complaints and the number of requests for the Council to supply guests speakers for various organizations has reached such proportions that the Council members are having to refuse an increasing number of requests. The research required by the Council for its efficient functioning is also steadily increasing which puts an added strain on the Bureau.**

The Council has noted the legislation and/or regulations enacted during the year 1972–73. These have materially enabled the Council and the Bureau to give greater protection to numerous consumers. However, it will be noted in the body of this report that there are still a substantial number of old, as well as new, recommendations from the Council to the Government which have yet to be covered by legislation and/or regulations.

The Council and the Bureau have pursued a constant policy to inform more and more consumers of their rights. This has been achieved in a number of ways, which include :—

- (a) distribution of the Annual Report and Monthly Bulletins on a much wider scale ;
- (b) the greater use of the panel of speakers in reply to a steadily growing number of requests by various groups and associations for speakers ;
- (c) exchange of information with comparable consumer bodies in other States and Territories of the Commonwealth.

The Council and the Bureau have been able to supplement their own research and investigations by maintaining a continuous exchange of documents with many overseas countries such as the United Kingdom, Sweden, Holland, Portugal, Canada, New Zealand and the U.S.A. The Council is an affiliate member of the World Organization (I.O.C.U.) at the Hague, and only recently has received some valuable information from that body which has been reproduced in a Monthly Bulletin (Volume 4, Number 2). The Council and the Bureau were gratified recently to receive, from a consumer group in the Philippines, a copy of one of their magazines which had reproduced one of our Bulletins, acknowledging that it came from the Consumer Affairs Council of Victoria.

In addition, the Council and the Bureau have been working closely with many schools in Victoria, from which area there is a heavy demand for copies of our literature. The Council and

the Bureau are presently working with members of the Department of Education in the formulation of a syllabus for the subject of Consumer Sociology which is planned to be included in a course leading to a Certificate of Business Studies.

In accordance with the terms of the Act, the Council has maintained a close association with a growing number of associations and groups. This has been most helpful in the expansion of our educational efforts.

The Council and the Bureau have had regular meetings with representatives of the Department of Health, to discuss consumer problems associated with drugs, fruit juices, food lines, hair treatment, etc., all of which have some impact on both the Department of Health and the Council.

The Council is awaiting the final enactment of the *Motor Car Traders Act 1972*.

The increasing number of serious complaints by buyers of new vehicles (to say nothing of the hazards associated with the purchase of second-hand cars), is of extreme concern to the Council.

It appears from the complaints received in relation to new cars that the time has come when the motor vehicle manufacturing industry must seriously recognize and accept its true responsibility for the products it manufactures and sells.

The desire to increase "market share" has become the apparent sole objective of the automobile manufacturing industry without the same desire being evident to ensure that the consumer obtains a trouble-free car for his money. In design and manufacture (with emphasis in marketing too), concentration on increased power and speed as an alternative to greater safety and reliability has become the objective to the complete detriment of the consumer. Purchase of a new vehicle has become, to far too many people, a "physical and mental health hazard".

Whilst relations with the mass media have generally been amicable, the Council is concerned that lack of support has been evident in some cases where the Council has attempted to obtain transcripts of various radio or television programmes or advertisements. There is no doubt that the best informed consumer is the best protected consumer and the Council sees the mass media as an important agent in this regard. It is gratifying that literature produced by the Council has been used by, and sometimes reproduced in, the press, particularly the suburban newspapers.

The Consumer Affairs Council and the Consumer Protection Bureau are working closely with the Standards Association of Australia. Many well prepared standards have been issued. These should be more widely known. In some cases the application of the standards defined, e.g., those for the clothing industry, should be made mandatory in their application by the issue of special acts and/or regulations. There are a number of features in the manufacturing and retail industries that require reviewing to give the consumer a fairer chance of obtaining value for money. Some recommendations are included in this report and are dealt with in detail in the body of this report. The Council wishes to express its appreciation of the complete co-operation by the Standards Association of Australia, in every instance where the Council requested assistance.

After education, probably the next most important thing affecting the consumer is advertising. This industry leaves itself open to substantial criticism and leaves much to be desired. The Council believes that there should be an "Advertising Justification Tribunal" established similar to that in the U.S.A. If this were done the Council would be in a much stronger position to exert pressure on the advertising industry where the Council considered it was unfair or misleading or too technical.

The building industry is one which is causing increasing concern due to a marked rise in the number of consumer complaints. The Council refrained from making a judgement in its last report on whether or not builders should be registered. However, the Council now believes that all builders should be subject to registration and that a tribunal should be set up to deal with such registrations. This tribunal could also deal with appeals where there is a conflict between the consumer and the builder. The Council is not satisfied with the present system where the aggrieved consumer is compelled to have recourse to arbitration arranged by the Master Builders' Association, etc., where one builder or some other representative of the building industry sits in judgement on complaints lodged by the consumer against the builder. The arbitrator should be truly independent. "Justice should not only be done, but should appear to be done".

Whilst pricing of commodities is not controlled in Victoria at this time, nevertheless the Council and the Bureau have been involved in certain aspects of price labelling. Details relating to price problems in such fields as metric conversion are covered in Section XIII of this report.

The Council has noted the press statements on the proposals regarding consumer matters made by the Premier of Victoria and awaits with interest the activities which are to be undertaken by the new Ministry of Consumer Affairs.

The Council wishes to pay tribute to the assistance it has received from many sources, both Governmental and otherwise. One thing is sure and that is that Consumer Affairs and Consumer Protection are here to stay.

The increased activity in the fields of consumer affairs and protection is due in part to :—

- (a) a greater awareness of what the Government has done and is doing in this field ; and

- (b) a decline in the ethics and business morals of some sections of the society today whereby some unscrupulous people have no qualms at taking down their more trusting fellow man if they think they can get away with it.

It will be noted that this report has not gone into any legal and financial aspects on the subject of consumer credit. Whilst the Council has a keen interest in this topic, it has refrained from reporting in detail about consumer credit because it is understood that this matter is the subject of review on a combined State and Commonwealth basis and the Council awaits with interest the result of these deliberations.

Finally, it will be noted from the contents of this report that the Council and the Bureau are becoming increasingly involved in more complex questions and areas within commerce and industry, which frequently have a growing and unduly adverse effect on consumers

SECTION I.

SUMMARY OF RECOMMENDATIONS INCORPORATED IN THE CURRENT REPORT.

1. That whenever any consumer legislation is considered by the Government, the Council be consulted while the legislation is still in draft form.

Reference Page No. 11.

2. That Section 7(1) of the 1972 Consumer Protection Act be amended to read in the same way as Section 4(1)(d) of the now superseded *Consumers Protection Act 1964*.

Reference Page No. 12.

3. That the Motor Car Traders Committee which is to be established under the provisions of the *Motor Car Traders Act 1973* be expanded to include a representative of the Ministry of Consumer Affairs or of the Consumer Affairs Council.

Reference Page No. 13.

4. That the Roadworthiness Test (and certificates issued thereafter) be extended to incorporate mechanical and structural soundness, that the inclusion of an adequate tool kit and efficient jack should be ensured and where not in working order or missing the certificate should not be issued until they are put into working order or are replaced.

Reference Page No. 14.

5. That the Companies Office should refuse to register Companies or Business Names whenever such names may confuse or mislead consumers or are obviously designed so to do, or are designed to conceal, for the purpose of confusing or misleading consumers, the real identity of the beneficial owners of the business or company being registered.

Reference Page No. 14.

6. That the Postmaster General's Department should not accept such advertisements and greater care should be exercised in respect of advertisements inserted by service firms. At the same time the Registrar of Companies should not register business names of service companies, designed to mislead consumers.

Reference Page No. 14.

7. That the Government should legislate to outlaw all Pyramid Selling and Chain Letter schemes throughout the State of Victoria.

Reference Page No. 18.

8. That all door to door salesmen should be licensed and be required to carry identification papers which would clearly explain the purpose of their canvassing the householder.

Reference Page No. 18.

9. That the Consumer Protection Act should be expanded to cover all door to door transactions irrespective of whether they are subject to a credit purchase agreement or not, whether or not the transactions are on a cash payment basis and whether or not they are initiated by the vendor or purchaser.

Reference Page No. 18.

10. That legislation be introduced to prohibit inertia selling along lines similar to that enacted in the State of New York, or that the present legislation be expanded to prohibit all forms of Inertia Selling completely.

Reference Page No. 19.

11. That once an adequate standard embracing all safety aspects of children's toys and playthings has been developed by the Standards Association of Australia, the standard be made mandatory and that it should be made to cover both locally produced and imported toys.

Reference Page No. 19.

12. That dating, in a clear, legible, direct and uncoded manner, of all perishable foodstuffs, packaged, tinned or otherwise, with the date of preparation for sale and/or packaging or alternatively the date for final consumption, should be made compulsory.

Reference Page No. 20 and No. 21.

13. That the Government establish standards for any organically or bio-dynamically grown produce as well as an efficient policing method to enforce those standards.

Reference Page No. 22.

14. That legislation be introduced whereby the Standards Association of Australia standards for care and size labelling of garments be made mandatory.

Reference Page No. 22.

15. That legislation should be introduced to make labelling as to flammability of garments mandatory, in accordance with the Standards Association of Australia standards.

Reference Page No. 23.

16. That only portable fire extinguishers which had received the approval of the Chief Fire Officer be distributed or sold, placed on display for sale or marketed in any manner whatsoever.

Reference Page No. 23.

17. That a regulation be promulgated under the provisions of Section 59 of the *Consumer Protection Act 1972* requiring that warning labels in English, Greek, Italian, Yugoslav and Turkish, regarding use of fuel other than methylated spirits, be incorporated on all methylated spirit stoves.

Reference Page No. 23.

18. That the Government pass legislation requiring the licensing of all builders and companies engaged in building. It should also cover the establishment of an independent tribunal to deal with complaints by consumers against builders as to unsatisfactory workmanship and delays in completion of building under the terms of the agreements entered into by the consumer with a builder.

Reference Page No. 25.

19. That controls, similar to those which apply to solicitors trust funds, and presumably similar to those which are envisaged for travel agencies, be extended to all groups, professional or otherwise, holding funds in trust on behalf of clients.

Reference Page No. 26.

20. That insurance companies be examined as to their economic soundness and financial backing and that they be required to lodge more substantial guarantees at the time of incorporation, than are presently required.

Reference Page No. 27.

21. That a registration scheme be established to control the operations of all insurance brokers and insurance consultants as soon as possible.

Reference Page No. 27.

22. That under the new Ministry of Consumer Affairs an "Advertising Justification Tribunal" be established.

Reference Page No. 29.

23. That the Government when formulating the duties of the new Ministry of Consumer Affairs provides adequate resources in manpower and finance to provide for an improved periodical on consumer matters and that this periodical be issued on a wide basis.

Reference Page No. 30.

24. That Annual Conferences of representatives of Government Consumer Bodies of all States and Territories of the Commonwealth be held.

Reference Page No. 31.

SECTION II.

COMMENTS ON THE IMPLEMENTATION OR OTHERWISE OF RECOMMENDATIONS MADE IN THE PREVIOUS REPORT.

Many of the recommendations made in the 1972 Annual Report have already been acted upon either fully or in part. Other recommendations have changed in nature as they are embraced by subsequent recommendations covering wider areas. Some recommendations were already covered by existing legislation but in these instances it was the intention of the Council that such legislation should be administered in a more intensive manner.

In this section the Council is reviewing the 1972 recommendations in the light of developments during the year covered by this report.

Recommendations 1 to 3.

1. That motor vehicle dealers should be licensed and that any such licence should be subject to cancellation in the event of fraudulent practice.

2. That it be made an offence for a motor vehicle dealer to conceal from a buyer known defects in a second-hand motor car.

3. That it be made an offence for a vendor to wind back mileage readings in second-hand motor cars. (In view of the provisions of the current Motor Car Act and the *Consumer Protection Act 1972* dealing with odometer readings, the Council has previously expanded on this recommendation to cover recommendations that the mileage reading of the odometer of a vehicle should be shown at each successive registration or transfer of registration of a vehicle.)

The three recommendations have now been incorporated in the *Motor Car Traders Act 1973*. The provisions as to recording of mileage reading under this Act should facilitate the control of the unethical practice of turning back the odometer reading.

Recommendation 4.

4. That the Roadworthiness Test (and certificate issued thereafter) be extended to incorporate mechanical and structural soundness, that the inclusion of an adequate tool kit and jack should be ensured and where not in working order or missing, the certificate should not be issued until they are put into working order or are replaced.

Although the anomalies which have prompted the Council to make this recommendation in the first place have been remedied to a large degree by the *Motor Car Traders Act 1973*, the Council still considers that extending the Roadworthy Certificate as recommended especially in reference to a basic tool kit and an efficient jack is still in the interest of consumers.

Recommendations 5 and 6.

5. That the Companies Office should refuse to register Companies or Business Names whenever such names may confuse or mislead consumers or are obviously designed so to do, or are designed to conceal, for the purpose of confusing or misleading consumers, the real identity of the beneficial owners of the business or company being registered.

6. That the Postmaster General's Department be requested not to accept advertisements which include trade names having a tendency to confuse or mislead consumers.

The Council is aware that there is legislation in existence which allows a certain control over the subject matter of the recommendations. Nevertheless the Council was able to point, in the 1972 Report, to specific cases which showed that confusing trade names were registered or advertisements were accepted.

The recommendations are therefore reaffirmed.

Recommendation 7.

7. That the licensing scheme of Pest Control Firms should make provision for the examination of sales techniques adopted by representatives of companies and their knowledge of the application of pesticides.

Licensing of Pest Control Firms is now in operation under the Pest Control Operators Regulations 1972 as administered by the Health Department.

Recommendation 8.

8. That Pseudo or Mock Auction Sales be prohibited throughout the State of Victoria.

As a result of the provisions of the *Consumer Protection Amendment Act 1972* the practice of Mock Auction Sales has ceased in Victoria.

Recommendation 9.

9. That the Government should legislate to outlaw all Pyramid Selling and Chain Letter schemes throughout the State of Victoria.

There is a pressing need to outlaw Pyramid and Chain Letter Selling and this recommendation is reaffirmed.

Recommendations 10 and 11.

10. That all door to door salesmen should be licensed and be required to carry identification papers which would clearly explain the purpose of their canvassing the householder.

11. That the Consumer Protection Act should be expanded to cover all door to door transactions irrespective of whether they are subject to a credit purchase agreement or not, whether or not the transactions are on a cash payment basis and whether or not they are initiated by the vendor or purchaser.

The *Consumer Protection Act 1972* and the subsequent amendment cover only a portion of the two recommendations, and the Council reaffirms that it is imperative that future legislation should encompass the full text of the recommendations.

Recommendations 12 and 13.

12. That the actual selling price, as distinct from any trade-in allowances, deposits, weekly or any other periodical repayments or interest charges should be disclosed when offering any goods for sale on cash or credit.

13. That whenever goods are offered for sale or advertised at "so much off" or "save so much", the vendor and/or the advertiser should feature the asking price in figures at least as large and as prominent as the claimed reduction.

These recommendations are now fully covered by Section 13A of the *Consumer Protection Act 1972* (as amended by the *Consumer Protection Amendment Act 1972*).

Recommendation 14.

14. That legislation be introduced to prohibit inertia selling along lines similar to that enacted in the State of New York.

Notwithstanding the provisions of the *Consumer Protection Act 1972* which attempt to control inertia selling without any direct prohibition of this practice the Council wishes to reaffirm its stand on this issue that inertia selling should be completely prohibited.

Recommendation 15.

15. That dating, in a clear, legible, direct and uncoded manner, of all perishable foodstuffs, packaged, tinned or otherwise, with the date of preparation for sale and/or packaging, or alternatively the date for final consumption, should be made compulsory.

Investigations during the year have strengthened the Council's stand on this recommendation which is reaffirmed again in the current report.

Recommendations 16 and 17.

16. That legislation should be introduced whereby care and size labelling of garments be made mandatory once adequate standards have been established by the Standards Association of Australia.

17. That legislation should be introduced to make labelling as to flammability of garments mandatory, once adequate standards are established.

The relevant standards have now been compiled by the Standards Association of Australia and the Council wishes to reaffirm its stand on this matter.

