

April 2006

From the Small Business Commissioner

This edition of *Briefing* highlights the shortcomings of some retailers operating online in terms of misleading conduct and—in some cases—blatant fraud. Apart from protecting the interests of unwary consumers, many of whom are small businesses, this internet monitoring effort by the ACCC and its overseas counterparts aims to make the online ‘playing field’ more level for all suppliers. In other words, getting all those competing on the internet playing by the same competition and fair trading rules.

This *Briefing* also touches on:

- enforcement action in the franchising sector
- a new guide to assist small businesses to detect and avoid cartels
- the heavy workload for the Commission’s mergers unit and authorisation unit which have considered some applications of considerable economic significance.

John Martin
Small Business Commissioner

NEW DEVELOPMENTS

Cartels publication for small business

The ACCC released a guide for small business about identifying and avoiding involvement in, or being a victim of, cartel behaviour. *Cartels—what small businesses need to know* assists businesses if they have suspicions about cartels during their business dealings. The publication also provides information about:

- behaviour that constitutes a cartel
- warning signs in the procurement process
- what to do if you suspect a cartel
- the penalties attached to cartel conduct
- the ACCC immunity policy for cartel conduct

MR 035/06

Draft guide for authorisation and notification processes

The ACCC issued for public comment two draft guides concerning the authorisation and notification processes under the Act.

The authorisation guide was prepared to help people better understand the approach the ACCC takes when considering authorisation matters and is designed to assist applicants in preparing applications for authorisation and interested parties to understand and participate in the authorisation process. The guide also attaches the new streamlined authorisation process for small business collective bargaining arrangements launched

by the ACCC in December 2005.

The guide to exclusive dealing notifications aims to assist businesses and legal advisers to understand the ACCC’s approach to considering exclusive dealing notifications. It outlines how to lodge a notification, how the process works, what information the ACCC will need and how the ACCC will assess exclusive dealing notifications.

MR 021/036

Internet sweep on hidden shopping traps

Sixty-one consumer protection agencies from over 20 countries conducted a world-wide sweep for online traders that are illegally misleading online shoppers. Hidden traps online were the official target for the 2006 International Consumer Protection and Enforcement Network’s Internet Sweep and participants, including 10 Australian agencies, zoomed in on the fine print to uncover websites misrepresenting basic consumer rights.

The 2006 joint operation, coordinated and led by the ACCC, aimed to catch sly businesses using online terms and conditions to exclude statutory rights, add hidden charges at the point of sale and allow sneaky downloads as part of the conditions of sale. ‘Shopping Online’, the ACCC survey report, showed that of the 265 sites visited which contained terms and conditions more than half attempted to deny or restrict consumers’ rights or limit liability.

MR 041/06

Medical indemnity report

The Australian Government issued the ACCC report, *Medical indemnity insurance—third monitoring report—December 2005*. The report is the third produced in response to the October 2002 government announcement that the ACCC would monitor medical indemnity insurance premiums to assess whether they are actuarially and commercially justified.

The report found that the premiums written in 2005–06 were considered to be both actuarially and commercially justified for all five medical indemnity providers.

MR 029/06

CONSUMER AND SMALL BUSINESS PROTECTION

Operator kept out of cosmetic and health industries

The Full Federal Court has dismissed an appeal by Mr Peter Foster against an order restraining his involvement in any business relating to weight loss, cosmetic or health industry products or services for five years. The ruling follows ACCC action last year against key persons involved in Chaste Corporation’s TRIMit scheme for both resale price maintenance

Some items in *ACCC briefing* refer to media releases (MR, with number and year shown). These can be found on the ACCC website <www.accc.gov.au>. Most other reports and documentation are also available on the website. Subscribe to *ACCC briefing* by emailing small.business@accc.gov.au. For information on the Trade Practices Act contact—ACCC Infocentre 1300 302 502 or the ACCC small business helpline 1300 302 021

and misleading and deceptive conduct.

The Federal Court penalised Mr Foster \$150 000 and made an order restraining Mr Foster from being involved directly or indirectly in the promotion or conduct by a corporation of any business relating to these industries for five years.

MR 055/06

Alleged fibre content misrepresentation

The ACCC instituted legal proceedings against H & Y Trading, alleging misleading and deceptive conduct in respect to the fibre content labelling of certain Aussiesox brand socks which it imports and distributes. The ACCC alleges that H & Y represented a range of socks as 'Pure Cotton' when they were not composed entirely of cotton. The ACCC also alleges that H & Y misrepresented that a range of its 'Cotton Rich' socks were composed of 98 per cent cotton when they were composed of not more than 84.8 per cent cotton.

