



**Australian
Competition &
Consumer
Commission**

Our Ref: N 31144

Contact Officer: John Wunsch
Contact Phone: 02 6243 1231

12 August 2005

Mr Stuart Ariff
Insolvency Administrators
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Dear Mr Ariff

Re: Juice Station Franchising Pty Ltd (under Administration):
Product safety problems

Thank you for your facsimile of 5 August 2005 concerning the product safety issues with juice bottles supplied by the franchisor under the above franchise.

We note your advice that your bottle supplier has taken appropriate action to eliminate the product safety and quality problems with the bottles.

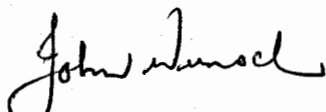
However, Mr Kilani (a franchisee) advises the Commission that these problems are continuing to occur. In addition, the part owner and manager of Campbelltown and Market City Juice Stations has written to the Commission in a letter dated 5 August 2005 alleging that one adult customer had choked on a piece of plastic inside one of the juice bottles and that they have also received several complaints of cuts from sharp edges on these bottles. The manager also provided a further four samples of bottles which were supplied in the week of 1 to 5 August 2005. These bottles had pieces of plastic which had separated to varying degrees from the upper edge of the rim of the bottles. These bottles indicated continuing poor quality manufacture and poor quality control processes. While the consumer hazards presented by these bottles are less critical than loose pieces causing choking hazards, these bottles may still impact on consumer safety.

It appears that further improvements in the quality control on these bottles are urgently required, from both product safety and fitness for purpose perspectives. Quality inspections must also be substantially upgraded, so that all bottles with safety related defects and quality imperfections are identified and removed prior to being boxed and shipped to franchisees.



We require your written response on what further action you intend taking to resolve these problems by COB Tuesday 16 August 2005. In the absence of a satisfactory response, the Commission will consider its options in relation to revocation of the Notification. You should also be aware that the power exists under the Trade Practices Act to order the recall of goods which will or may cause injury to any person.

Yours sincerely

A handwritten signature in cursive script that reads "John Wunsch".

John Wunsch

Director

Product Safety Policy