Recommendations 18 to 22.

18. That legislation be introduced, stipulating that where any party providing finance for home improvements pursuant to any agreement whereby the service company has agreed to arrange finance, and where the consumer subsequently recovers judgement against the service company for breach of contract and the judgement cannot be satisfied, then the money-lending party's rights to recover its loan should be extinguished to the extent of the judgement remaining unsatisfied.

19. That the Hire Purchase Act be amended, in line with the Money Lenders Act, so that finance companies and any party providing finance be obliged to show in credit agreements, the annual interest rate charged as well as the total quantum of interest charges.

20. That insurance companies should be examined as to their economic situation and financial backing and should be required to lodge more substantial guarantees at the time of incorporation, than are presently required.

21. That a registration scheme be established to control the operations of all insurance brokers and agents as soon as possible.

22. That legislation be enacted providing that only portable fire extinguishers which had received the approval of the Chief Fire Officer shall be distributed or sold, placed on display for sale or marketed in any manner whatsoever.

The Council wishes to reaffirm the need to have these recommendations implemented in the coming financial year.

SECTION III.

SUMMARY OF FIRMS NAMED IN THIS REPORT.

The following firms or companies have received comments in this report indicating that during the year some or all of their trading activities were not always desirable from the consumer's point of view.

Page numbers are given after each name as reference to the body of the report as the Council feels that this Section is to be used only as an index and any value judgement should not be made unless the full text has been carefully studied. The point to be kept in mind is, that as the Council enters into constantly more complex and wider ranging consumer issues its comments may be directed only to one segment of the overall activities of an otherwise reputable firm or company.

1. Milleradio, 550 Malvern-road, Prahran. (Page No. 14.)
2. S. S. Appliances Pty. Ltd., 13 Aristoc-road, Glen Waverley. (Page No. 14.)
3. J. G. Miller Removal Storage Co. (Melb.) Pty. Ltd., 5-11 Cromwell-parade, Footscray West. (Page No. 15.)
4. Steele's Glacier Freezers & Food Service Pty. Ltd., 400 Lonsdale-street, Melbourne. (Page No. 15.)
5. Eldon Freezers & Food Service Pty. Ltd., 73 Mahoney's-road, Forest Hill. (Page No. 15.)
6. Golden Chemical Products of Australia Pty. Ltd., 406 Lonsdale-street, Melbourne. (Page No. 16.)
7. Holiday Magic Pty. Ltd., 3 Raglan-street, South Melbourne. (Page No. 16.)
8. Dataview, 1 Drummond-street, Carlton. (Page No. 17.)
9. Mastercash Australia Pty. Ltd., 457 St. Kilda-road, Melbourne. (Page No. 17.)
10. Yourland Australia Pty. Ltd., Flat 5, 48A St. Georges-road, Toorak. (Page No. 17.)
11. Dare to be Great of Australia Pty. Ltd., 414 Collins-street, Melbourne. (Page No. 17.)
12. Terence Pty. Ltd., 196 Punt-road, Prahran. (Page No. 18.)
13. Budget Linen Service, 247 Lonsdale-street, Dandenong. (Page No. 18.)
14. Marchant's Aerated Waters and Cordials Pty. Ltd., 1830 Centre-road, Clayton. (Page No. 20.)
15. Tarax Drinks Holdings Ltd., 1317 North-road, Huntingdale. (Page No. 20.)
16. Patra Sales Pty. Ltd., 22 Phoenix-street, Brunswick. (Page No. 20.)
17. Rena-ware Distributors Pty. Ltd., 161 Broadway, N.S.W. (Page No. 20.)
18. Grason Homes Pty. Ltd., 71 High-street, Preston. (Page No. 23.)
19. Deva Ideal Homes Pty. Ltd., 578 St. Kilda-road, Melbourne. (Page No. 25.)
20. Szaintop Homes Pty. Ltd., 36 Narong-road, Caulfield. (Page No. 25.)
21. Travel House of Australia Pty. Ltd., 14 Lansdowne-street, East Melbourne. (Page No. 26.)
22. Ron Mark's International Pty. Ltd., 54 Byron-road, Guildford, N.S.W. (Page No. 27.)
23. J. Jenns Optical Goods, 3 Gladstone-road, Highgate Hill, Queensland. (Page No. 28.)
24. Waltons Ltd., 210 Bourke-street, Melbourne. (Page No. 31.)

SECTION IV.

CONSUMER LEGISLATION.

The history of consumer protection legislation in Victoria shows a gradual but constant progression.

The *Consumers Protection Act* 1964 was the first such Act to be enacted in Australia and was the result of inquiries made abroad, particularly in Britain and the U.S.A. The original legislation simply provided for the appointment of a Consumers Protection Council, which was to be a representative body to advise the Minister on general questions. The Act was administered by the Law Department and the small administrative staff appointed rapidly became the focal point for general public inquiries and complaints over a wide range of consumer matters.

In 1968 the administration of the Act was transferred to the Minister of Labour and Industry, this Department being considered more appropriate than the Crown Law Department for this purpose.

In 1970 the Government promised that it would undertake a review of the legislation and produce a legislative consumer protection code. As a first stage, the *Consumer Protection Act* 1970 was enacted. It provided for an enlarged Consumer Affairs Council—formerly known as the Consumers Protection Council—which was to have advisory and educational functions, and a Consumer Protection Bureau, which was to be a branch of the Department of Labour and Industry which would provide administrative services for the Council, attend to public inquiries and complaints, and conduct research into consumer matters. The administration of a number of consumer protection enactments, such as textile labelling, was also entrusted to the Bureau.

The second stage of the review was completed in 1972. The *Consumer Protection Act* 1972 contained the legislative code that the Government had promised, bringing together appropriate provisions of the Goods Act, Summary Offences Act, Footwear Regulation Act, Labour and Industry Act and Door to Door (Sales) Act, together with new legislation with respect to unordered goods and services, also known as “inertia selling”, and safe design and construction of goods, also known as “product safety” or “consumer safety”.

In accordance with the gradual approach of the Government in this area, the *Consumer Protection (Amendment) Act* 1972 was enacted later the same year, making amendments to the door-to-door sales provisions of the principal Act, introducing new requirements about price marking of goods and prohibiting what are known as “mock auctions”.

At the time of the general elections in 1973 the Government promised that if it were returned to office, it would further develop consumer protection, create a Ministry of Consumer Affairs and a position of Director of Consumer Affairs. In June of that year legislation was passed authorizing such a Ministry and at the time of writing this report the newly created position of Director of Consumer Affairs was advertised in the press.

The Government further promised that in the coming Spring Session, it would legislate to create a small claims tribunal which would arbitrate in disputes concerning the provision of consumer goods and services up to a certain amount as well as institute measures to deal with Pyramid Selling and authorize the Ministry to take civil proceedings in certain cases where the public interest is involved.

Further legislation under the name of “Motor Car Traders Act 1973” has been already passed and its commencement date should be proclaimed sometime in the forthcoming financial year.

The Council welcomes these innovations and considers that this is a necessary development to ensure an “equitable deal” for the consumer.

In the field of consumer legislation administered by other Government Departments the Council's expectations as to the effectiveness of the “Pest Control Operators' Regulations” were fully realized. The regulations licensing Pest Eradicators and controlling any excessive use of pesticides became operative on the 1st July, 1972, and their effectiveness became immediately apparent from the reduction of complaints in this area.

The introduction of the “Health (Treatment of the Scalp) Regulations 1972” reduced during the year under review the incidence of exaggerated and misleading advertising in the field of hair and scalp treatment.

Various additional Acts of Parliament containing provisions for the protection of consumers have been used by the Bureau in its negotiations on behalf of consumers, and the appropriate Government Departments have been consulted.

The Acts in question were :

Goods Act in relation to the provisions of Warranties and Guarantees and merchantable condition of the goods sold.

Health Act and the supporting legislation in relation to various labelling requirements, composition, purity, etc., of foodstuffs, detergents and drugs and medicines.

Hire Purchase and the Money Lenders Acts in relation to consumer credit.

Weights and Measures Act in relation to packaging, labelling, weights and measures of goods.

S.E.C. and Gas and Fuel Corporation Acts and the supporting Regulations in relation to safety aspects of electrical and gas appliances.

Crimes and Summary Offences Acts in relation to fraudulent transactions.

A fruitful correspondence has been entered into with many State and Commonwealth Departments and Authorities on consumer matters and the Council appreciated the forthright co-operation at all times.

Whilst the Council acknowledges the foregoing developments in Consumer Legislation it nevertheless wishes to draw the attention of the Government to the fact that any expansion in legislative provisions ought to be accompanied by a corresponding administrative expansion in order to be effective. The Council is also aware of its own position where it has to rely fully on the secretarial and research provisions of the Bureau.

In this respect the Council wishes to quote from the previous year's Annual Report which stated :

“ The Council desires to express its deep appreciation of the assistance rendered to it by the Consumer Protection Bureau. This assistance has been given readily, and with the utmost co-operation. However, the Council believes that the increase in, and scope of, the work of the Bureau, resulting from the growing number of complaints and phone calls must restrict the amount of work that the Bureau is able to undertake on behalf of the Council, especially having regard to the *Consumer Protection Act 1972*, which widens the scope of the responsibility of both bodies.”

This position has now been aggravated by a further increase in demands on the Bureau by the public so that the Council feels that it will not be able to fulfil all of its objectives as outlined in the following Section of this Report unless this situation is remedied.

The Council feels that whenever any consumer legislation is considered by the Government, the Council should be consulted while the legislation is still in draft form. Such a procedure would ensure that the Council's expertise in consumer affairs would be fully utilized and that more comprehensive consideration would be given to the problem covered by the proposed consumer legislation.

Recommendation.

That whenever any consumer legislation is considered by the Government, the Council be consulted while the legislation is still in draft form.

SECTION V.

OBJECTIVES OF THE COUNCIL.

The Council envisages its role as revolving around five objectives :

- (a) to prevent objectionable sales practices ;
- (b) to prevent objectionable service practices ;
- (c) to prevent dishonest advertising ;
- (d) to assist consumers to know what they are buying ;
- (e) to assist aggrieved consumers to obtain redress.

The Council also looks forward to the forthcoming developments in consumer legislation although, at the same time, it wishes to stress the fact that the community should not rely wholly on the Government to regulate the dealings between the business world and consumers. As in previous reports, the Council therefore stresses the importance of self regulation of industries through the observance of voluntary codes of ethics and standards.

Nevertheless, the Council also realizes that there is justification for Government control in some areas. A case in point might well be the new car section of the motor industry which is dealt with in the body of this report, Section VI.

The Council, in conjunction with the Bureau, has investigated a number of cases where it became obvious that top management have neglected their duties, often resulting in a break in communication and responsibility to the detriment of the consumer.

A further point for consideration is that it has been established by the Council that large overseas owned corporations are being directed and controlled from their country of origin, but the Council feels that it may be more advantageous to the Australian consumer if the local management of such companies had more autonomy.

The Council acknowledge that the technology behind some products marketed today is such that it is impossible for the average consumer to do more than simply know how they operate. There is an ever-widening gap between the knowledge which the individual consumer can absorb and that required by him to fully comprehend the more complex goods which are coming on to the consumer market, as a result of which situation he finds himself completely in the hands of suppliers and their salesmen and/or repairmen.

Whilst most acknowledge the need for business morality in these circumstances, a few, for example, some door-to-door representatives working for companies to whom their consumer customers are already substantially indebted, take advantage of the opportunity to exploit their sales spiel, usually in the lower income groups.

Considering the above points the Council has come to the conclusion that in addition to regulations designed to prevent fraudulent conduct by business representatives, there is still a need for regulations that embrace the manufacture of certain products, certain undesirable marketing methods and arrangements subject to contracts, in order to ensure a fair deal for the consumer.

The major method of obtaining a better deal for the consumer is to ensure that adequate publicity is given to any unethical trading practices. During the year, the Council has examined cases where unethical business practices warranted immediate publicity; however, it was fairly clear that the offending Company did not intend to remain in business for a long time, i.e., until the time of publication of the Council's Annual Report. The Council therefore feels that consumers should be warned as early as possible of any such unethical practices.

Under Section 4 (1) (d) of the *Consumers Protection Act, 1964*, the Council was required :
 "at any time but at least once in every year to furnish to the Minister for submission to the Parliament a report on its activities and on any matter affecting the interest of consumers which it thinks should be brought to the notice of Parliament."

However, under Section 7 (1) of the current *Consumer Protection Act, 1972*, the wording was changed to :

"the Council should prepare and deliver to the Minister an annual report on the activities of the Council."

The Council feels that Section 7 (1) of the 1972 Act should be amended to read in the same way as Section 4 (1) (d) of the 1964 Act because of the possible need to report more often than once a year and because a report in the terms of the 1964 Act would be more flexible than a report "on the activities of the Council."

Recommendation.

That Section 7 (1) of the 1972 Consumer Protection Act be amended to read in the same way as Section 4 (1) (d) of the now superseded *Consumers Protection Act, 1964*.

SECTION VI.

OBJECTIONABLE SALES AND SERVICE PRACTICES.

The Council hopes that many of the objectionable sales practices mentioned in this Section will soon cease to operate due to the legislative controls contemplated at this stage by the Government. Reference is made in particular to the Small Claims Tribunal and the *Motor Car Traders Act 1973*.

A. MOTOR VEHICLES.

The Council reiterates its stand from last year :

"It appears little short of scandalous that an industry which markets such expensive items should merit so much criticism and be the cause of so much discontent."

The category of complaints of Motor Car Sales and Services over the last eight years expressed as a percentage to overall complaints, has increased as follows :

1966	1967	1968	1969	1970	1971	1972	1973
1·7	3·4	6·1	8·5	10·4	13·6	15·5	20·2

The figures embrace both new and second-hand motor cars.

(1) *New Motor Cars.*

During the year both the Council and the Bureau continued their policy of negotiation on behalf of the motorist and procedures were established with the two largest manufacturers — Ford and G.M.H. — for finalizing complaints and during the coming year the Council will confer with other manufacturers.

Nevertheless, the fact remains that the number of complaints in the new motor car field is steadily increasing.

In this respect the White Paper on The Australian Retail Automotive Industry prepared for the Australian Retail Chambers of Automotive Industries is a most interesting document. Although it deals largely with problems of the franchised retailers in their dealings with the manufacturers, a business area into which the Council does not wish to enter, it nevertheless serves to highlight some points which affect the consumer as a motorist. Some of the comments are reproduced here :

“ The result in Australia is an unfortunate one. It is that sales agreements, as embodied in the standard forms used by most factories, represent legal devices which give a small group of large foreign companies considerable control over the economic future of a large number of relatively small businesses, substantially Australian in ownership, financing and management — without rendering such international corporations legally accountable for the control that they exercise.

“ But perhaps the most unfortunate result for most new vehicle retailers is the extent to which they are placed in a position where they must ultimately bow to factory pressure, if their factory wishes to make something of an issue between them. An inordinate amount of retail managements' time and energy is often therefore spent in maximising factory sales and factory profits. This is frequently to the detriment of retailers' real business interests in serving their public.

“ The quality of cars delivered to retailers and customers is of lower quality than society requires. Basically the factories have a system which permits them to compel retailers to :

- (a) Pre-deliver and provide free service from their trading margin, or as an extra cost to the customer and therefore at no cost to the factory.
- (b) Perform warranty work which is reimbursed by the factory at less than the real market rate ”.

These points of view have been represented to the Council on a few occasions by motor car retailers, implying that the consumer was the one who suffered most in such situations.

In March this year the Australian Automobile Association published a report on “ Vehicle Defects within the Warranty Period”. Much of the statistical information published supported the pattern of complaints received by the Bureau. The surprising point is the high percentage of mechanical defects discovered in some of the models by the Association, e.g., some models were defective on the brake road test at a rate of 38 per cent. Defective bearing adjustments ranged up to 26 per cent. Misalignment of wheels : up to 40 per cent. Headlight adjustment defects : up to 38 per cent. Engine oil leaks up to 86 per cent. Transmission oil leaks up to 63 per cent. Rear axle oil leaks up to 70 per cent. Ignition problems up to 48 per cent.

