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Title:

Press statement: Attorney General warns on Unfair Advertising

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Attorney General Warns On Unfair Advertising.

The Attorney General, Mr. L.J. King, Q.C., said today he has had discussions with the Prices Commissioner, Mr. L.H. Baker, on the administration of the new Unfair Advertising Act.
Mr. King said the Commissioner, who is responsible for administering the new law, had told him many of the complaints received by the Prices Department about unfair advertising in recent years concerned advertisements by used car dealers.
Prospective buyers were frequently deceived by expressions such as '100% Warranty' and '7 days free trial', not realising that in most instances the warranty applied only to certain parts and for a very limited period of time, and that the offer of 7 days free trial of a vehicle in no way invalidated an agreement to purchase signed prior to the free trial, should the buyer regard the vehicle as unsatisfactory.

'one owner' when they had been previously owned by several people, or where the year model was wrongly stated, the mileage misrepresented, the condition falsely described, or where weekly repayments were displayed on the windscreen in such a way as to mislead. A specific example of this was the term "10.50 weekly" where the dot between dollars and cents and the word "weekly" were so small that anyone other than the most careful observer would believe the full price to be \$1050. One of the most reprehensible practices was "ghost" advertising, where a nonexistent vehicle was advertised at a very attractive price and would-be purchasers were told on enquiry - "I am sorry - it has just been sold" - and were then persuaded to buy something more expensive.

"The Unfair Advertising Act which was recently passed makes it an offence for a trader to publish an advertisement of any kind relating to goods or services, or to the extension of credit for any transaction relating to goods or services, if the advertisement concerned contains an unfair statement.

"An unfair statement is defined as one that is inaccurate or untrue in a material particular, or likely to deceive or mislead in a material way, and the prescribed penalty under the Act is \$1,000.

"I suggest that it is advisable for advertisers to make an immediate examination of their advertising in the light of the new legislation, as any trader detected contravening the Act would face the likelihood of prosecution," the Attorney General said.