MR 053/06

Advertised car price does not contain all charges

A Western Australian motor vehicle dealer, Sken Pty Ltd, trading as Premier Suzuki, has provided court enforceable undertakings to resolve the ACCC's concerns that the company failed to include all charges applicable to the advertised price of its Suzuki Swift motor vehicles.

In an advertisement in the *Mandurah Mail* newspaper, Premier Suzuki failed to include dealer delivery charges that were payable in addition to the advertised price, an omission which, in the ACCC's view, may have contravened the consumer protection provisions of the TPA. When the matter was brought to Premier Suzuki's attention, it cooperated fully with the ACCC and immediately took action to ensure such omissions in the advertisements would not occur again.

MR 052/06

Car dealer advertising error corrected

Brisbane based Denmac Ford car retailing group will offer good-will vouchers to each of the buyers who may have been misled by an advertising error. Denmac admitted that it had accidentally stated a pre-sale 'recommended retail price' for a Ford Focus model that was more expensive than the one on sale in newspaper advertisements it ran in the *Courier Mail* and the *Queensland Times*. The ACCC has accepted a proposal from Denmac that will also include improved procedures for checking the company's advertisements and acknowledged Denmac's positive attitude to improving internal advertising procedures.

MR 057/06

Slendertone machine claims misleading

The Federal Court in Perth declared that Slendertone Health & Beauty and Emerald Ocean Distributors engaged in false and deceptive conduct and made misrepresentations when promoting the Slendertone electronic muscle stimulation products.

The court found that representations made in magazines, in the Slendertone pamphlet and on the product website that the Slendertone EMS product could tone and firm any part of the body with no effort by the user and provide the benefit of a workout without exercise, and other similar claims, were not supported by evidence and contravened the consumer protection provisions of the TPA. The court also found claims that products could eliminate cellulite or reduce a user's body measurements were also unsustainable based on the evidence, including manufacturer's evidence. Mr Sean O'Donghue, the sole director of both companies was declared knowingly concerned in the contraventions.

MR 062/06

Phone card business victim compensation

The Federal Court ordered that 23 small businesses receive compensation totalling more than \$3.5 million following ACCC action against Global Pre Paid Communications, In-Touch Networks and the companies' representatives.

The ACCC alleged that the phone card operators had misled the small businesses about the profitability and operations of pre-paid phone card and vending machine distributorships. The conduct began in 2001 when Global Pre Paid advertised phone card vending machine franchises and exclusive distributorships. The initial sets of vending machines were second-hand. The small businesses also found that they could make little or no money from the phone cards despite representations that they could earn huge profits, up to '\$1 500 000 per year'.

MR 042/06

Undertakings from ugg boot operators

Two businesses involved in the importation and sale of ugg boots in Australia have admitted that the 100 per cent wool lining claims on the *HUMAN* range of ugg boots was wrong.

Rogue Footwear, a footwear importer, and Pegasus Investments & Holdings trading as Coastline Agency, which receives footwear from Rogue to sell in Australia, have provided court enforceable undertakings after the ACCC raised concerns that the labels on the *HUMAN* range of footwear represented that the footwear was '100 % WOOL LINING' and further indicated that the lining was 'AUSTRALIAN MERINO WOOL', when test results indicated that the lining was made up of 99.5 % polyester and 0.5 % polypropylene. Coastline will offer consumers who were misled by the conduct a refund and has published a corrective notice in newspapers.

MR034/06

FRANCHISING

Franchisor sued for misrepresentations

The ACCC commenced legal proceedings against The Original Mama's Pizza & Ribs Pty Ltd, its managing director, Mr George Terence Hilder and sales representative, Mr Richard Soo. The ACCC alleges that Original Mama's, Mr Hilder and Mr Soo made misrepresentations to small business owners, such as service station, café and convenience store owners, which induced them to enter into long-term financing agreements with third party finance companies, in order to obtain oven systems.

These misrepresentations allegedly included representations to the effect that the oven system would be risk free and that if the oven system was not a success the financing agreement could be cancelled and the oven removed with no costs incurred by the small business owner. The ACCC alleges that Original Mama's in some cases misrepresented the length of the financing agreement. The ACCC alleges that small business owners who sought to terminate these agreements were advised that the agreement could not be cancelled, that Original Mama's did not guarantee to remove the system, or in some cases were unable to contact the company at all.

MR 022/06

Licence agreements declared franchise agreements

Companies have been reminded of their obligations under the Franchise Code of Conduct after ACCC action in the Federal Court, Melbourne. The court has declared that 'licence agreements' marketed by ContactPlus Group Pty Ltd (in liquidation) and its sole director Mr Arthur Spencer were in fact franchise agreements.