The high percentage figures lead the Council to believe that the consumer who buys a new car and gets a trouble free service from it during the warranty period must be the exception rather than the rule.

A detailed break up of complaints received by the Bureau from new car purchasers is reproduced in the Appendices.

(2) *Second-hand Motor Cars*

The statistical figures produced in the Appendices speak for themselves and do not require any specific comments.

The Council hopes that the Motor Car Traders Act will satisfactorily control this section of the motor car industry. The Council nevertheless feels that a representative of the newly created Ministry of Consumer Affairs or a member of the Council should be made a member of the Motor Car Traders Committee. Such an action would ensure that the large amount of information held by the Council and the Bureau in this field would be fully utilized by the Committee.

Recommendation.

That the Motor Car Traders Committee which is to be established under the provisions of the *Motor Car Traders Act 1973* be expanded to include a representative of the Ministry of Consumer Affairs or of the Consumer Affairs Council.

The Council, at this stage, does not wish to expand further on the comments made in the last Annual Report, until such time as the *Motor Car Traders Act 1973* has had time to become effective.

(3) *Roadworthy Certificate.*

The Bureau was involved in a number of disputes involving the validity of the Roadworthy Certificate. These were cases where attempts were made to sell motor cars without a roadworthy certificate and instances where motor cars were put off the road by the police because of unroadworthiness within one week of having been sold. Some cases were reported to the Police Department for investigation and in one case the original certificate was cancelled and the company concerned had to bring the car up to the standard required for the certificate. In another case the police advised that the Licensed Vehicle Tester who issued the certificate has surrendered his licence for cancellation.

The Council therefore reiterates that there should be stricter controls imposed on the issuing of the Roadworthy Certificates, and re-emphasizes last year's recommendation which stated :

Recommendation.

That the Roadworthiness Test (and certificates issued thereafter) be extended to incorporate mechanical and structural soundness, that the inclusion of an adequate tool kit and efficient jack should be ensured and where not in working order or missing, the certificate should not be issued until they are put into working order or are replaced.

B. ELECTRICAL HOUSEHOLD APPLIANCES.

In today's society household appliances such as washing machines, refrigerators and television sets are accepted as standard equipment in the average household and not as the luxury items they once were. The consumer has assumed a strong reliance on the proper functioning of these items so that when one or more of them break down he usually is placed in a position where he needs a quick and reliable repair. The repair situation is aggravated at times by :

- (i) The unavailability of spare parts — particularly for some older models.
- (ii) The time taken and the amounts charged for repairs.

In the case of the Milleradio group whose registered office is situated at 550 Malvern-road, Prahran, the Council continues to receive many complaints and is convinced that Milleradio is continuing to take advantage of consumers on many of the repairs that it undertakes. This situation, as outlined in last year's report, has not changed to any extent with the exception that the P.M.G. Department has included a reference to "Milleradio" in listings of service companies of the 27 trade names and 5 company names in the Pink Pages. Consumers will now at least be able to distinguish between this firm and other television repairers.

S.S. Appliances Pty. Ltd. who are operating under 14 business names still list such names as Frigicrest, Hooker, Hoovex, and Turnell in the telephone book. As stated in last year's Annual Report, the similarity of the above names with popular makes of washing machines such as Frigidaire, Hoover and Turner must be intentional in order to confuse consumers into believing that they are obtaining the repair services of the manufacturer of their washing machines.

The recommendations from last year's Annual Report are therefore reaffirmed :

"That the Companies Office should refuse to register Companies or Business Names whenever such names may confuse or mislead consumers or are obviously designed so to do, or are designed to conceal, for the purpose of confusing or misleading consumers, the real identity of the beneficial owners of the business or company being registered."

"That the Postmaster General's Department should not accept such advertisements and greater care should be exercised in respect of advertisements inserted by service firms. At the same time the Registrar of Companies should not register business names of service companies designed to mislead consumers."

With the promise to introduce a Small Claims Tribunal, the Council feels that many complaints of this nature will be resolved by the Tribunal. Judging by the number of complainants who approach the Bureau and who could be referred to the Tribunal, it may be wise to institute more than one tribunal, at least for the early stages until some members of the trade acquire a more responsible attitude towards the public, and the Council recommends that this aspect is watched closely.

The Appendices give a detailed analysis of complaints lodged against companies and firms in the Electrical Household Goods area.

C. COLOUR TELEVISION.

During the year the Bureau was involved in some claims made by manufacturers designed to exploit the consumer in advance of the change over to colour television.

The Council therefore publishes the following statements made by the Australian Broadcasting Control Board for the guidance of television viewers :

"When will colour television start in Australia ?

"March 1, 1975, is the starting date. Most capital city, and many country stations, plan to start colour on that date.

"Can a black and white receiver show pictures in colour ?

"No. To receive colour pictures you must buy a new colour receiver.

"Can a black and white receiver be used to receive colour transmissions ?

"Yes. You will be able to watch all the programmes transmitted, including the colour programmes, though the picture will be black and white.

"Will existing black and white receivers and aerials need to be changed when colour starts ?

"Some viewers are now receiving poor black and white pictures due to the state of the receivers and/or aerial installation. If the receiver and aerial installation are in need of service, defects could be evident when colour programmes start, in these cases attention to the receiver and/or aerial by a qualified serviceman will provide the best pictures now and for the future.

"Will existing television aerials be suitable for use with a colour television ?

“ Yes — but ! Yes : if you are now seeing satisfactory black and white television pictures on all the channels in your area.

“ But : if your pictures are ‘ snowy,’ ‘ ghosting ’ (multiple images) or have other annoying interference effects on them now, these will be present on colour pictures, and may be more annoying.”

D. FURNITURE REMOVALS AND STORAGE.

During the year, four complaints were lodged against J. G. Miller Removal and Storage Company (Melbourne) Pty. Ltd. As two of the complaints involved non-payment of insurance cover for damaged goods the Bureau investigated this aspect in detail.

According to one complainant, his furniture was damaged in transit between Sydney and Adelaide. Although the charges made by the Company included \$150 in insurance premiums for a \$6,000 cover, the complainant was not able to get any compensation. The Bureau requested from the Company all documentation, including any cover note, relating to the insurance coverage arranged over the complainant's goods.

After some negotiation the Company advised that the claim had been submitted to the insurance company. The Company further stated, however, that there were no grounds for the claim being admitted.

The Bureau then wrote to the insurance company in question and the following is extracted from the reply :

“ (1) No transaction has been entered into between this Company and the complainant.

“ (2) The carrier (J. G. Miller Removal and Storage (Melbourne) Pty. Ltd.) did make a proposal of a general nature for indemnity. However, the carrier did not even pay the deposit on the premium in respect of that proposal and failed to supply the figures relating to its turnover from which the actual premium could be calculated.

“ (3) Towards the end of 1972 this Company commenced legal proceedings in the County Court at Melbourne against the carrier, seeking recovery of amounts owing by it.”

In view of the seriousness of this matter, the Council considers that consumers engaging in removal of household effects should either sight the relevant insurance policy or arrange their own insurance cover.

E. FOOD FREEZER PLANS.

The Council would like to make it clear from the outset that it has no objection to the concept of Food Freezer Plans, which may be of benefit to a busy housewife. However, advertising by the companies and statements made by salesmen should be honest in that undue exaggeration should not be part of the normal sales practice as it currently appears to be.

During the year under review nineteen complaints were received by the Bureau against food freezer plans. From the information revealed in some of these complaints it appears to the Council that the benefits arising from joining one of these food freezer plans are grossly exaggerated in the advertising conducted by the relevant companies. Freezers are sold mostly for sums considerably in excess of their normal retail price, the interest is added to the already inflated price and the foods have also been claimed by complainants to be more expensive than they were originally quoted.

In other instances consumers were told that they were to receive 22 cubic ft. freezers but later found that the storage capacity of the freezer was only 20 cubic ft.

During the year the Bureau received complaints about advertising by Steeles-Glacier Freezers & Food Service Pty. Ltd., and Eldon Freezers & Food Services Pty. Ltd. The inference in the advertising by Eldon Freezers & Food Service Pty. Ltd. was that savings of up to \$30 per week could be made by participating in the plan. The advertisement did not reveal, however, that it was comparing the cost of total food requirements (meat, groceries, bread, milk, etc.) with the cost of a selected range supplied by the Company, thus creating a false impression.

The objection to the advertisement by Steeles-Glacier Freezers & Food Service Pty. Ltd. was that the advertisement stated that \$13.85 weekly would cover all food including a single upright freezer whilst in reality this plan also only covers a selected range of foodstuffs.

The matter was taken up with the Companies and an assurance was given by Eldon Freezers & Food Service Pty. Ltd. that “ in future advertising we will certainly ensure that no doubt is left in the minds of readers in the event of similar comparisons.” At the time of writing this report negotiations are still being conducted with Steeles-Glacier Freezers & Food Service Pty. Ltd.

The Council warns consumers to acquaint themselves with the following before entering into a contract with any of the freezer and food service Companies :

- (a) the cost of the freezer ;
- (b) the cost of food ;
- (c) whether or not the alleged savings have been substantiated ;

- (d) the quality of the food and the reliability of the delivery ;
- (e) the quality and capacity of the freezer ;
- (f) obligations and rights under the contract.

The Appendices show a breakdown of complaints lodged with the Bureau against food freezer plans during the year.

F. HEARING AIDS.

The Council views complaints regarding Hearing Aids in a serious light as they invariably affect the old and physically handicapped.

It has been brought to the attention of the Council that many consumers pay hundreds of dollars for hearing aids without being made aware that they are entitled to the services of the Commonwealth Health Department. Whilst those engaged in this or other fields of selling may advance arguments supporting such transactions, the Council regards this practice very seriously, particularly in view of the fact that the victims are generally elderly and so susceptible to sales talk. They are also usually the least able to afford the money.

Pensioners and their dependants who are often those in need of hearing aids are entitled to free testing by the Commonwealth Department of Health. If it is found that a hearing aid is required it can be supplied by that Department together with all attachments and the initial supply of batteries for a hiring fee of \$10.00 payable once only. Replacement batteries must be supplied by the pensioners themselves.

The service of that Department is also available to any person in the Commonwealth who is under the age of 21 years, to persons on repatriation, persons in the armed services and persons on Commonwealth compensation.

It should be noted that the Commonwealth Health Department at the present time can only supply visible hearing aids. If a person requires an aid that is not readily visible, such as those fitting behind the ear, he/she has to approach a private company, at his/her own expense.

The Council therefore suggests that the Federal Government might instigate a publicity drive in order to make consumers aware of this particular service.

G. PYRAMID SELLING.

Complaints against Pyramid Selling in the form in which it was associated with two of the main companies, Holiday Magic Pty. Ltd., and Golden Chemical Products of Australia Pty. Ltd., have virtually ceased due mainly to the fact that, following publicity condemning their activities, the companies have ceased to disclose their trading names to their prospective victims. Nevertheless various Pyramid Selling activities are still evident in a variety of disguised forms :

- (i) Large numbers of what appears to be hand written visiting cards were being left behind windscreen wipers of parked cars.

Contact me Re Highly paid PART/FULL Time positions available for you in our Personnel Dept. Earn \$50-\$100 per wk. Ring MR. Hogan 8366486 Ring between 4-6 PM.

HIGHLY PAID PART TIME AND FULL TIME POSITIONS AVAILABLE FOR EXECUTIVE QUALITY MEN AND WOMEN WANTING A NO LIMIT OPPORTUNITY. PHONE MR BEITH ON 495633 9am - 4pm. WEEK DAYS.

Contact me, RE - Part Time Position. MANAGEMENT/SUPERVISION Paying \$72 - \$100/Week. Contact MR. DINCHER on 465.4758 (7.30-9AM or 4-6.30PM.)

John
If still interested in working a few nights each week for me - have opening that night would well.
Phone me on 465.4758 between 7.30-9AM or 4-6.30PM.
DAVID.

Investigating officers of the Bureau could not obtain any information by ringing the telephone number as the other party would not disclose any information over the telephone but insisted that the caller come to a "special meeting".

Information received from consumers nevertheless established that the visiting cards were intended to draw unsuspecting people into a pyramid selling scheme. The evidence also pointed to the fact that distributors which formerly were active under the name of Holiday Magic or Golden Chemical Products, now carried on the same activities without reference to the two names.

- (ii) The principle of pyramiding was also incorporated into an ingenious scheme of "market surveying". The firm involved was Dataview which was the registered trading name of a Daniel Adolphson. The firm advertised under the heading of "extremely interesting part-time work available". Investigations have revealed that applicants were requested to attend an interview at which they were given an aptitude test following an assessment of their potentiality. They attend a briefing session of some four hours at which they enter into an agreement with Dataview and make payments of \$35.00, thus becoming "probationary interviewers" or "independent contractors". They receive questionnaires and answer sheets from the firm, and were promised a fortnightly remuneration of one hundred and ten dollars provided they could recruit a minimum number of paying contractors per fortnight.

- (iii) "Earn at home addressing and mailing envelopes." This advertisement appeared in most suburban newspapers. Investigations revealed that upon payment of \$1.00 the applicant was referred to a Post Office Box number where upon payment of a further \$2.00 he could obtain a circular advising him how he can go about recruiting other people into this particular scheme. The more people the applicant would recruit, the larger would be his reward.

The "addressing and mailing of envelopes" in the advertisements referred to the correspondence involved in recruiting new members into the scheme.

- (iv) Mastercash Australia Pty. Ltd. operated a pyramid selling scheme under the guise of a "consumer buying service", although in April, 1973, in a letter to the Consumer Protection Bureau the Managing Director, Mr. Harvey M. Connor, announced that :

"As publicly announced last week the directors of Mastercash Australia Pty. Ltd. have decided to restructure the company's marketing system in a manner which will completely remove it from the area referred to as 'pyramid' or 'multi-level' selling."

- (v) Yourland Australia Pty. Ltd. is currently applying the pyramiding technique to purchases of land in the Corinella and Metung areas. It is obvious that the land transactions are only a bait for unsuspecting people as a price of \$2,000 is asked for a block of which \$1,500 is applied for the purchase of land and \$500 for a motivation and sales training course. Should the purchaser be able to sponsor a new applicant \$400 of the cost of the course would be refunded to him.

Enquiries with the Valuer-General's Office as to land values in the areas have produced the following information :

"Yourland Australia Pty. Ltd. have notified this office that they have currently purchased lots 43 and 102 on plan of subdivision number 11979 for \$1,750 cash. An enquiry at the Shire of Bass indicates that further purchases of some six lots have been made in this and an adjoining subdivision number 11978. These subdivisions were made about 1924 and have never been developed other than by the erection of a shack on some of the lots. Most of the land is subject to inundation and is situated at Tenby Point on Western Port Bay. The water front consists of tidal mud flats with no beach. Today's market price for a single lot could vary from below \$500 to \$1,200 according to access, inundation and the terms given by the vendor.

Lots in the better situated subdivisions in the Corinella area currently sell for \$2,000 to \$2,500 per lot with choice lots to \$3,500."

Mr. P. Linder, who, together with his wife are the only two directors of the company, admitted to an investigating officer of the Bureau that until November, 1972, he was associated with "Dare to be Great of Australia Pty. Ltd.", a company which applied the pyramid selling techniques to "self improvement courses".

Reports indicate that Pyramid Selling Companies are operating in a number of overseas countries and that a variety of legislations are being prepared in order to meet this undesirable activity.

In England, the Pyramid Sales Firm, "Memory World", which has a connection with Golden Chemical Products, is trying to sell a specially designed bra by making use of women's fear of breast cancer. Another firm of the same group markets petrol and oil additives.

The Council would not be surprised if these firms would attempt to move to Australia once they have exhausted the market in the countries in which they are operating or once legislation has been enforced in those countries banning their activities. This was the cause for Holiday Magic and Golden Chemical Products starting their activities in Australia about three years ago.

The Council is also of the opinion that considerable attention should be given to the different versions of activities which go under the name of Pyramid Selling and the large range of products covered by this system, when formulating legislation to control it ; otherwise, as some overseas experience has shown, sufficient loopholes will be found making the legislation ineffective.

The Council re-affirms its recommendation from last year :

Recommendation.

