



UNDERTAKING TO THE  
AUSTRALIAN COMPETITION AND CONSUMER COMMISSION  
GIVEN PURSUANT TO SECTION 87B OF  
THE TRADE PRACTICES ACT 1974  
GIVEN BY  
FREEDOM GROUP LTD ACN 051 493 764

**FREEDOMGROUP**  
LIMITED

## 1. BACKGROUND

- 1.1 Following an investigation the Australian Competition and Consumer Commission ("the Commission") has reached the view that Freedom Group Ltd ("Freedom") contravened section 65C of the *Trade Practices Act 1974* ("the Act") by supplying to the public a "Sable Ottoman" bean bag cover (supplied to Freedom by Kas Australia Pty Ltd ("Kas")) which did not comply with the provisions of the Trade Practices (Consumer Product Safety Standards) Regulations ("the Regulations") in relation to bean bags.
- 1.2 The Commission observes that once Freedom was notified of the problem it acted promptly to take corrective action by:
- immediately removing unsold stock from stores;
  - publishing a recall notice ("the Recall Notice") in national newspapers and placing the notice on public view its stores; and
  - offering to affected customers refunds or modification of the bean bag cover to comply with the Regulations.
- 1.3 Freedom and the Commission have agreed to resolve this matter by the giving and accepting of undertakings in the terms contained herein.

## 2. UNDERTAKINGS

Freedom undertakes to:

- 2.1 Refrain from supplying or offering to supply at any time in the future, bean bags, bean bag covers or bags containing bean bag filling which do not comply with the Regulations;
- 2.2 Pursuant to the Recall Notice, maintain a record of the following:
- (a) the total number of bean bag covers returned;
  - (b) the date each bean bag cover was returned;
  - (c) by whom each bean bag cover was returned; and
  - (d) when, where, by whom and by what means each bean bag cover was destroyed or modified so as to comply with the Regulations.

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Australia

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**FREEDOM**

Guests

**A ANDERSONS**

- 2.3 Engage a suitably qualified professional, who is independent of Freedom and Kas and acceptable to the Commission, to review and report to Freedom on Freedom's compliance with undertaking 2.2, above.
- 2.4 Provide a copy of the report to the Commission within 30 days of the date of the commencement of the Undertaking.
- 2.5 Within 3 months of the acceptance of this undertaking, implement a Trade Practices Compliance Program that includes the elements in Schedule 1 of this undertaking.
- 2.6 The Trade Practices Compliance Program will remain in force for a minimum of 3 years.
- 2.7 Appoint a senior manager of Freedom, with responsibility for the implementation of the Trade Practices Compliance Program.
- 2.8 12 months after implementation of the Trade Practices Compliance Program, engage a suitably qualified professional who is independent of Freedom and Kas and acceptable to the Commission to review and report to Freedom on:
- (a) the effectiveness of the Trade Practices Compliance Program; and
  - (b) measures to improve compliance with the Trade Practices Compliance Program.
- 2.9 Within 30 days of receiving the report, provide a copy to the Commission.
- 2.10 Implement all reasonable recommendations made in the report.

### 3. ACKNOWLEDGEMENTS

- 3.1 Freedom acknowledges the Commission will make this undertaking publicly available and may publicly refer to it.
- 3.2 Freedom acknowledges this undertaking in no way derogates from the rights and remedies available to any person arising from the alleged conduct.

IN WITNESS of these undertakings  
and its agreement the common seal of  
FREEDOM GROUP LTD  
(ACN 051 493 764)  
was hereunto affixed by  
authority of the Board of Directors in the presence of:

Secretary/Director

Director



This ~~31st~~ day of October 2001

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

Rodney Francis Shogren  
Acting Chairperson

This ..... day of October 2001

*[Signature]*  
*[Signature]*  
NOV 19, 2001

## **Schedule 1**

### **TRADE PRACTICES COMPLIANCE PROGRAM**

1. Maintain up-to-date copies, at Freedom's business premises, of all prescribed consumer product safety standards and prescribed consumer product information standards that relate to products that Freedom supplies.
2. Upon identifying a prospective product for supply to an Australian consumer, ascertain whether the product is required to comply with any prescribed consumer product safety standards and/or prescribed consumer product information standards.
3. If Freedom supplies a product that is subject to a product safety and/or information standard, ensure that the product complies with the relevant standard.
4. Ensure all products held in stock by Freedom at the time of implementation of this compliance program comply with prescribed standards.