ContactPlus was a Melbourne based business that promoted, marketed and sold licences nationally to use its intellectual property for the purpose of operating employment and recruitment services. The court declared:

- the agreements were franchise agreements covered by the Franchising Code of Conduct and that the company had thereby contravened s. 51AD of the Act by failing to comply with the code
- ContactPlus had misrepresented the liability for a lump sum licence fee payment to franchisees and the provision of exclusive territories in breach of ss. 52 and 53 of the Act
- the \$60 000 licence fees disputed in proceedings were not enforceable
- Mr Spencer was knowingly concerned in the conduct.

MR 028/06

Franchisor misrepresentations

The ACCC obtained orders in the Federal Court, Brisbane, against Maintenance Franchise Services (MFS) and its managing director, Mr Gregory Bath. In a separate private settlement brokered by the ACCC, 11 of the affected former franchisees will also receive agreed amounts of compensation from the insurer for MFS and related company Archem Australia. MFS was the franchisor for domestic fertiliser spray services spraying fertiliser manufactured by Archem.

The ACCC brought proceedings as a result of representations made in connection with the sale of the franchises in Queensland. The court declared that MFS contravened s. 52 of the TPA by making representations without reasonable grounds that

- franchisees could earn high incomes from repeat business without the need to engage in selling activities
- franchisees would never run out of customers as they could purchase more from MFS
- Archem had successfully conducted a business of the same type and the products had performed satisfactorily.

Injunctions were granted restraining MFS and Mr Bath from similar conduct in the future.

MR 058/06

PRODUCT SAFETY

Hot water bottle safety

A third hot water bottle importer, McGloins Pty Ltd, has taken steps to ensure its products are safe after the ACCC raised concerns that certificates of compliance with the British Standard were being provided to importers by overseas manufacturers but the certificates were either false or were generic and did not necessarily apply to the hot water bottles being imported.

McGloins offered the ACCC court enforceable undertakings, agreeing to only supply hot water bottles representing compliance with the British Standard where it can provide genuine certification for each specific model, and will implement strong compliance programs.

MR 031/06

RESTRICTIVE TRADE PRACTICES

Cartel guide for consumers

A consumer guide to cartel conduct was launched by the ACCC at the recent national Consumer Congress in Melbourne. The publication provides information about the four different types of cartel conduct; price fixing, market sharing, bid rigging and output controls. Cartels affect all consumers—whether it is through higher prices for petrol at the pump or cartel members rigging bids paid for with taxpayers' money. The guide contains indicators for consumers to watch for, and urges consumers not to ignore the warning signs and to let the ACCC know if they suspect a cartel so the ACCC can investigate.

MR 060/06

MERGERS AND ACQUISITIONS

Acquisition of WA rail assets to proceed

The ACCC did oppose the acquisition of certain rail assets, primarily in Western Australia, from the Australian Railroad Group by Queensland Rail and Babcock & Brown. Competition concerns focussed on bulk rail freight and market research suggested that competition between ARG and QR is very limited, and is likely to remain so in the future. This conclusion combined with evidence of continued competition from Pacific National and the possibility of new players led to the ACCC forming the view that the transaction will not substantially lessen competition. The ACCC considers that the transfer of ownership of ARG's Western Australian track and associated infrastructure to Babcock & Brown, which does not operate a rail business in Western Australia, is also unlikely to substantially lessen competition.

MR 070/06

Revised undertakings in Toll/Patrick

The ACCC accepted revised court enforceable undertakings from Toll in relation to its proposed acquisition of Patrick Corporation and as a consequence proposes to withdraw its opposition to the acquisition. The undertakings offered by Toll address the competition concerns arising from the proposed acquisition and are far more extensive than previously offered. Toll must divest 50 per cent of the shares in Pacific National, Patrick's Bass Strait operations, Patrick or Toll's vehicle logistics operations and the Minto terminal as well as further extensive commitments.

The ACCC considers that the final signed undertakings offer a higher level of certainty that competitive detriment will not occur and after taking into account all of the divestments and commitments now offered by Toll, the ACCC determined that the proposed acquisition would be unlikely to breach s. 50 of the TPA.

MR 054/06

Patrick's acquisition of FCL not opposed

The ACCC accepted court enforceable undertakings from Patrick Corporation and will not intervene in the proposed acquisition of FCL Interstate Transport. The undertakings address the competition concerns arising from the proposed acquisition.

The ACCC initially opposed the acquisition due to concerns including the potential for Patrick and Toll, through Pacific National, to discriminate against other freight forwarders if Patrick acquired FCL. Patrick is currently pursuing capacity allocation from Pacific National in order to begin its own rail service and is also seeking the break up of Pacific National. If successful, this could result in there being two significant independent rail competitors and will address the competition concerns and lead to a significantly higher level of competition.