“ That the Government should legislate to outlaw all Pyramid Selling and Chain Letter schemes throughout the State of Victoria.”

H. DOOR TO DOOR SALES.

John Collinge (B. Litt. (Oxon) LL.B. (Auckland)) in his book “ The Law of Marketing in Australia and New Zealand ” gives the following reasons why door to door salesmen create special problems in a community :

“ First, they do not normally rely upon customer goodwill in the same way as their less mobile counterparts and their purpose is often to make a ‘ one-time killing ’ without any regard for the dissatisfaction that they may cause. Secondly, at the doorstep a salesman has a monopoly for a limited time in that the customer is unable to obtain ready comparisons in relation to price or quality of the goods being offered for sale and may take advantage of that limited monopoly. Thirdly, consumers are often more readily deceived in a home since they are not sufficiently on guard to adjust their attitudes from hospitality to the attitude of distrust which the law requires of buyers, i.e., as illustrated in the maxim let the buyer beware. Fourthly, there is the difficulty of tracing the doorstep salesman who misdescribes his wares or who sells a product which turns out to be faulty or who sells in advance portrait photographs or subscriptions to magazines, since proper identifications or verifications thereof are seldom asked for or given. Fifthly, many misrepresentations made by the salesman may be difficult for the buyer to establish especially when made to the buyer in the privacy of his home. Further, misrepresentations used to gain entry into homes (e.g. the salesman of magazines finds favour as a university student working to earn his fees) are often not misrepresentations which relate to the goods themselves and hence for which the consumer has any remedy but yet such misrepresentations often play a substantial role in the making of a sale ”.

A review of door-to-door sales complaints lodged with the Consumer Protection Bureau left the Council fully convinced that Mr. Collinge’s assertions apply to the Victorian experience.

The door-to-door sales provisions of the *Consumer Protection Act 1972* have enabled the Bureau to exert limited control over the activities of some door-to-door selling companies and a number of contracts were cancelled under the ten days’ “ cooling off ” provision. Nevertheless it must be pointed out that the cases, where the Bureau intervened, successfully on behalf of complainants, barely scratched the surface of the overall problem and the Council therefore repeats its recommendations from previous years :

Recommendations.

“ That all door-to-door salesmen should be licensed and be required to carry identification papers which would clearly explain the purpose of their canvassing the householder.”

“ That the Consumer Protection Act should be expanded to cover all door-to-door transactions irrespective of whether they are subject to a credit purchase agreement or not, whether or not the transactions are on a cash payment basis and whether or not they are initiated by the vendor or purchaser.”

The consumer should be particularly cautious in his dealings with firms or companies who are offering a lay-by system on a door-to-door basis. Such a system of trading does not give any security to the consumer for the money he is asked to pay.

In the past, two companies have accepted money from consumers, promising to deliver the goods within a specified period after the last payment has been made. The promises were not kept. Budget Linen Services of 247 Lonsdale-street, Dandenong, was operating in South Australia, Tasmania and Victoria. Complaints for failure to fulfill orders were received in each State as well as by the Police Department. Investigations revealed that the firm had no stock or other assets which could be held as security on behalf of the complainants and the owners of the firm could not be traced.

In the case of Terence Pty. Ltd., investigations by the Bureau revealed that the Company had creditors of approximately \$80,000, its assets were negligible and it had ceased trading in all States of the Commonwealth. The accountants notified the Bureau that the Company proposed to enter into a Scheme of Arrangement whereby its taxation losses would be sold so that the creditors could be repaid at least a proportion of their money. Irrespective of whether the failure of the business was due to alleged fraudulent conduct of the owners, or to bad business management, the effect on the consumer is very much the same. He stands to lose his money and experiences a considerable amount of inconvenience and disappointment.

I. INERTIA SELLING.

The Council has condemned "Inertia Selling" methods in each of its Annual Reports and reaffirms that notwithstanding the provisions of the *Consumer Protection Act 1972*, "Inertia Selling" should be completely prohibited along similar lines to those enacted in the State of New York, i.e., "No person, firm, partnership, association or corporation, or agent or employee thereof, shall in any manner, or by any means, offer for sale goods, wares or merchandise, where the offer includes the voluntary and unsolicited sending of goods, wares or merchandise not actually ordered or requested by the recipient, either orally or in writing. The receipt of any such unsolicited goods, wares or merchandise shall, for all purposes, be deemed an unconditional gift to the recipient who may use or dispose of the same in any manner he sees fit without any obligation on his part to the sender."

Recommendation.

"That legislation be introduced to prohibit inertia selling along lines similar to that enacted in the State of New York, or that the present legislation be expanded to prohibit all forms of Inertia Selling completely."

SECTION VII.

TOYS.

Numerous telephone enquiries and some complaints have been received by the Bureau regarding the construction as well as safety of various toys and playthings for children. The Standards Association of Australia is currently deliberating on a Draft Australian Standard for children's Toys and Playthings and the Council fully supports the work done by the Association.

Modern toys have developed in complexity to the stage where they can present a considerable hazard to the child such as :

- (a) *Electrical Hazards* : Such toys as Electric trains, slot cars, etc., as well as having the risk of shocks from the toy itself, involve the child in the use of power sockets of the household.
- (b) *Mechanical Hazards* : It has become somewhat difficult to distinguish between some toys and some means of transport as in the case with mini-bikes, bicycles, scooters, etc. Complaints were received by the Bureau during the year that the frames of some mini-bikes had collapsed during use.
- (c) *Thermal Hazards* : Toys such as donkey engines which operate on the basis of steam contain the potential danger of both fire and scalding.

Another aspect of the danger of fire lies in the make-up of various dolls. Many of these dolls whilst not flammable in themselves may have clothes or hair made from flammable material.

- (d) *Toxicological Hazards* : Many toys which are apparently harmless may contain dangers to children either in the paint on the toy, which may have a lead content, or from the content of the toy itself.

In this respect a complaint investigated by the Bureau is most revealing. The complaint referred to a baby's teething ring imported from the United States of America. The ring was specially designed to be taken into the mouth by a baby. It contained a colourless liquid in which coloured tinsel was suspended and had the following wording moulded into the plastic handle :

"Caution. Contains light liquid petrolatum. Discard if broken or leak develops."

The case was referred to the Commission of Public Health, Victoria, which advised as follows :

"The Commission has noted that although the toy carries the statement that it should be discarded if broken or if a leak develops, the Commission considers that such a possibility presents a serious hazard to babies as inhalation by a baby of any of the liquid contents could lead to a very severe aspiration pneumonia.

"The Commission has accordingly recommended to the Commonwealth Department of Health that this particular product be declared a prohibited import and has requested the local retailer to withdraw the product from sale."

Recommendation.

That, once an adequate standard embracing all safety aspects of children's toys and playthings has been developed by the Standards Association of Australia the standard be made mandatory and that it should be made to cover both locally produced and imported toys.

SECTION VIII.

HEALTH AND NUTRITION.

The Council is most reluctant to enter into the area of nutritional values of food because of the specialized knowledge and professional experience required before any opinion can be proffered on this topic.

Nevertheless the Council has received a number of enquiries and comments from the public which show that the consumer is in need of some guidance in the field of nutrition.

Newspaper reports feature almost on a daily basis that researchers discover that certain nutritional elements as well as food additives, which were up till now accepted as harmless, have detrimental effects on the health of consumers. The fact, that in some cases experts cannot agree on results of research, does not help the average consumer to make a valid judgement in the selection of food.

During the year, the Council and the Bureau investigated some cases involving matters of nutrition ; and the most notable ones are mentioned here :

A. Fruit Juices and Drinks.

The requirements under the Health Act in relation to fruit juices and drinks prescribe, amongst other things, that the word " Juice " can only be used to describe a product which is in the undiluted liquid portion of fruit. It is permissible for " Juice " to contain added sugar, vitamins, minerals and preservatives, but if more than 4 per cent. sugar is present, it must bear the word " sweetened ". Fruit cordials and syrups are required to contain at least 20 per cent. of juice, and fruit drinks must contain at least 5 per cent. juice except in the case of passionfruit drinks when the minimum is 3·5 per cent.

There is therefore a considerable difference between Fruit Juice and a Fruit Juice Drink. However, advertisements by some of the large soft drink companies give the impression that fruit juices are being advertised whereas, in fact, they are only fruit drinks. Advertisements on television, on radio, and in newspapers were featured by various soft drink manufacturers and it is their responsibility as well as that of persons accepting the advertisements to ascertain that they are not misleading.

Television advertising for Marchants Aerated Waters and Cordials Pty. Ltd. quoted the phrase (audio) " When you're out of Juice, you're out of Frist ". The product " Frist " is a drink — the advertising grossly misleading.

In press advertising for " Squeeze ", Tarax Drinks Holdings Ltd. stated : " Good news for all lovers of fresh cold orange juice. Tarax are now squeezing a delicious new orange juice drink. Squeeze. Pressed from prime oranges, Squeeze tastes just like the orange juice you squeeze yourself, and it costs a little less than other orange juices you can buy. . . . "

Whilst that Company amended their subsequent advertising when contacted by the Council, at retail distribution level the original misleading claim was repeated in store advertising in the press and at point of sale.

In each of the above cases the public finally purchased a product which was not what they were induced to believe it would be.

Another aspect of this which was brought to the Council's attention during the year resulted from the extensive use of the expression " Squeezed fresh daily " featured by Patra Sales Pty. Ltd.

To the consumer the advertising infers that he will be buying orange juice which has been squeezed on the date of purchase or perhaps the previous evening. However, in the majority of outlets this is not so, for the distribution system of the company fails to provide for a daily delivery to all its retail outlets — some retailers receive twice weekly, or thrice weekly deliveries — thus rendering the advertising, whilst factual so far as it relates to the squeezing of juice, misleading so far as the ultimate consumer is concerned.

In the light of this situation the Council refers to its previous Annual Report and the recommendation therein made and now repeated in " C " of this section.

" That dating, in a clear, legible, direct and uncoded manner, of all perishable foodstuffs, packaged, tinned or otherwise, with the date of preparation for sale and/or packaging, or alternatively the date for final consumption, should be made compulsory."

B. Aluminium and Stainless Steel Cookware.

Early in the year the Council received an enquiry from the Aluminium Development Council requesting the Council to advise what action could be taken to prevent Rena-Ware Distributors Pty. Ltd. from claiming in their sales talk that aluminium cookware is injurious to the health.

The Aluminium Development Council claimed that " it is a standard part of the Rena-Ware selling story that aluminium cookware is injurious to health, and it is incorrectly asserted that aluminium cookware is forbidden in a number of countries."

Despite assurances from Rena-Ware Distributors Pty. Ltd. that such statements were not made by any representatives of the Company, the Council obtained a transcript of a Melbourne television show introducing the Company's District Manager for Victoria who made the following statement :

" Now when I was actually asked to come on the programme I did some checking. One of the amazing things that struck me was that I've been telling people for years how detrimental aluminium is for you, but I've checked up. Do you know that it has been banned in a number of countries all over the world — they're not even allowed to use it."

Enquiries from the Victorian Department of Health resulted in advice that " there are no known health hazards presented by the use of aluminium cookware " and " there is no legislation in this State prohibiting or limiting the use of aluminium cookware in hospitals, or for that matter, in other areas."

On the other hand the Council has received information that pitting corrosion of aluminium utensils takes place as a result of galvanic action between aluminium and copper deposited in the vessel from the water.

A well known manufacturer of electrical household appliances has stated that :

" It is ironical that one of the most popular features of our kettles — its lightweight aluminium construction — is the very reason that it is unsuitable for use in Perth. The Perth water supply unfortunately contains certain copper salts which react unfavourably with the aluminium kettle body which considerably reduces the life of the appliance.

" Because of this situation and our desire to offer users only products of lasting value we feel that we have no option other than the action we have taken — withholding the kettle from the Perth area."

The Council realizes that the above examples do not relate to the effect on the health of aluminium cookware, but only to its durability, but in further correspondence with various organizations the Council has come across references to aluminium toxicity from cooking utensils.

The Council accepts fully the statement made by the Victorian Health Department on this topic and advises consumers that this might well be the only unbiased source of information on nutritional matters. From the above examples the Council is also aware that there are many conflicting reports on this topic available in our community.

The Council therefore strongly condemns any attempts by any firm or company to exploit these conflicting statements in order to further sales of its products.

C. *Dating of Perishable Foods.*

In its previous Annual Report the Council has recommended :

Recommendation.

" That dating, in a clear legible, direct and uncoded manner of all perishable foodstuffs, packaged, tinned or otherwise, with the date of preparation for sale and/or packaging, or alternatively the date for final consumption, should be made compulsory."

Reviewing this recommendation throughout the current year the Council is even further strengthened in its view that the implementation of this recommendation should be made as quickly as possible.

D. *Bread Industry.*

During the year a considerable number of complaints in the form of a petition were received by the Council regarding distribution and price of bread. From these and other sources the Council is convinced that there is a certain amount of dissatisfaction in our community in relation to :

- (a) Bread production — or overproduction — and any effects of bread wastage on the price.
- (b) Distribution — especially from the hygiene point of view.
- (c) Labelling — as a control of the freshness of bread sold over the counter.

The Council feels that an enquiry into the bread industry on these issues would be of benefit to the consumers.

E. *Organically Grown Foods.*

Various complaints and enquiries were received by the Bureau in relation to claims made by retailers that they are selling fruit and vegetables which were grown without any use of pesticides, etc.

The Bureau has established that some retailers sell fruit and vegetables as " organically " or " bio-dynamically " grown or grown by the standard method. The produce is then further classified into grade " A " or " B " implying that no artificial fertiliser or chemical sprays are used or grade

“ C ” which is claimed to come from properties which are in the process of conversion to the bio-dynamic growing method. Grade “ C ” produce may have been sprayed but only with the least toxic chemicals available.

The average housewife, who is asked to pay considerably more for this kind of produce, has no possibility whatsoever to distinguish between the various grades or qualities of the produce. The Council has been informed that there is no official standard by which to judge the various claims made by growers and retailers. One retailer claimed that he received his produce from various sources throughout Australia, e.g. Grade A Bananas from Queensland, Grade C Oranges and Grapefruit from New South Wales, Grade C Pears and Apples and Grade A Potatoes and Pumpkins from Victoria. In addition the retailer was selling “ standard ” fruit and vegetables in the same shop.

Recommendation.

That the Government should establish standards for any organically or bio-dynamically grown produce as well as an efficient policing method to enforce those standards.

SECTION IX.

TEXTILES.

The Council has always been interested in the problems associated with Size and Care Labelling of Garments. In order to give its support to the establishment of proper labelling in Victoria the Council convened a conference on this matter in November, 1971. Details of points raised at the Conference were published in the Annual Report, 1971-72, and anybody interested in this subject is referred to that Report.

The important conclusion reached by the Council as an outcome of the conference was that there is a definite need for care and size labelling of garments but that it would not be practical to enforce such labelling unless adequate standards were developed.

The following standards have been developed and issued by the Standards Association of Australia :

- L38 .. Informative labelling of textiles and textile articles for laundering and dry-cleaning.
- A.S. 1344 .. Size coding scheme for women's clothing (underwear and outer wear) Metric units.
- A.S. 1182 .. Size coding scheme for infants and children's clothing (underwear and outerwear) metric units.

The Draft Standard “ Size Coding Scheme for Men's clothing (underwear and outerwear) metric units ”, is expected to be published as a Standard later in the year 1973.

The Council therefore strongly recommends :

That legislation should be introduced whereby The Standards Association of Australia standards for care and size labelling of garments be made mandatory.

SECTION X.

SAFE DESIGN AND CONSTRUCTION OF GOODS.

Part IV of the *Consumer Protection Act*, 1972, in Section 59 provides that :

- (1) The Governor in Council may, for the purpose of preventing or reducing risk of death or personal injury make regulations for or with respect to imposing with respect to any prescribed class or description of goods :
 - (a) requirements, whether as to the composition of contents, design, construction, finish or packing of, or otherwise relating to, goods of that class or description or any component part thereof ;
 - (b) requirements for securing that goods of that class or description or any component part thereof are in the prescribed manner (if any) marked with or accompanied by any prescribed warning or instructions or any warning or instructions of a prescribed nature.
- (2) Requirements may be imposed under this section with respect to all goods of a prescribed class or description and either generally or in prescribed circumstances, and regulations under this section may make different provision for different cases.
- (3) A class or description of goods may be prescribed under this section notwithstanding that the goods are for use only as component parts of other goods (whether or not those other goods are goods of a prescribed class or description).

