

TRADE PRACTICES ACT 1974**UNDERTAKING TO THE AUSTRALIAN COMPETITION AND CONSUMER
COMMISSION GIVEN FOR THE PURPOSE OF SECTION 87B****BY****KENCO CAR CARE PTY LTD
A.C.N. 001 676 642****BACKGROUND**

1. Kenco Car Care Pty Ltd ('Kenco') is incorporated in the State of New South Wales and its principal activities include the importation and wholesaling of automotive accessories.
2. In November 1996, the Australian Competition and Consumer Commission ('the Commission') received a complaint alleging that Kenco's soft new towelling (Part No 50038) ('the towelling') for home, car and boat use is represented on the outside of the sealed packaging for the towelling as being 'Australian Made' whereas the label attached to the towelling reads 'Made in Pakistan.'
3. The Commission considers that the statement 'Australian Made' is a false representation concerning the place of origin of the towelling and contravenes section 53(eb) of the *Trade Practices Act 1974* (the 'Act'). The Commission also considers that the use of the words 'Australian Made' to describe the towelling is misleading conduct and contravenes section 52 of the Act.
4. Kenco acknowledges that the towelling is made in Pakistan and consequently that it has breached sections 52 and 53(eb) of the Act.

UNDERTAKINGS

5. Kenco gives the following undertakings to the Commission for the purpose of section 87B of the Act. Kenco undertakes that:
 - (a) (i) it will implement procedures to ensure the removal, by no later than 20 December 1996, of the statement 'Australian Made' from the packaging of all stock of the towelling, including all stock currently available for purchase in the marketplace;
 - (ii) it will immediately notify all retailers and wholesalers to whom the towelling has been supplied by Kenco that the towelling has been withdrawn and request them to remove the towelling from sale;
 - (iii) it will, by its sales staff or other servants or agents, complete a cycle of attendances upon those retailers and wholesalers to ensure that the

towelling has been withdrawn from sale or the statement 'Australian Made' erased from the packaging;

- (b) it will, no later than 23 December 1996, provide a written report to the Commission confirming that the statement 'Australian Made' has been removed from all packaging for the towelling;
- (c) it will not in the future represent that Australia is the place of origin of the towelling;
- (d) within 14 days of the Commission's acceptance of this undertaking, corrective advertising, in the form annexed as Attachment A and of the approximate size 10cm by 2 columns, will be published in the editorial pages of one weekend edition of a major metropolitan daily newspaper in each State in which the product was supplied;
- (e) within three months of the Commission's acceptance of this undertaking, Kenco will institute a Trade Practices Compliance/Training Program designed to create a culture of trade practices issues awareness and compliance throughout Kenco and to prevent, so far as is reasonably possible, any contraventions of the Act by Kenco, its directors, employees or agents.

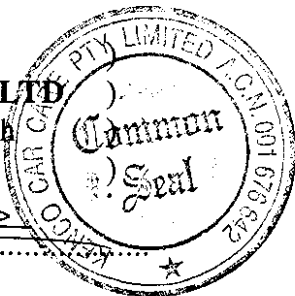
ACKNOWLEDGMENTS

- 6. Kenco acknowledges the Commission's right to make this undertaking available for public inspection.
- 7. Kenco acknowledges that the Commission will issue a media release in relation to this undertaking and may from time to time publicly refer to the undertaking.
- 8. Kenco 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 *SIXTEENTH* day of *DECEMBER* 1996

THE COMMON SEAL of
KENCO CAR CARE PTY LTD
was affixed in accordance with
its Articles of Association:



[Signature]
Director/Secretary
GUDALUPE NLAEMENOK
Name (printed):

[Signature]
Director
DAVID VICTOR VLAETINK
Name (printed):

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



Chairperson

This 18 day of December 1996

ATTACHMENT A

CORRECTIVE ADVERTISING

KENCO

Kenco Car Care Pty Ltd wishes to advise consumers that it has unintentionally contravened the consumer protection provisions of the Trade Practices Act by representing that its soft new towelling (Part No 50038) was Australian made when the product in the sealed bag had an attached label stating that it was made in Pakistan.

Following discussions with the Australian Competition and Consumer Commission, Kenco has agreed to remove the statement 'Australian Made' from the packaging of all current stock and will in future ensure that the packaging describing the place of origin is accurate.

Kenco apologises to consumers and offers a full purchase price refund on return of the product and purchase receipt to any consumer who was misled by the incorrect labelling.

Please contact 02 9808 2311 for more information.