The ACCC considered the proposed acquisition of FCL by Patrick independently of the proposed acquisition of Patrick by Toll.

MR 083/06

Proposed paint acquisition

The ACCC conducted market inquiries and released a statement of issues identifying its preliminary competition concerns in respect of the proposed acquisition of Wattyl by Barloworld Limited. The ACCC has formed the initial view that a merger of the second and third largest suppliers of architectural and decorative paint has the potential to lead to a significant reduction in competition and increased prices. The difficulty of new entry and expansion due to existing retail networks of the major suppliers and the importance of brand awareness has been identified by the market as issues contributing to a reduction in competition. At the conclusion of the second phase of market inquiries, the ACCC will make a final assessment.

MR 063/06, 025/06

Acquisition of imaging services not opposed

The ACCC will not oppose the acquisition by Lake Imaging of diagnostic imaging practices in Ballarat and Geelong from St John of God Healthcare, after receiving court enforceable undertakings from the health care providers addressing potential competition concerns about the supply of ultrasound services in Ballarat. The undertakings remove possible contractual impediments to certain potential new ultrasound providers commencing practice in Ballarat.

MR 046/06

AUTHORISATIONS AND NOTIFICATIONS

Plant breeders group authorisation denied

The ACCC issued a draft decision proposing to deny authorisation to arrangements proposed by the Australian Nurserymen's Fruit Improvement Company Ltd. ANFIC is a company comprised of 12 members who each operate commercial plant nurseries supplying plant material to fruit growers for commercial production. ANFIC has proposed to establish a strategic alliance between its 12 members and various participants in the supply chain, including growers and wholesalers, to undertake joint marketing and production of high quality fruit varieties. Essentially, the arrangement would allow members to standardise their royalty collections and coordinate or restrict the supply of nominated exceptional fruit varieties.

The ACCC has concluded that while intellectual property protection is important for the development and future competitiveness of the Australian fruit industry, the proposal is unlikely to result in additional benefits to the public exceeding those that would be available under the current intellectual property regime. Moreover, the ACCC is concerned that the arrangements may result in less efficient outcomes for society, for example, less choice and higher prices.

MR 067/06

Elite swimmers collective bargaining cleared

Many of Australia's elite swimmers are now able to collectively negotiate with Swimming Australia Limited over terms and conditions of payments after the ACCC approved an authorisation application by the Australian Swimmers Association. This was the first application under the streamlined process for collective bargaining arrangements which lets small businesses access a simpler and more timely process that also provides greater certainty to eligible applications.

The ACCC noted that the collective bargaining arrangement will not alter the current funding arrangements by the Federal Government and corporate sponsors, and that SAL will retain responsibility for deciding how payments are distributed to eligible swimmers. The ACCC considers that the proposed arrangement is likely to result in a public benefit particularly by enabling swimmers, through the ASA, to have input into the terms and conditions of swimming payments.

MR 064/06 and 036/06

Life insurance bar on genetic testing re-authorised

The ACCC has re-authorised for five years an agreement between life insurers which provides that they will not require

applicants for life insurance to undergo genetic tests. The Investment and Financial Services Association, whose members account for the majority of life insurers in Australia, sought re-authorisation of part of its Genetic Testing Policy.

The ACCC continues to accept that there is a public benefit in life insurers not coercing individuals to undergo genetic testing and in maintaining the status quo to allow time for the newly established Human Genetics Advisory Committee to consider the use of genetic information in insurance. The ACCC considers that the public benefit is likely to outweigh the anti-competitive effects of preventing life insurers from offering differentiated premiums to consumers. The ACCC is able to conduct an early review of the authorisation should, for example, recommendations of the committee and/or subsequent changes in government policy warrant it.

MR 049/06

Council clean ups: collective tenders allowed

Authorisation was granted to councils covering about a third of the Sydney metropolitan area to collectively tender and contract for waste management services for waste collected in Council Clean Up days. The authorisation is part of a state-wide approach aimed at avoiding waste and increasing resource recovery. This is the fifth collective tendering program the ACCC has considered from Sydney councils and as with earlier applications, the ACCC concluded that the proposal would benefit consumers by improving services and potentially lowering ratepayers' charges.

MR051/06

APRA re-authorised

Arrangements under which the Australasian Performing Right Association administers and licences performing rights in musical works in Australia have been re-authorised by the ACCC. Under these arrangements APRA controls performing rights in virtually the world-wide repertoire of musical works within Australia. Anyone wanting to publicly preform or broadcast a musical work needs a performing rights licence to do so.