The Council feels that its recommendation as to labelling of flammable garments should be proclaimed to come under the provisions of this section. The following standards as developed by the Standards Association of Australia should be used as guidelines for the legislation.

- A.S. 1176 *Methods for Determination of the Flammability of Textiles from which Clothing may be made.*
 Part 1 — "Ease of Ignition"
 Part 2 — "Rate of Burning and Heat Output"
 Part 3 — "Surface Burning Properties"
 A.S. 1248 — "Fabrics Described as of Low Flammability"
 A.S. 1249 — "Safe Design Rules for Children's Night Clothes".

Recommendation.

"That legislation be introduced to make labelling as to flammability of garments mandatory, in accordance with the Standards Association of Australia standards."

Council's long-standing recommendation on the subject of fire extinguishers, which has received a high degree of urgency with the appearance of unbranded aerosol type fire extinguishers, should also be incorporated under this Part of the Act.

Recommendation.

"That only portable fire extinguishers which had received the approval of the Chief Fire Officer be distributed or sold, placed on display for sale or marketed in any manner whatsoever."

During the year Council's attention was drawn to some dangers inherent in the improper use of methylated spirit stoves and the following recommendation made to the Minister is now repeated :

Recommendation.

"That a regulation be promulgated under the provision of Section 59 of the *Consumer Protection Act, 1972*, requiring that warning labels in English, Greek, Italian, Yugoslav and Turkish, regarding use of fuel other than methylated spirits, be incorporated on all methylated spirit stoves."

SECTION XI.

BUILDING INDUSTRY.

During the year ended 30th June, 1973, there have been increases in the number of complaints from consumers in respect to the building industry. The number of these complaints are recorded in Appendix A.

The Council and the Bureau have become involved in correspondence from the Master Builders' Association of Victoria and from the Housing Industries Association of Victoria as well as with the builders against whom the complaints have been lodged.

The nature of the complaints fall broadly into the following five categories :

1. *Non-structural Faults.*

This is by far the largest category and covers such items as creaking floors, damaged skirting boards, patchy paintwork, doors and windows not shutting, bricks coming off window sills, etc. Most of the items are supposed to be covered by the maintenance clause of the contract but the householder complains that the builder disregards his request for repairs or that the builder disputes that the faults are covered by the clause.

An extract from an inspection report against a home built by Grason Homes Pty. Ltd. reads as follows :

"Carpenter and Joiner.

Under this item in your specification is stated : 'The whole of the carpenter's and joiner's work throughout to be finished in a good and tradesmanlike manner.'

The following are not:

- (a) A total of 17 doors are sticking and require to be eased and repainted.
- (b) Internal door latches 8 of which are not fitted flush to door's edge and require to be corrected.
- (c) Door head margins are uneven by $\frac{1}{4}$ " to hard up across 2' 8" of door.
- (d) Robe doors hit on floor when opened 45 degrees.
- (e) Architraves are not flush fitted on face.
- (f) Batwing door is out of alignment and requires adjusting.
- (g) Robe shelves are at varying heights some 1' 0 $\frac{1}{4}$ " from door head others 1' 8 $\frac{1}{4}$ " from door head standard practise but not a hard and fast rule is 5' 2" from floor.
- (h) Vanity Louvre doors sticking as these are stained it is assumed they are considered finished by the Builder.
- (i) Shelf in linen press is broken and in need of repair.
- (j) Borer holes in window joinery should be replaced, window sashes require to be eased."

2. *Delay in Completion.*

This is the second largest category of building complaints. It was reported to the Bureau that many complainants lost considerable amounts of money in rent as they had made arrangements to move out from their previous lodgings and had to find temporary accommodation.

A complainant against Grason Homes Pty. Ltd. makes the following statement :

“ Signed Contract : 27 October 1971 — to be ready in 20 weeks. 6th October 1972 — moved into house, not because it was ready, but ‘ we were desperate having sold our 2 houses thinking we could trust the builder ’.”

An inspection report of the property arrived at the following conclusion :

“ Works shall be completed within 20 weeks from 27/10/71 thus making delivery date 16/3/72 however allowing 3 weeks trade recess at Christmas this date should be extended to 7/4/72 (this extension is not mentioned in agreement) at today’s date (8th July 1972) the builder has failed to complete his contract by a period of 14 weeks and would still require to spend another 4 weeks to complete plus rectification of faults listed later in this report.”

3. *Structural Faults.*

This category includes such complaints as cracking walls, weak mortar mixes, subsiding foundations, etc. Representations by the Bureau resulted in claims by builders that the faults arise due to faulty drainage, excess moisture in sub-soil, etc.

By way of illustration the Council reproduces here a letter received from a Municipal Council after the Bureau requested their comment on cracking walls in a new building.

“ I refer to your letter of March 19, 1973, in respect of cracking to the brickwork of the residence at the above address and advise as follows.

An inspection of the building was carried out by Council’s Building Inspector on March 21, 1973. He has reported that it is obvious that the cracking has been caused through a failure in the concrete strip footing.

At the time of carrying out an inspection of the footing excavations, it was noted that there was considerable activity by land yabbies and the builder, at the time, was instructed to remove all affected soil.

It would be reasonable to assume on the evidence available that the subsidence has, if not directly caused, been aggravated by this infestation. This, of course, is a natural hazard and one which the Council cannot control.

I would suggest that you obtain the services of an underpinning contractor to underpin and jack the affected areas. Details of the proposed work would have to be submitted to the Council before any works are carried out.”

It is obvious from this report that the house owner is caught in the middle of a technical dispute and, short of taking the builder to court, has no remedy. The question arises why should the householder suffer because the builder failed to foresee any special requirements in the pouring of foundations, or failed to act as advised by the City Council. The further point to consider is that the building inspectors of City Councils are supposed to perform inspections in the course of construction of a home and the houseowner relies on their knowhow and supervision. Arising from complaints during the year, the Council has had some misgivings as to whether the building inspectors, who are administered by Local Government, are adequately supervising the building of homes in order to check for faulty workmanship before the completion of the work. This, no doubt, is a matter which should be investigated by the Minister responsible for the activities of Local Government bodies.

4. *Misinterpretation of Contractual Obligations.*

This category covers such items as misreading of plans and therefore constructing homes with different features from those originally agreed upon ; alteration of the plans by the builder to suit himself without informing the owner or not paying any attention to the owner’s protestation.

The further pitfall that the purchaser should beware of is expressed in an inspection report of a building contract. The following statement is made :

“ Verbal promises on what might be mistaken as a promise made by salesmen in the course of selling a house are not the responsibility of the builder, he prepares contracts, plans and specifications and only on that does he work out his costs, and arrive at a contract price. It is still your responsibility to read and understand these documents or take them to a solicitor for perusal.

“ If at this late stage both you and your builder can not resolve differences and the builder is unwilling to rectify faulty work supply items as specified, make some compensation for failing to complete on time you are left with no other alternative but to take back possession of your land and so inform him as from (a date to be fixed) he will be trespassing on your land.”

Purchasers should therefore never rely on any verbal statement but should insist always on all conditions to be in writing. It appears from experience that even if all conditions are in writing, difficulties are often experienced in getting all conditions faithfully fulfilled.

5. *Arbitration.*

A number of complaints have been received where the householder expressed extreme disappointment about the arbitration arranged by the Master Builders’ Association.

The points made were as follows :

- (a) The excessive cost of arbitration.
- (b) The appointed arbitrator is in many cases another builder and allegations are made that he is biased in his judgement.
- (c) Difficulties are being experienced by householders in enforcing an arbitration order, e.g. the builder constantly promises to come and fix up some items but never turns up.
- (d) The builder has access to the house while the claim is being heard by the arbitrator, e.g. the builder repairs some of the most noticeable faults after the list of faults has been prepared but before the arbitrator inspects the house, therefore creating the impression that the houseowner makes unreasonable demands.
- (e) Arbitration precludes a court hearing. Allegations have been made that the arbitration was biased in favour of the builder and the houseowner did not obtain any remedy but was prevented in this way from bringing the case to a court of law.

Copies of some of the arbitration documents have been studied by the Council and the Bureau, and the results appear to be most unsatisfactory from the consumer point of view and the consumer in most cases receives little redress.

Extracts from an arbitration document against Grason Homes Pty. Ltd. read as follows :

<i>Questions.</i>	<i>Answers.</i>
16. Is there a hollow in the floor of Bedroom 3? ..	Yes.
If so, what action should the builder take to rectify same? ..	The builder shall not be required to rectify.
19. Is the floor in the Entry out of level? ..	Yes.
If so, what action should the builder take to rectify same? ..	The builder shall not be required to rectify.
23. Are the following faults in the brickwork contrary to the Specification and good trade practice, if so what action should the Builder take to correct all or any of them?	
(a) North-east corner neither plumb nor square ..	The corner is neither plumb nor square. The builder shall not be required to remedy.
(b) Wing wall excessively rough on back face ..	The back face is excessively rough. The builder shall not be required to remedy.
(c) Brickwork not rubbed down and big dags taken off before painting (particularly sill to Bedroom 1).	The brickwork was not rubbed down nor prepared satisfactorily before painting. The builder shall remove excessive mortar and fill and smooth off where necessary. Repainting shall be done in large areas only.
(d) Brickwork damaged where concreter nailed formwork to walls — front and back stairs ..	The brickwork has been damaged by stairway concrete formwork. The builder shall patch with mortar and paint.
(e) Wing wall does not join up with fence ..	The wing wall does not join up with fence. The builder shall not be required to remedy.
(f) Brick sills to east side are poorly laid, and are not uniform	The brick sills on the east side are not uniform. The builder shall relay and paint the sills which have no clearance from the window sills.
(g) Joints cracking at Family Room door frame and at vent pipe	Two joints have been opened on the east side. The builder shall fill and paint these cracks.
(h) There is a hollow in the front panel between windows	There is a hollow in the front panel between the windows. The builder shall not be required to remedy.

In previous reports the Council has refrained from making a firm recommendation on the building industry. However, in view of the increasing number of complaints and their complexity from consumers as to dissatisfaction with the work of some builders, the Council in this report has changed its attitude and now makes the following recommendations to the Government.

Recommendation.

The Council strongly recommends to the Government that it passes legislation requiring the licensing of all builders and companies engaged in building. It should also cover the establishment of an independent tribunal to deal with complaints by consumers against builders as to unsatisfactory workmanship and delays in completion of building under the terms of the agreements entered into by the consumer with a builder.

In addition to Grason Homes Pty. Ltd. many of the points raised in this section are also applicable to a number of other companies of which the following constitute the major offenders :

Deva Ideal Homes Pty. Ltd., and
Szaintop Homes Pty. Ltd.

SECTION XII.

FIRMS HOLDING TRUST MONEY.

The collapse during the year of Travel House of Australia Pty. Ltd. resulted in a large number of telephone enquiries as well as written complaints from consumers who claimed that the Company's liquidation disrupted their travelling arrangements and that they stood to lose all monies previously paid to the Company for future travel.

Newspaper publicity, at the time, further revealed that many Australian tourists who had made their arrangements through Travel House of Australia Pty. Ltd. experienced considerable difficulties in making and paying for alternative travel arrangements. Publicity was also given to proposed legislation to cover the licensing of travel companies.

The Council considered that the situation highlighted the need for control of any organization which holds money in trust for its clients. In this regard the following recommendation was made to the Minister, at that time, and is re-stated here :

Recommendation.

"That controls, similar to those which apply to solicitors' trust funds, and presumably similar to those which are envisaged for travel agencies, should be extended to all groups, professional or otherwise, holding funds in trust on behalf of clients."

SECTION XIII.

METRIC CONVERSION.

The following is a list of tentative dates for metric conversion of some categories of interest to consumers :

Advertising	..	..	..	..	..	..	July 1973
Automotive industry	..	..	..	..	..	..	1972-1977
Baby foods	..	..	..	..	..	..	1972
Bread	..	..	..	..	..	..	Commence 1973
Clothing	..	..	..	..	..	..	Commence 1974
Dairy products	..	..	..	..	..	..	1972-1976
Education :							
Adult	..	..	..	..	..	..	1972 onwards
Primary	..	..	..	..	..	..	1972 complete 1973
Secondary							
Tertiary (non-university)	..	..	..	..	..	..	1972 onward
Tertiary (university)	..	..	..	..	..	..	1972 onward
Technical	..	..	..	..	..	..	1972 onward
Furniture and bedding	..	..	..	..	..	..	Dual 1972. Metric 1973
Household utensils	..	..	..	..	..	..	1973-1975
Meat (wholesale)	..	..	..	..	..	..	Progressively in 1972
Meat (retail)	..	..	..	..	..	..	Commencing 1973
Meteorology :							
Temperature, pressure	..	..	..	..	..	..	1 September 1972
Distance, wind speed, weather system movement	..	..	..	..	..	..	1 April 1973
Rainfall, snow depth, river height	..	..	..	..	..	..	1 January 1974
Oil industry :							
Petrol pumps	..	..	..	..	..	..	1974-1976
Accounting	..	..	..	..	..	..	1975-1976
Accounting	..	..	..	..	..	..	1 January 1975
Packaged goods :							
Permissible sole metric	..	..	..	..	..	..	1972
Sole imperial markings withdrawn	..	..	..	..	..	..	January 1976
Progressive size rationalisation	..	..	..	..	..	..	1972-1977
Pharmaceutical packaging	..	..	..	..	..	..	Early 1973
Postal services	..	..	..	..	..	..	October 1973
Road signs and road maps	..	..	..	..	..	..	July 1974
Sporting bodies	..	..	..	..	..	..	Progressively converting — Complete 1973
Transport (freight rates, passengers, etc., air, rail, road and sea)	..	..	..	..	..	..	July 1973
Vegetables, tobacco, sugar	..	..	..	..	..	..	1973
Water and Sewerage (metric water meters)	..	..	..	..	..	..	July 1972
Water and Sewerage (customer billing)	..	..	..	..	..	..	July 1973
Weighing machines	..	..	..	..	..	..	Progressively now to 1974
Wheat, barley, rice and other coarse grain	..	..	..	..	..	..	1972-1973

1972 was the year of increased public awareness and involvement.

1973-74-75 are the years of major implementation, and by 1976 the Metric Conversion Board hopes 70 per cent. completion for Australia as a whole will be achieved.

The Consumer Protection Bureau conferred on many occasions with the Metric Conversion Board on matters of conversion and the Chief Executive Officer attended two conferences in Sydney in order to establish ways of combating any hidden price increases under the disguise of metric conversion.

As a result of these conferences an exchange system with Government consumer bodies in other States of the Commonwealth has been established in order to bring to light promptly any cases where metric conversion was used to increase prices.

Whilst the Bureau has been advised in its several investigations that increases in price have resulted from increases in cost which have been passed on, the Council is of the opinion that in a number of instances allegations of consumers not only appear to be justified, but there are undoubted indications that the opportunity was taken particularly in food and grocery lines to use the incidence of metric conversion to increase prices to an unjustified extent.

During the year some private Consumer Groups in Victoria alleged publicly that manufacturers took advantage of metric conversion to obtain unwarranted price increases on a large scale. When approached by the Bureau for details of these allegations no details would be supplied.

The Council mentions this case as it is of importance that all consumer organizations as well as individual consumers co-operate together so that any unwarranted price increases during conversion can be exposed swiftly and any trends arrested either through publicity or common representation to the Government.

The Council also realizes that inflationary trends tend to increase the complexities associated with price changes during metric conversion and that without any guidelines set by the Government as to pricing policies the consumer may be at a loss to make a judgement in this respect.

SECTION XIV.

INSURANCE.

This matter was referred to in the 1972 Report when it was stated in broad terms that whilst there was a Commissioner in Canberra dealing with life companies, there was none for the general field of insurance.

It is understood that the Federal Government is due to appoint a Commissioner to deal with the general insurance field.

