



Travelshop

UNDERTAKING TO THE AUSTRALIAN COMPETITION AND
CONSUMER COMMISSION GIVEN FOR THE PURPOSE OF
SECTION 87B

BY

CANNON INVESTMENTS PTY LTD
ACN 008 828 822

BACKGROUND

1. Cannon Investments Pty Ltd ("Cannon Investments"), trading as 'Travelshop', is incorporated in the State of Western Australia and its principal activities include the provision of travel agency services.
2. In August 1996, the Australian Competition and Consumer Commission ("the Commission") received a complaint regarding an advertisement placed by Cannon Investments in The Sunday Times on 4 August 1996, which contained a statement to the effect that travel insurance is compulsory on selected flights to London ('the Advertisement').
3. Following its investigation, the Commission considers that Cannon Investments' conduct in offering flights to London on condition that the purchaser take out travel insurance with a specified insurer, namely Covermore or Health Benefits Fund (HBF), ('the Condition') may constitute a breach of section 47(6) of the *Trade Practices Act 1974* ('the Act'). The Commission also considers that the imposition of the Condition by Cannon Investments has the effect of preventing a consumer from obtaining, at the advertised price, any of the flights being offered in the Advertisement. The Commission therefore considers that the Advertisement containing the Condition may be both misleading and deceptive in contravention of section 52 of the Act and a false or misleading representation in contravention of section 53(e) of the Act with respect to the price of services.
4. Cannon Investments acknowledges that it may have contravened the Act.

UNDERTAKINGS

5. Cannon Investments gives the following undertakings to the Commission for the purpose of section 87B of the Act. Cannon Investments undertakes that:
 - (i) It will withdraw its current advertising and will in future ensure that full details are provided in its advertising of all conditions applicable to any offer being made by Cannon Investments;

62 ALLERTON WAY, BOORAGOON, WESTERN AUSTRALIA 6154

TELEPHONE: (09) 316 2001 FAX: (09) 316 2198

STORES ALSO AT: GARDEN CITY, WHITFORD CITY, ROCKINGHAM CITY, FLOREAT, MANDURAH & SUBIACO.

Cannon Investments Pty Ltd ACN 008 87 822 Trading as Travelshop. Licence 9TA00635

- (ii) In future it will refrain from representing, in advertising or by any other means, that insurance is compulsory in relation to any flights or other services being offered by Cannon Investments;
- (iii) Within 30 days of the Commission's acceptance of this undertaking, Cannon Investments will cause corrective advertising, details of which to be agreed with the Commission, to be published once in each newspaper and publication in which the current advertising originally appeared; and
- (iv) Within three months of the Commission's acceptance of this undertaking, Cannon Investments will institute a Trade Practices Compliance/Training Program designed to create a culture of trade practices issues awareness and compliance throughout Cannon Investments and to prevent, so far as is reasonably possible, any contraventions of the Act by Cannon Investments, its directors, employees or agents.

ACKNOWLEDGMENTS

- 6. Cannon Investments acknowledges the Commission's right to make this undertaking available for public inspection.
- 7. Cannon Investments acknowledges that the Commission will issue a media release and may from time to time publicly refer to this undertaking.
- 8. Cannon Investments acknowledges and accepts that this undertaking in no way derogates from the rights and remedies available to any other person arising from the alleged conduct.

IN WITNESS OF THIS UNDERTAKING

This 3rd day of October 1996

THE COMMON SEAL of
CANNON INVESTMENTS PTY LTD
 was affixed in accordance with
 its Articles of Association:



.....
 Director/Secretary

.....
 Director

.....
 Name (printed):

.....
 Name (printed):

ACCEPTED BY THE AUSTRALIAN COMPETITION AND CONSUMER
COMMISSION PURSUANT TO SECTION 87B OF THE TRADE PRACTICES ACT
1974


Chairperson

This 13 day of month 1996

CORRECTIVE ADVERTISING

TRAVELSHOP

In August 1996, Cannon Investments Pty Ltd, trading as Travelshop, offered to supply flights to London at specified prices on condition that prospective passengers also acquired travel insurance from nominated insurance companies. The prices at which the flights were advertised also did not include the additional cost associated with the travel insurance.

Following discussions with the Australian Competition and Consumer Commission, Travelshop accepts that by (a) requiring passengers to take out travel insurance from nominated insurance companies and (b) omitting the cost of insurance from the advertised price of the flights, it may have contravened the anti-competitive conduct and consumer protection provisions of the Trade Practices Act.

Travelshop apologises to any consumers who feel that they may have been inconvenienced or misled by the advertisement and undertakes to include all relevant details in its future advertising.