

# Trade policies essay

[Design](#)



Trade Policies Introduction The process of manufacturing and selling goods requires that both the manufacturer and the supplier follow numerous safety standards.

Competitive market environment creates conditions where manufacturers and suppliers should offer high quality products that meet all safety standards. However, these standards and requirements are not always followed; the problem is particularly complex when it comes to children. Australia is characterized by the growing number of infant product-related injuries and deaths that occur during the first years of life (Australian Competition & Consumer Commission, 1997; Monash University, 2000; OECD, 2002; Productivity Commission, 2005). Cots may be extremely dangerous to children, if the standards and measurements for cots manufacturing are violated.

The production and selling of cots is regulated by several different laws. These laws provide useful and valuable legal information for the consumers who have suffered product-related injuries. For the purpose of this study, cots are defined as “ baby beds with four raised sides, usually with one moveable side that may be released and dropped down, thereby lessening the difficulty of babies being placed and taken out of cots” (Victoria Government Gazette, 2006).

The standard space between the cot bars should not be less than 50 mm; otherwise, children risk getting their “ heads caught in the space between vertical cot bars” (Government of South Australia, 2007). The Product Safety Standards AS/NZS 2172, Trade Standards Act 1979, Fair Trading Act 1999,

and Permanent Ban Order Prohibiting the Supply of Dangerous Goods provide a complex legal foundation for filing a lawsuit against the supplier and the manufacturer of dangerous cots, when these cots have already become the cause of the serious infant injury. These laws will also serve the sources of valuable legal and consumer information, and will help clarify the rights the mother of the injured child has against the supplier and the manufacturer of the dangerous cots. Regardless the specific type of product of service, Section 23 of Trade Standards Act 1979 defines safety standards as those “ that are directed at preventing or minimizing risk of injury or impairment of health” (South Australian Consolidated Acts, 1979). As applied to manufacturing and selling cots, safety standards regulate the design and construction of these goods: the space between the bars must be between 50 and 85 mm, to guarantee that the child is not trapped in any cot’s component (Government of South Australia, 2007; Ministry of Consumer Affairs, 2004). In case with Wang Yue, the real space between the bars did not exceed 45 mm. In this situation, Wang Yue has the right to sue both the manufacturer and the supplier of cots for violating national standards for cots and selling the product which is dangerous for use by children. Wang Yue has the right to file a lawsuit and require financial compensation for physical and moral injury of her child.

In this situation, the law is on Wang Yue’s side, and before going to the court, she should thoroughly review contemporary consumer law as applied to producing and selling cots. Trade Standards Act 1979 protects consumer rights and puts a legal ban on manufacturing and selling dangerous goods. Under Section 23 of Trade Standards Act 1979, the maximum penalty for

breaching these legal provisions is \$10 000 (Commonwealth of Australia, 1974; South Australian Consolidated Acts, 1979). This legal ban is further supported and reinforced by Fair Trading Act 1999 and Permanent Ban Order Prohibiting the Supply of Dangerous Goods: “ Children’s cots for household use which do not comply with Australian / New Zealand Standard AS/ NZS 2172: 2003” are prohibited from being manufactured and supplied in Australia (Victorian Consolidated Legislation 1999; Victoria Government Gazette, 2006). Under Trade Standards Act 1979, Wang Yue is considered a person who has bought the goods that did not comply with official and applicable safety standards. Section 26 of Trade Standards Act 1979 offers three different legal options: Wang Yue is entitled “ to recover compensation for any damage suffered by the person in consequence of a dangerous characteristic of the goods, or the failure to comply with an applicable safety standard”; Wang Yue has the right to return the goods to the supplier and request the amount of money previously paid for the cot; and if the woman decides to return the cot, she has the full legal right to request compensation for the reasonable expenses that have been caused by the need and the process of returning the goods to the supplier (South Australia Consolidated Acts, 1979). By filing a lawsuit, the woman can recover compensation for the cost of the dangerous cot and for the injury-related expenses; in addition, the court will have the right to put a penalty on the supplier or manufacturer (or both) of dangerous goods.

The cot Wang Yue has bought from Snugglepote was supplemented with a brochure that carried the words “ Australian Safety Standards Approved”. In this context, Wang Yue may refer to Fair Trade Act 1999, and re-evaluate

Tom's and Snugglepot's actions through the prism of misleading and deceptive conducts. " A person must not, in trade or commerce, engage in conduct that is misleading or deceptive or is likely to mislead or deceive" (Victorian Consolidated Legislation, 1999).

The use of deceptive and misleading wording on the product may also be referred to as " false representation in relation to goods and services" that are covered by Section 12 of Fair Trading Act 1999. Neither Tom, nor Snugglepot had the right to falsely represent that their cots followed particular standards. However, to prove her viewpoint, Wang Yue will also have to provide the court with the full package of documents, formed by a professional and certified analyst and confirming the fact that the cot does not follow the basic safety standards. Conclusion Wang Yue is facing a difficult situation: her daughter has been injured with a household cot that did not follow Australian safety standards and requirements.

The space between the bars was smaller than safety standards required. Consumer law provides Wang Yue with the right to file a suit against the supplier or the manufacturer (or both). She has the right to recover compensation for the price of the cot and injure-related expenses. The supplier is also guilty of deceptive business conduct and false representation in relation to goods and services. The court will also have the right to put the penalty on the manufacturer or the supplier (or both) of the dangerous goods; the penalty may reach the sum of \$10 000. References Australian Competition & Consumer Commission. (1997).

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