The Council feels that some control of the general field of insurance is warranted. A study of the Pink Pages of the P.M.G. Directory reveals a very large number of people who are claiming to be insurance brokers. This is misleading for consumers as many of them are only agents for one or more insurance underwriting companies. The professional skill of many of the so-called insurance brokers listed in the P.M.G. Pink Pages is questionable.

The Council wishes to reiterate the recommendations that it made last year :

Recommendation.

“ That insurance companies be examined as to their economic soundness and financial backing and should be required to lodge more substantial guarantees at the time of incorporation, than are presently required.”

Recommendation.

“ That a registration scheme be established to control the operations of all insurance brokers and insurance consultants as soon as possible.”

SECTION XV.

ADVERTISING.

The advertising industry is still of grave concern to the Council. There are various groups engaged in this work and the Council feels that there is a strong need for co-ordination within the whole industry. The Council feels that the lack of co-ordination is a result of the multitude of representatives with diverse interests in the advertising field as a whole.

Affected parties comprise the advertisers (normally manufacturers and retailers), advertising agencies, and finally the media itself which in turn is split up into three sections, namely, television, radio and press. The consumer, always on the receiving end of advertisements, is confronted by ingenuity, artistry and quite often excessive zeal.

The Council feels that the Australian Association of National Advertisers (A.A.N.A.), the Australian Newspaper Council, the Australian Association of Advertising Agencies (A.A.A.A.), Association of Australian Owned Advertising Agencies (Austac), and the Media Council of Australia (M.C.A.) — bodies with which the Consumer Affairs Council has established contact — unfortunately do not embrace or adequately control all aspects of the advertising industry.

As an example of the effectiveness from one point of view and failure from another to exercise control in the industry, the Council quotes these illustrative cases with which the Bureau was involved. The first relates to swim vests or flotation jackets which were manufactured by Ron Marks International Pty. Ltd. and were advertised under the name of “ Donald’s Dinky Dippers ” on a national scale. The vests contained a stamp on the inside stating that the vests were manufactured in accordance with the Standards Association of Australia Specification No. ASZ 28 while in fact this was not the case. The Consumer Protection Bureaux in New South Wales and Queensland were involved

in this issue as well as the Australian Newspaper Council. As a result of this effort full page advertisements appeared in the daily papers under the heading "An Important Message" stating amongst others :

"Please return your XX Small size vest to our factory at 54-60 Byron-road, Guildford, N.S.W., 2161, and we will replace to you free of cost and post free, an improved, modified version of this size vest.

The Standards Association of Australia have brought to our attention that this vest is not manufactured strictly in accordance with their requirements for buoyancy vests. They have requested and we have now introduced to all three sizes of our product, a restraining strap so as this will pass around the child's waist affording rapid adjustment and secure fit. This is intended to eliminate any possibility of the vest 'riding up'.

These vests are being submitted for testing to the Standards Association of Australia, and the results of their tests will be known in the near future.

I am anxious to meet all the requirements of the Standards Association of Australia and I will work increasingly with them to achieve the highest standard of fitness for purpose."

The Victorian Bureau then followed up this case with all authorized distributors in Victoria and all vests were withdrawn from sale.

The second case referred to large 6" x 8" advertisements issued by a mail order company, J. Jenns, Optical Goods, from 3 Gladstone-road, Highgate Hill, Queensland. It advertised "Projectors which enlarge snapshots, photos, stamps, even live insects to giant size — in full colour." It made the claim that they "normally cost \$40 to \$100" but that "our price only \$9.99, or two for only \$19".

The projector turned out to be a converted oil can where the screw top opening was used to hold a lens. The projector was not suitable for any use whatsoever and the Chief Electrical Inspector of the State Electricity Commission condemned it as a "definite fire hazard which must not be used or sold unless suitably modified".

Representations to the Australian Newspaper Council resulted in cancellation of all advertisements in the daily papers. Nevertheless some independent publications continued to feature the advertisement. The comments of the Australian Newspaper Council were that they had no association with the independent papers and that they could continue to co-operate only in respect of the publications of their members and/or affiliates.

The important point to consider is that many unscrupulous advertisers count on their advertisements to appear only once or twice. This is sufficient for them to make a profit, but at the same time the damage has been inflicted on the consumer. The threat to withdraw an advertisement after it has already been featured is in such cases completely useless. The Consumer Protection Bureau therefore has advised directly some editors of papers on the shortcomings of some advertisements and has met with some success, but there is a definite need for a national co-ordinating body.

Early this year (1973) the Council heard from news reports that such a body was to be established under the name of Australian Advertising Standards Advisory Authority (A.A.S.A.A.) which should fill this need.

The Council further was informed that some of the functions of the new body were to be as follows :

Advising the Media Council on the conduct and interpretation of the Code of Ethics adopted by the advertising industry during 1972.

Reporting to the present Code Committee on breaches which have been brought to the notice of the Advisory Authority.

Liaising with Federal and State Government officers concerned with administering advertising regulations.

Maintaining close association with consumer protection bureaux in all States for the purpose of advising the MCA of problems affecting the standards of advertising brought to the notice of consumer bodies.

So far A.A.S.A.A. have not established any contact with either the Bureau or the Council, but it is hoped that such a contact will eventuate in the near future and that it will develop into fruitful co-operation so that advertising will not be misused for various dubious aims.

The Council has studied some information received from overseas dealing with the control of advertising. The Council has not had the resources at its disposal to make a thorough review of advertising and the most desirable form of control over this industry.

Communication between the Consumer Protection Bureau and the Television Programming Division of the Canadian Radio-Television Commission has revealed that, at the time of writing this report, a bill aimed at totally banning advertisements during children's programmes is before the Canadian Parliament.

The Bill, an amendment to the Broadcasting Act, includes the following provisions :

- (1) No advertisement shall be permitted during the broadcast of a program devoted to children.
- (2) In this section "program devoted to children" means such programs as are defined by the Commission by regulations.

The explanatory note to the Bill reads as follows :

"Children's programs have a captive audience. Although many of these programs are excellent and serve a useful purpose, they usually contain commercial messages directed at a highly impressionable and very susceptible audience."

The Council supports the proposition that children are a susceptible audience and considers that research should be made to determine the extent to which undesirable advertising is featured during children's programmes on television, by perusing carefully the type of advertisements and the effect which they have on children. The results of the research should be studied with a view to ascertaining if the situation which apparently exists in Canada also exists in Australia, and a decision made as to what, if any, controls should be implemented to limit or restrict advertising during children's television programmes.

Reviewing the overseas controls by comparison with the controls self-imposed by some advertising groups in Australia, the Council is of the opinion that the concept of "Truth in Advertising" as enforced by the United States Federal Trade Commission (F.T.C.) could be a desirable feature in Australia. One aspect of it is that the F.T.C. requires all major industries to substantiate their advertising claims by filing data every three months in support of statements concerning safety performance, efficiency, quality and comparative prices. The F.T.C. then publicizes its decisions in two regular publications, and in recent years has ordered a wide variety of firms to discontinue advertising claims if found untrue or misleading.

In view of the difficulty of having to deal with so many organizations involved in the advertising field, the Council feels that within the new Ministry of Consumer Affairs there should be established an "Advertising Justification Tribunal". This could be on similar lines to that now operating in the United States. Such a Tribunal could deal with cases referred to it by the Council where it is believed that the advertising is unrealistic in so far as it is misleading and/or unduly pressurizing the consumer.

Recommendation.

"That under the new Ministry of Consumer Affairs an 'Advertising Justification Tribunal' be established."

SECTION XVI.

CONSUMER EDUCATION.

The Council considers that this is one of its main activities and responsibilities under the terms of the *Consumer Protection Act, 1973*. Both the Council and the Bureau have been very active in this field during the past year, pursuing the aims already advocated in last year's Annual Report of :

- (a) Education of Children
- (b) Education of Adults
- (c) Education of the Business Man.

Members of the Council have had a continuous stream of requests for guest speakers and 83 invitations, in this regard, were accepted during the year. The requests came from schools, mothers' clubs, school councils, universities and a large number of civilian bodies. A significant factor in this regard has been the large number of reprints that the Bureau has had to make of current and past bulletins to meet the demand for this literature.

The Council and the Bureau have been engaged, in association with the Education Department, in formulating a syllabus for "Consumer Sociology". Such courses will be conducted for full-time and part-time students at Technical Colleges. This pilot course will be implemented in 1974.

The Council established from the Education Department that its courses include a wide range of topics related to consumer affairs. The topics are not mandatory as the secondary schools have the right to select the courses they offer, and again students can make a further selection of those subjects they wish to study. Nevertheless the Education Department has informed the Council that the topic is popular with teachers and students and that thousands of students are studying this subject.

The summary reproduced in Appendix G was supplied by the Education Department and it should be noted that the Council's Bulletins are recognized as official source material. The Council believes that this is quite a heartening attitude which could ensure considerable benefit for the younger generation that as they grow up they will be better informed on the problems that confront them in the consumer field in the future.

Judging by the large demand for the Council's Information Bulletin, and by the many telephone enquiries from Students, Teachers, and Head Masters for source material for their subjects on consumer affairs the Council concludes that there is a great need for publications on this subject which relate to local conditions. The Council further contends that the newly created Ministry of Consumer Affairs is the most appropriate body for any such source material and makes therefore the following recommendation :

Recommendation.

“That the Government, when formulating the duties of the new Ministry of Consumer Affairs provides adequate resources in manpower and finance to provide for an improved periodical on consumer matters and that this periodical be issued on a wide basis.”

The Council has noted with interest that the Council of Adult Education has instituted a number of courses aimed at informing grown-ups of their rights as consumers.

The Council and the Bureau have pursued their policy of influencing the business man to incorporate into his marketing policies, demands voiced by consumers. This policy has been pursued vigorously and negotiations have been held and assistance received from Government Departments, Corporations, civilian associations and companies.

These consultations are increasing in scope and should prove increasingly beneficial, not only to the consumer but also to the manufacturers, retailers, advertising bodies, etc.

The activity of consumer education has taken up a considerable proportion of the time of both the Council and the Bureau. No doubt the more we educate the consumer, the more will be the demands that will be made on the time of the Council and the Bureau. However, we hope that this may be offset by a steady improvement in the volume and quality of the literature that is published by the Council with the aid of the Bureau.

SECTION XVII.

CONSUMER CREDIT.

This is a topic in which the Council has considerable interest but in full realization that this subject requires detailed research and legal expertise which is beyond the present capabilities of the Council and the Bureau to handle. The Council makes only a few observations on this topic, and these observations are based on complaints received and investigated by the Bureau.

The Council has also represented the point of view of the credit user to the Australian Finance Conference and the Chief Executive Officer of the Bureau attended the Finance Conference Seminar on the topic of “Consumer Credit — The Challenge of Change”.

The Council is also aware that as a result of the Molomby report the State Attorneys-General are considering new consumer credit reforms. In fact South Australia has already passed legislation “Consumer Credit Act 1972” and “Consumer Credit Transaction Act 1972” incorporating some aspects of the Molomby report.

The Council's observations referred to above are as follows :

1. There is a need to amalgamate all contracts into one single and uniform form of credit contract. This point has been made also in the Molomby report. Numerous complaints have been received by the Bureau showing that the credit user has not the knowledge to distinguish between the obligations imposed on him by the different credit contracts. It is in order to stop this confusion that this point is made.
2. Where there is some commercial link between the supplier and the financier, the financier should incur some liability for the quality of the goods they are financing. This point was one of the main features of the Molomby report and complaints received by the Bureau support it to the fullest. As far as the consumer is concerned he is entering into the credit transaction at the same time as he is purchasing the goods. The advertisements which invite consumers to make a purchase advocate the use of credit at the same time. Quite often the salesman who sells the goods is on a commission basis from the Finance Company. The Finance Company quite often becomes the legal owner of the goods financed and has a full right of repossession. Yet when goods, such as a second-hand motor car, are misrepresented to the purchaser and are of an inferior quality, the Finance Company does not accept any liability for them.
3. Uniform disclosure of interest rates to enable credit users to make comparative studies as to the cost of credit.

4. Increase of the programme in consumer education in the use of credit, especially in reference to the low income earners.

Points 3 and 4 are related as it is useless to educate the consumer in the use of credit unless he has some sort of a standard by which he can judge how much the provision of credit will cost him. At the moment the non-disclosure of interest rates or the confusion created by the quotation of different interest rates, does not assist any consumer credit education programmes.

5. There should be some control over repossessions. This has again been the subject of a number of complaints to the Bureau. It should be a sufficient example to quote just this one case:

On 27th April 1973 a consumer purchased a car which had a cash price of \$1,760. The car was financed under a hire purchase contract for four years.

After a period of 55 days the car was repossessed and the finance company estimated the value of the car at \$300. A loss to the purchaser of \$1,460 within 8 weeks on the value of the car.

In addition the purchaser was charged \$21 for "cost of storage repair or maintenance", \$7 for cost of repossession and a further \$139 in some finance charges, so the total demand made by the company on the purchaser was \$1,627.13. To sum the case up: The purchaser lost the possession of the car and still owed the finance company \$1,627.13, all in the course of 8 weeks.

6. A debt management scheme for over-committed debtors who need assistance to regain control of their financial affairs with advice on budgeting and debt consolidation should be incorporated into the functions of the newly created Ministry of Consumer Affairs. Such a scheme should provide elementary interpretation of credit documents.
7. This should be expanded so as to embrace organizations granting ostensibly easily obtainable extended credit because of the most undesirable and dangerous tendency to pressurize a customer into purchasing goods on credit without any regard as to his ability to pay.

The Bureau has received numerous complaints against Waltons Ltd. due to their door to door selling methods. These complaints are also substantiated by the report of a Social Welfare Officer attached to a Municipal Council (see Appendix H). The Social Welfare Officer in question has worked in the area for approximately 2½ years, and has, during that time, been professionally involved in case-work situations arising out of serious credit problems for two distinct groups of people:

- (a) low income family units, frequently migrant families seeking rapid establishment in their new country;
- (b) fractured families — widows, deserted wives, deserted husbands, etc.

8. The Council considers that there should be a minimum deposit for all items purchased on credit.

SECTION XVIII.

INTERSTATE COLLABORATION.

The Council is very interested in and very pleased with the result of the Annual Conference that was held earlier this year in New South Wales. The Council and the Bureau were represented at this Conference by the Chief Executive Officer of the Bureau. Whilst there are regular discussions between the respective Ministers of the States dealing with consumer affairs problems, the Council believes that there is a great need for continuing the annual Conferences of consumer bodies from all States and the Federal Territories of the A.C.T. and Northern Territory. Such Conferences bring to light many problems that are common to all States and this, in turn, stresses the need for uniform legislation to be enacted in all States and the Commonwealth Territories. In this regard, towards the end of this financial year there were conferences and some discussions on consumer problems at the Commonwealth level. It is extremely unlikely that the Commonwealth activities will relieve State Governments of their responsibilities in such diverse fields and widening fields as consumer protection. Such protection is becoming increasingly necessary with the changing attitude of our modern society. Whilst it is possible to unduly enact legislation, nevertheless it is becoming increasingly necessary to ensure at least that existing legislation is properly policed and enforced.

Recommendation.

"That Annual Conferences of representatives of Government Consumer Bodies of all States and Territories of the Commonwealth be held."

SECTION XIX.

OVERSEAS COLLABORATION.

The Council and the Bureau have jointly pursued their activities in maintaining contact with overseas countries. In the past we have been associated with the International Organization of Consumer Unions (I.O.C.U.) located at the Hague, and also have maintained an interchange of literature and correspondence with our opposite numbers in the United Kingdom, U.S.A., New Zealand and Canada. This field has widened during the current year to include other countries such as the Philippines, Portugal, Sweden, Germany and France.

This exchange of information has been of tremendous value but it emphasizes the need for a member of the Bureau to be a partially, if not fully trained librarian who will be responsible for the recording of the literature received from overseas and the publications received and/or purchased locally. The information in all these documents in many cases warrants careful registration and cross reference to that it can be readily referred to on future occasions. In addition to the literature referred to above, there is an increasing number of trade magazines coming to the Bureau and the volume is growing at such a rate that it cannot be adequately handled by current resources of the Council or the Bureau.

For this reason the Council urges that within the Bureau there be appointed a librarian to assist the Bureau in its research work and thereby to assist the Council in its work and in its recommendations to the Government.

As a matter of interest one document received from I.O.C.U. provided the Bureau with an excellent review of consumer protection which the Bureau has published in its entirety as one of its monthly bulletins.

Finally, the Council desires to draw attention to the 1975 I.O.C.U. World Conference which it is understood will be held in Sydney. If this is the case, then the Council believes both the Council and the Bureau should be represented at such a vitally important conference.

Council Members :

A. T. H. READER

D. G. MOSS

J. E. FLEMING

J. L. WATERS

E. M. MacGREGOR

G. L. McCOWAN

A. W. MUDDYMAN

A. H. HELLSTROM,
Chairman.

APPENDIX A.

GENERAL SUMMARY OF COMPLAINTS

RECEIVED BY THE CONSUMER PROTECTION BUREAU.

	1971/72		1972/73	
	No.	%	No.	%
<i>Advertising—</i>				
General	36	1.53	70	1.88
Electrical Appliances	11	.47	18	.48
Food	14	.59	11	.30
Furniture, Floor Coverings	2	.08	4	.11
Finance and Insurance	2	.08	1	.03
Services	20	.85	9	.24
Clothing and Footwear	4	.17	1	.03
Motor Vehicles	7	.30	10	.27
Misleading Prices	—	—	32	.86
Sub-total	96	4.07	156	4.20
<i>Building—</i>				
General	30	1.27	116	3.12
Renovations	47	1.99	47	1.26
Plumbing	20	.85	26	.70
Concreting	19	.81	16	.44
Wall Cladding	26	1.10	72	1.94
Painting and Decorating	24	1.02	41	1.10
Household Improvements (Garages) (Awnings, etc.)	38	1.61	73	1.96
Sub-total	204	8.65	391	10.52
<i>Motor Vehicle Sales—</i>				
General	1	.04	8	.22
New Vehicles—Faulty	38	1.61	161	4.33
Used Vehicles—Faulty	95	4.03	149	4.01
Motor Spares	28	1.19	36	.97
Motor Vehicles Sales Method	99	4.20	231	6.21
Sub-total	261	11.07	585	15.74
<i>Furniture and Floor Coverings Sales—</i>				
General	9	.38	39	1.04
Furniture—Faulty	72	3.05	107	2.88
Carpet—Faulty	34	1.44	40	1.07
Floor Coverings, Hard—Faulty	11	.47	15	.40
Floor Coverings—Laying	14	.59	34	.95
Sub-total	140	5.93	235	6.34
<i>Electrical Sales and General Articles Sales—</i>				
General	1	.04	5	.13
T.V.—Faulty	24	1.02	29	.78
Radios, Stereograms and Tape Recorders—Faulty	5	.21	9	.24
Refrigerators—Faulty	17	.72	44	1.17
Washing Machines—Faulty	23	.97	41	1.09
Other Electrical Appliances—Faulty	20	.85	44	1.17
T.V. Sales Methods	6	.25	10	.27
Radios, Stereograms and Tape Recorders Sales Methods	12	.51	6	.16
Refrigerators Sales Methods	5	.21	10	.27
Washing Machines Sales Methods	21	.89	5	.13
Other Electrical Appliances Sales Methods	6	.25	19	.51
General Articles—Faulty	133	5.64	151	4.03
General Articles Sales Methods	97	4.11	108	2.88
Sub-total	370	15.67	481	12.83

APPENDIX A—continued.

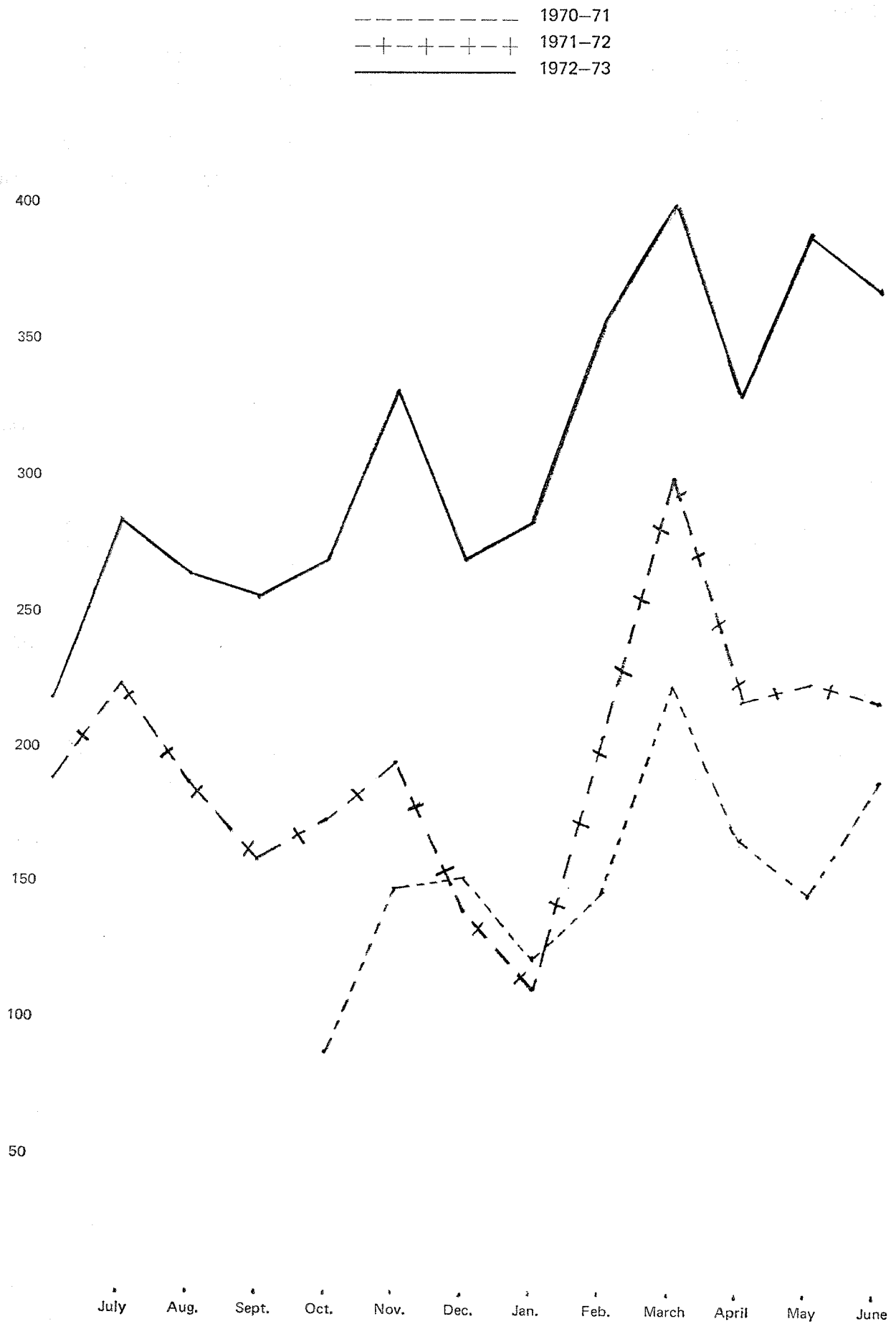
	1971/72		1972/73		
	No.	%	No.	%	
<i>Clothing and Footwear Sales—</i>					
General	19	.81	50	1.34	
Clothing—Faulty	121	5.13	144	3.87	
Clothing—Lay-by	9	.38	9	.24	
Footwear—Faulty	48	2.03	84	2.26	
Footwear—Lay-by	3	.13	2	.05	
Clothing—Incorrect Labelling	8	.34	15	.42	
Footwear—Incorrect Labelling	2	.08	—	—	
Textiles—Incorrect Labelling	—	—	1	.03	
Sub-total	210	8.90	305	8.21	
<i>Services—</i>					
General	33	1.40	58	1.54	
New Vehicles	10	.42	34	.94	
Used Vehicles	50	2.12	89	2.37	
Lawn Mowers	5	.21	7	.19	
T.V.	123	5.21	156	4.17	
Radios, Stereograms, Tape Recorders	45	1.91	24	.65	
Washing Machines	53	2.25	75	2.05	
Refrigerators	12	.51	40	1.08	
Other Electrical Appliances	16	.68	51	1.37	
Other Appliances	50	2.12	35	.96	
Sub-total	397	16.83	569	15.32	
<i>Dry-cleaning and Laundry—</i>					
General	7	.30	5	.13	
Clothing	43	1.82	47	1.26	
Floor Coverings	1	.04	—	—	
Linen	—	—	4	.11	
Sub-total	51	2.16	56	1.50	
<i>Hirings—</i>					
General	7	.30	1	.03	
Clothing	2	.08	1	.03	
Televisions and Radios	6	.25	12	.32	
Builders' Equipment	—	—	3	.08	
Motor Vehicles	—	—	1	.03	
Caravans	—	—	2	.05	
Sub-total	15	.64	20	.54	
<i>Insurances—</i>					
General	1	.04	10	.27	
Life	1	.04	4	.11	
Fire and Accident	6	.25	10	.27	
Motor Vehicles	26	1.10	26	.70	
Sub-total	34	1.43	50	1.35	
<i>Finance—</i>					
General	13	.55	21	.56	
Motor Vehicles—Used	12	.51	4	.11	
Electrical Appliances	4	.17	6	.16	
Housing	6	.25	3	.08	
Motor Vehicles—New	—	—	3	.08	
Sub-total	35	1.48	37	.99	
<i>Education—Health and Fitness—</i>					
General	2	.08	2	.05	
Coaching Colleges	5	.21	4	.11	
Correspondence Courses	1	.04	5	.13	
Health and Fitness Courses	13	.55	17	.46	
Medical and Pseudo Medical, etc.	8	.34	10	.27	
Sub-total	29	1.22	38	1.02	

APPENDIX A—continued.

	1971/72		1972/73	
	No.	%	No.	%
<i>Packaging—</i>				
General	10	.42	24	.65
Food—Weight	4	.17	11	.30
Food—Contents	9	.38	15	.42
Soaps and Detergents—Contents	2	.08	1	.03
Pressure Packs	1	.04	4	.11
Inadequate Labelling	1	.04	7	.19
Sub-total	27	1.13	62	1.70
<i>Dangerous and Hazardous Products—</i>				
General	14	.59	3	.08
Toys	6	.25	6	.16
Housewares	—	—	2	.05
Sporting Equipment	—	—	1	.03
Insecticides	—	—	2	.05
Detergents	—	—	2	.05
Children's Apparel and Equipment	—	—	3	.08
Sub-total	20	.84	19	.50
<i>Door Sales—</i>				
General	4	.17	8	.22
Cash Purchases—Solicited	1	.04	1	.03
Cash Purchases—Unsolicited	17	.72	14	.38
Credit Purchases—Solicited	7	.30	6	.16
Credit Purchases—Unsolicited	30	1.27	59	1.60
Sub-total	59	2.50	88	2.39
<i>Mail Order Sales—</i>				
General	2	.08	5	.13
Goods—Solicited	55	2.33	66	1.78
Goods—Unsolicited	43	1.82	46	1.24
Services	33	1.40	69	1.86
Sub-total	133	5.63	186	5.01
<i>Miscellaneous—</i>				
General	102	4.32	184	4.95
Food Freezer Plans	9	.38	19	.51
Hairdressing	3	.13	4	.11
Hearing Aids	5	.21	5	.13
Photography	12	.51	17	.46
Auctions	15	.64	11	.30
Caravans—Sales—Repairs	4	.17	14	.38
Metric Conversion	—	—	32	.86
Sub-total	150	6.36	286	7.70
<i>Prices and Charges—</i>				
General	108	4.58	140	3.77
Medical and Dental	9	.38	9	.24
Sub-total	117	4.96	149	4.01
Others	11	.47	5	.13
TOTAL	2 359	100	3 718	100

APPENDIX B.

WRITTEN OR PERSONAL COMPLAINTS LODGED WITH THE CONSUMER PROTECTION BUREAU SINCE THE BUREAU'S INCEPTION IN NOVEMBER, 1970.



APPENDIX C.

NEW MOTOR CAR COMPLAINTS LODGED WITH THE CONSUMER PROTECTION BUREAU AGAINST RETAILERS OF MOTOR CARS. ONLY COMPANIES OR FIRMS AGAINST WHICH THREE OR MORE COMPLAINTS WERE RECEIVED ARE LISTED.

Name of Company	1/7/72-31/12/72	1/1/73-30/6/73	Total
Southern Motors Pty. Ltd.	2	6	8
Kevin Dennis Motors (New) Pty. Ltd.	3	4	7
Melford Motors Pty. Ltd.	5	2	7
Garry & Warren Smith Pty. Ltd.	1	5	6
Stilwell B.S. & Co. Pty. Ltd.	1	5	6
Collins Chrysler	2	3	5
Col Paige Ford Pty. Ltd.	3	2	5
Cooper Ford Pty. Ltd.	2	3	5
Duhig Ford Pty. Ltd.	4	—	4
Goulds Motors (Sales) Pty. Ltd.	4	—	4
Lanes Motors (Sales) Pty. Ltd.	—	4	4
Brian Wood Ford Pty. Ltd.	—	3	3
Datsun Sales Centre	—	3	3
Preston Motors Pty. Ltd.	1	2	3
Rhodes Motor Co. Pty. Ltd.	1	2	3
Smiths Motors Pty. Ltd.	2	1	3
TOTAL	31	45	76

NOTES :

1. The above table shows companies and firms against which three or more complaints were received during the year. In addition the Bureau received one complaint each against a further 44 companies or firms and 2 complaints each against another 12 ;
2. The totals in this appendix will not agree with the totals in Appendix A because some new motor car complaints involved only the manufacturer, some only the dealer and others involved both. Only those complaints are listed here which involve the dealer ;
3. The Council takes the stand that as all the complaints listed here were justified, any reference to the total turnover of the company or firm is irrelevant.

APPENDIX D.

CLASSIFICATION OF USED MOTOR CAR COMPLAINTS LODGED WITH THE CONSUMER PROTECTION BUREAU. ONLY COMPANIES OR FIRMS AGAINST WHICH THREE OR MORE COMPLAINTS WERE RECEIVED ARE LISTED.

From 1st July 1972 to 30th June 1973.

Nature of Complaint	Name of Company or Firm																Total			
	Kevin Dennis Group	Clive Green Group	Bob Jane Group	George Dunlop Motors Pty. Ltd.	Col Paige Ford Pty. Ltd.	Mini World Car Sales Pty. Ltd.	Southern Motors Pty. Ltd.	Ellis Motors Pty. Ltd.	Melford Motors Pty. Ltd.	B. S. Stilwell & Co. Pty. Ltd.	Jaywood Motors Pty. Ltd.	Preston Motors Group	Reg Hunt-Rhodes Group	Sleeman Ford Pty. Ltd.	Adams Car Sales Pty. Ltd.	Cooper Ford Pty. Ltd.		Garry & Warren Smith Pty. Ltd.	New Richmond Motors	New Brighton Motors
Mechanical failure after purchase and lack of attention to repairs, including warranty work	19	11	10	4	1	6	3	4	3	5	2	3	3	3	2	3	1	—	1	84
Misrepresentation by salesman	16	1	5	5	5	1	2	1	2	1	1	3	1	—	1	1	2	—	1	49
Refusal to refund deposit	—	5	1	3	3	—	1	2	—	—	4	1	3	1	1	—	—	3	1	29
Excessive prices	11	—	1	1	1	2	—	—	1	1	—	—	—	—	—	—	—	—	—	19
High pressure sales	7	1	—	—	1	—	—	1	3	1	1	—	—	2	—	—	—	—	—	18
Misleading advertising	3	1	—	—	—	—	2	—	—	—	—	—	1	—	—	—	—	1	—	8
Free trial period	1	—	3	—	1	—	1	1	—	—	—	—	—	—	—	—	—	—	—	7
Roadworthy certificate	—	—	—	—	—	2	—	—	—	—	—	—	—	1	—	—	—	—	—	3
Disputes regarding accessories	—	1	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—	2
TOTAL	57	20	20	13	12	11	10	9	9	8	8	8	8	7	4	4	4	4	3	219

NOTES :

1. The above table shows companies and firms against which three or more complaints were received during the year. In addition the Bureau received one complaint each against a further 96 companies or firms and 2 complaints each against another 27.
2. The totals in this appendix will not agree with the totals in Appendix A because some complaints show more than one aspect of dissatisfaction, e.g., high pressure salesmanship is often accompanied by subsequent mechanical failure of the motor car sold.
3. The Council takes the stand that as all the complaints listed here were justified, any reference to the total turnover of the company or firm concerned is irrelevant.
4. "Roadworthy Certificate." The cases cover instances where a certificate was issued for a car which was subsequently proved to be unroadworthy.
5. "Excessive Prices." Most cases referred to instances where an excessive price could be charged purely due to the misrepresentations made to the purchaser.

APPENDIX E-1.

CLASSIFICATION OF TELEVISION, RADIO, STEREOGRAM, AND TAPE RECORDER SERVICE COMPLAINTS LODGED WITH THE CONSUMER PROTECTION BUREAU. ONLY COMPANIES OR FIRMS AGAINST WHICH THREE OR MORE COMPLAINTS WERE RECEIVED ARE LISTED.

From 1st July 1972 to 30th June 1973.

Nature of Complaint	Name of Company or Firm					Total
	Milleradio	B. H. Schlam T.V. Maintenance	Colin Mitchell's T.V. Service —A division of C.P.W. Industries	United Electronic Servicing Pty. Ltd.	Japanese Transistor Radio & T.V. Service	
Excessive charges	41	5	2	1	2	51
Repairs not satisfactory	20	15	2	3	—	40
Final account exceeds quotation without consulting householder	15	2	—	—	—	17
Delay in returning set	11	3	—	—	—	14
Quotation requested, not supplied and repairs carried out	8	4	—	—	1	13
TOTAL	95	29	4	4	3	135

In addition, the Bureau received one complaint each against a further 52 companies or firms and two complaints each against another 5.

APPENDIX E-2.
CLASSIFICATION OF WASHING MACHINE AND REFRIGERATOR SERVICE COMPLAINTS LODGED WITH THE CONSUMER PROTECTION BUREAU.
ONLY COMPANIES OR FIRMS AGAINST WHICH THREE OR MORE COMPLAINTS WERE RECEIVED ARE LISTED.

From 1st July 1972 to 30th June 1973.

Nature of Complaint	Name of Company or Firm												Total								
	Wilkins Servis Pty. Ltd.		S.S. Appliances Pty. Ltd.		Malleys Ltd.		Simpson Pope Ltd.		Metters Ltd.		Hoover (Aust.) Ltd.			K.K. Repair Services		Kelvinator Australia Ltd.		Northern Home Appliances		Frigidaire Products	
	Washing Machines		Washing Machines		Washing Machines	Refrigerator	Washing Machines	Refrigerator	Washing Machines	Refrigerator	Washing Machines	Refrigerator		Washing Machines	Refrigerator	Washing Machines	Refrigerator	Washing Machines	Refrigerator	Washing Machines	Refrigerator
Repairs not satisfactory ..	18		12	6	7	2	5	2	4	6	3	3	1	3	2	5					76
Delay in providing service ..	13		—	3	3	—	2	—	1	1	—	—	—	—	—	—	—	—	—	—	26
Excessive charges ..	5		15	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	23
Consumer believed he was dealing with manufacturer	—		8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	10
Delay in returning appliance	—		—	4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	8
TOTAL ..	36		35	25	9	8	7	7	7	4	3	3	2	7	4	5					143

In addition, the Bureau received one complaint each against a further 33 companies or firms and two complaints each against another 6.

APPENDIX E-3.

CLASSIFICATION OF SPACE HEATER SERVICE COMPLAINTS LODGED WITH THE CONSUMER PROTECTION BUREAU. ONLY COMPANIES AGAINST WHICH THREE OR MORE COMPLAINTS WERE RECEIVED ARE LISTED.

From 1st July 1972 to 30th June 1973.

Nature of Complaint	Name of Company			Total
	Malleys Ltd.	Vulcan Australia Ltd.	New World Appliances Pty. Ltd.	
Repairs to heater not satisfactory	9	3	—	12
Repairs to fan not satisfactory	—	2	3	5
Delay in service	1	—	1	2
TOTAL	10	5	4	19

NOTES :

(1) The totals in these appendices will not agree with the totals in Appendix A because some complaints showed more than one aspect of dissatisfaction, e.g., the repairs were not satisfactory and excessive charges were made.

(2) The Council takes the stand that as all the complaints listed were justified any reference to the total turnover of the company or firm concerned is irrelevant.

(3) "Excessive Charges." In majority of cases in this category, the householder subsequently found out that other service organizations would have done the same work for a considerably smaller fee. Other cases referred to excessive charges relative to the overall value of the repaired appliance.

APPENDIX F.

CLASSIFICATION OF COMPLAINTS RECEIVED AGAINST FOOD FREEZER PLAN COMPANIES.

From 1st July 1972 to 30th June 1973.

Nature of Complaint	Name of Company					Total
	Steeles-Glacier Freezers & Food Service	Wonder Larder Food Service Pty. Ltd.	Direct Food Supplies (Vic.) Pty. Ltd.	Master Freeze Freezers & Food Service Pty. Ltd.	Eldon Freezer & Food Service Ltd.	
Misleading advertising	4	2	—	—	1	7
Misrepresentation by salesman	—	1	1	1	—	3
Misrepresentation of sales price	1	1	—	1	—	3
Misrepresentation of service charges	—	1	3	—	—	4
Supply of wrong or faulty unit	3	1	—	—	—	4
Unsatisfactory credit provision	1	—	—	1	—	2
TOTAL	9	6	4	3	1	23

The total in this appendix will not agree with the total in Appendix A because some complaints show more than one aspect of dissatisfaction or are directed against more than one company.

APPENDIX G.

OUTLINE OF CONSUMER EDUCATION COURSES WHICH HAVE RECEIVED FULL RECOGNITION FROM THE EDUCATION DEPARTMENT AND THE VICTORIAN UNIVERSITIES AND SCHOOL EXAMINATION BOARD.

CONSUMER EDUCATION — FORMS III AND IV.

Buying.

1. Problems of buying. Importance of wise buying. Factors in wise buying. Selling techniques. Door to door sales. Advertising : the purposes and functions of advertising for manufacturers, retailers and the consumer. Advertising techniques. Advertising media — newspapers, television, radio, posters. Criteria for evaluating advertising in various media for consumers.
2. Buying on credit. Advantages and disadvantages of using credit or paying cash. The extent of credit in Australia. How credit benefits the producer and the consumer. Sources of credit. Types of consumer credit — lay-by, budget or charge accounts, bank overdrafts, hire purchase, personal loan, mortgage, chattel mortgage. Differences between each type and appropriate occasions to use each. Obtaining consumer credit — opening accounts ; information required ; value of reputation, credit rating, ability to pay ; use of referees. Understanding documents before signing ; use of legal terms ; reference to solicitors ; typical documents with particular reference to hire purchase and personal loans, legal rights and obligations. Paying instalments. Credit cards.
3. Advantages of a budget for the individual. The need for planned spending.
4. Consumer protection — reasons for consumer protection, consumer protection agencies.

For the more senior students at Form V. level there is offered a subject called Commercial and Legal Studies. It is also widely taken and fully recognized. The subject allows students to take studies in a number of areas in which the Consumer Affairs Council has shown interest. The Bulletins, Volume 3, Numbers 5 and 6, as well as Number 4, are appropriate source materials as is shown in this extract of the course.

COMMERCIAL AND LEGAL STUDIES — FORM V.

Motor vehicle insurance as a development of the general principles of insurance. Consideration of risk factors and their relation to premiums (a comparison with insurance rates for householders and other policies will illustrate the high risk factor involved in motor vehicle insurance).

The distinction between compulsory third party policies and optional comprehensive policies.

Motor Vehicle (Third Party) Insurance Act as a legal expression of the need for community protection against the negligence of drivers of vehicles. Study of rating of vehicles and their use, rather than driver's record. The cover provided by third party insurance. Note that negligence must be proved or admitted for a claim to succeed. Brief study of the damages awarded to plaintiffs.

Study of motor vehicle accident statistics and their relation to the system of vehicle groupings and policy ratings for comprehensive motor vehicle insurance purposes. The application of compulsory excess ratings to young and inexperienced drivers and the reasons for these.

It is suggested that a study of several comprehensive motor vehicle policies will allow comparison of the varying protection offered by different insurers. Particular study should be made of the conditions and exclusions included in various policies.

The fact that a motor vehicle accident may give rise to both civil and criminal liabilities should be recognized.

Consumer Protection.

In this study of developments in law relating to the consumer there should be an emphasis on the fact that law changes in response to changes in the needs of society.

Express provisions used by suppliers to avoid legal liability. The use of "stand form" contracts. Consideration of whether there is "agreement" between the parties in most agreements for the sale of goods and services. Attempts by the courts to relieve hardship while remaining within the bounds of freedom of contract, and the gradual diminution of the principle of sanctity of contract in the area of consumer agreements.

A brief historical outline of the hardships suffered by the consumer through a reluctance by the courts to impose legal liability on manufacturers. The case of *Donoghue v. Stevenson* as an example of the judiciary adopting new principles in common law to meet the new social situation of mass produced goods and standardized products. The subsequent application of the principle.

The reasons for statutory interference in the body of rules regulating the sale of goods in Victoria, e.g. *Goods Act 1958*, *Hire Purchase Act 1959*, and the *Door-to-Door (Sales) Act 1963*. A case study of the *Door-to-Door (Sales) Act 1963*, and amendments to the Act (a valuable exercise in seeing how law evolves in our society).

The role of consumer protection bodies in influencing legislation.

Hire Purchase Legislation.

The changing nature of consumer credit, and the reasons for the introduction of legislation in the area of consumer credit.

The scope of hire purchase legislation, including the credit transactions not covered by this legislation. The growth of chattel mortgage, and conditional purchase agreements. Essential characteristics of a hire purchase agreement.

Formation and contents of the agreement, including the use of "standard form" agreement, and the extent of "agreement" between the parties.

Rights conferred on the hirer and the owner.

Obligations imposed on the hirer and the owner.

Capacity of infants to enter into hire purchase agreements.

Students should refer to the *Hire Purchase Act 1959*, not so much as to attempt to interpret or apply particular provisions to particular problem situations, but to gain an appreciation of the ways in which legislation attempts to control hire purchase transactions, and to become more familiar with the form and presentation of a statute. Reference should also be made to the role of precedent in setting down legal rules in hire purchase agreements.

In their final year at High School students may take a new subject introduced this year. A major study is made of the *Door-to-Door (Sales) Act 1963* as well as the *Goods Act 1958*. The appropriate parts of the course are :—

COMMERCIAL AND LEGAL STUDIES — FORM VI — MATRICULATION LAW.

Through a study of the following selected areas of law the students are to be brought to an awareness of how the law interacts in society, its role as an instrument of social justice, and the way in which law responds to social change.

The studies in this section should stress the operation of the law and the sanctions which it carries :

A study of the interference and role of legislation on selected matters relating to the provision and marketing of goods and services in Victoria.

Goods Act 1958.

Reasons for its enactment.

Selected analysis of the Act to indicate elements of Common Law and Law Merchant ; statutory attempts to limit caveat emptor ; operation of the conditions implied by Law, problems of statutory interpretation.

Definitions and terminology.

"Sale" and "Agreement to sell".

Form of contract of sale of goods.

Terms of the contract — express terms, implied terms.

Duties of parties.

Transfer of property.

Transfer of title.

Performance of the contract — delivery, acceptance of goods, payment.

Remedies available for breach of contract.

Ways in which legislation of this nature changes in response to such things as activities of pressure groups, changes in public opinion, changes in methods of selling and the changes in the bargaining power of parties.

Door-to-Door (Sales) Act 1963.

Reasons for its enactment.

A study of the provisions of the *Door-to-Door (Sales) Act 1963*.

A detailed study of the developments in the legislation since 1963, and the reasons for the changes.

Effectiveness of present legislation.

APPENDIX H.

CASE HISTORIES, SUBMITTED BY A SOCIAL WELFARE OFFICER, OF FAMILIES INVOLVED IN CREDIT AGREEMENTS WITH WALTONS LTD.

The following examples of case-histories were obtained from a Social Welfare Officer and bear similarity to some Bureau complaints lodged against Waltons Ltd. :

" A. A widowed mother with one teenage child living at home. Eventually this family was offered a Housing Commission flat.

The mother took on part-time work so that she could save money in order to buy furniture and home appliances. She was gradually buying necessary items as she was able, until she wanted a washing machine, as the available laundry was on the ground floor of a 3-storey unit.

To buy this, she arranged credit through Waltons, and regularly paid off instalments. When these payments were nearing completion, she then bought a gas stove.

At this time, however, her health deteriorated and she was unable to continue part-time work. She advised Waltons, who offered her easier repayment terms, which she accepted, but which eventually proved beyond her resources. This time she was offered a re-negotiated scheme by which Waltons would loan her the money (at higher interest rates) to enable her to continue paying for the appliances. At the same time, the salesman, who by this time knew her very well, convinced her that to have carpet laid in the entrance hall and lounge room would involve her in only a small weekly repayment on this new loan system. So an arrangement for a new loan was entered into, and the carpet duly laid.

Because of her continuing ill health and continuing inability to pay for these new items she eventually lost all of the goods through voluntary re-possession — carpet, stove and washing machine.

B. A young family comprising husband, wife and 2 children arrived in Australia as migrants from N. Ireland.

They were anxious to 'make a go' of life in Australia and soon after arrival, some compatriots invited the wife and some other Irish women to their home for the afternoon.

The young wife was very impressed with the furnishings, thinking that the house was 'just beautiful'. When the wife complimented the hostess, the hostess replied, 'Oh, it's easy to get what you want here, just go to Waltons who have such easy credit schemes.'

The young wife, by this time feeling home-sick, decided to go to Waltons and open an account. She had a wonderful time selecting rugs, new lounge furniture, a T.V., frig. and washing machine. The repayments didn't seem too difficult, especially as the wife readily found employment. Three months later, the wife was pregnant and very sick with complications.

In the meantime, the salesman, who also collected weekly payments, convinced her that this item would only cost another 50c. per week, etc., until her credit debt was in excess of \$1,500.00. The husband was earning an average of \$75.00 per week and they were paying \$22.00 per week rent for a flat. He found that a car was necessary for work, and a considerable hire-purchase debt was accepted to buy a second-hand car.

When the wife was not working, it was impossible to service all the debts and keep up with necessary commitments.

Finally — they received a special offer through the mail — 'Store Credit', which told them they had a certain credit rating which entitled them to spend so much 'store credit' for Christmas. They 'bought' beautiful new toys and clothes, etc. — to be faced with an even higher weekly repayment. This was when they became desperate about the situation with approximately \$2,000.00 of credit debts.

Arrangements were made for some items to be voluntarily re-possessed, the car also was voluntarily re-possessed, cheaper housing had to be found, but the family will be paying off the debt for many years yet at a re-negotiated figure.

C. A very immature young wife and mother had entered into credit purchases with Waltons. When the husband deserted his wife and 3 children, the wife became eligible for the Widows (Deserted Wives) Pension, totalling \$32.50 per week.

She was paying \$28.00 per week rent because she wanted a house with a yard for the children to play. When possible, other people or families shared the house and shared rent, light and gas accounts. However, these were not permanent arrangements.

The young mother had no money to transport some kitchen furniture from her sister's house in the country (finally, removal per train cost \$12.00), yet Waltons opened an account for her, and she bought approx. \$300.00 worth of beds, bedding and clothing for herself and children. Because she was depressed about her situation, she then purchased on credit a \$230.00 T.V. set, and \$330.00 lounge suite, and Waltons were prepared for her to buy a new refrigerator priced at nearly \$300.00.

At this time her youngest child was in hospital, she herself was under medical treatment, and she had no money to buy food, or pay for gas and electricity, etc.

It was then that other arrangements were made for a secondhand refrigerator, transport of furniture, and a firm decision made not to enter any additional hire-purchase contracts."