In response to concerns expressed by the ACCC in its draft decision, APRA modified the arrangements by which it takes assignment of its members' rights to make it easier for composers to negotiate rights in respect of their works directly with users. APRA has indicated it is prepared to develop alternative licensing arrangements to allow direct dealing between music composers and users where the music user expresses an interest.

MR 048/06

Hotels can collectively negotiate

The ACCC issued a final decision authorising several Australian Hotel Association divisions and their members in Victoria, South Australia, Tasmania, Western Australia and the Northern Territory to engage in collective negotiations with service providers of wagering and broadcasting services.

The ACCC considers that the arrangements will provide greater opportunity for hotels to have input into their contracts and to

achieve more efficient commercial outcomes and that at least some of these benefits are likely to be passed on to consumers, in the form of improvements in the level of services provided by hotels.

MR 043/06

Levy on sales of bricks allowed

The ACCC issued a draft determination proposing to grant authorisation for manufacturers of clay bricks and concrete masonry products to impose levies on the sales of their product. The funds will be used to promote bricklaying to young people and to provide subsidies to employers of apprentices, in order to address a shortage of skilled bricklayers.

The applicants, Australian Brick and Blocklaying Training Foundation, the Clay Brick and Paver Institute, the Concrete Masonry Association of Australia and their members, advised that the levies are likely to add \$16–\$20 to the cost of building an average brick house. However, reduced delays in construction that result from shortages of skilled bricklayers will produce savings for home buyers.

MR 038/06

Forest contractors denied collective bargaining

The ACCC issued a final determination denying an application for authorisation made by the Tasmanian Forest Contractors Association to allow it to collectively negotiate with various wood companies on behalf of its member forest contractors.

In assessing the application, the ACCC learned that contractors carry out specialised tasks that may be unique to certain wood companies or a particular area of forest. This diversity means individual contracting businesses compete to win contracts based upon individual skills, experience and equipment. A need for varied and flexible contractual arrangements is a natural consequence of this diversity.

The ACCC was concerned that the proposed collective bargaining arrangements have the potential to result in increased standardisation of contracts, reducing innovation and leading to less effective work practices which may result in some detriment to the public.

MR 037/06

Joint marketing arrangement allowed

The ACCC has authorised a joint marketing arrangement between Woodside Energy, Benaris International and CalEnergy Gas (Australia) for the sale of liquefied petroleum gas from the Otway Gas project off Victoria. The Otway Project is a joint venture between each of the applicants and Origin Energy.

Benaris and CalEnergy hold minority interests in the joint venture, and will consequently control relatively small volumes of the LPG produced. Given the higher costs of marketing small volumes of LPG, the applicants advised and the ACCC considers that, in the absence of authorisation, Benaris and CalEnergy would sell their entitlements to Woodside or Origin. Given the separate marketing of Origin and the competitive constraint provided by other LPG producers, and the small volumes produced by Benaris and CalEnergy, the ACCC

considers that little, if any, anti-competitive detriment is likely to result from the applicants' joint marketing proposal.

MR 030/06 and 069/06

Dairy WA authorisation denied

The ACCC denied authorisation to arrangements proposed by Dairy Western Australia to establish a milk negotiating agency to collectively bargain with processors, retailers and service providers on behalf of WA dairy farmers on a range of terms and conditions, including price.

In December 2005 the ACCC issued a draft determination proposing to grant authorisation to Australian Dairy Farmers and its members for proposed collective bargaining arrangements. These arrangements currently have interim authorisation and dairy farmers in WA can continue to, as some currently do, collectively negotiate with processors.

The ADF arrangements are substantially different to those proposed by Dairy WA and in the ACCC's view, the ADF arrangements will provide certainty to dairy farmers and processors and will not result in significant anti-competitive detriment.

MR 033/06

REGULATED SERVICES

Plan for telecommunications access procedures

The ACCC finalised the broad approach that it intends to take in developing procedural rules for matters under the telecommunications access regime. The TPA was recently changed to allow the ACCC to determine some of its own procedures and therefore enables it to remove some of the potential sources of delay in the process and provide industry with more timely decisions.

MR 066/06 and 016/06

ACCC concern over competition fragility

Competition in telecommunication is beginning to bear fruit but the ACCC remains concerned that threats to competition still exist. The past year has seen some players commit to taking up the ULLS to provide broadband services using their own DSLAMs. This has produced a strong response from Telstra whose actions can have the effect of creating uncertainty on the part of Telstra's competitors, particularly those rolling out competing infrastructure including DSLAMs and wireless.

With markets changing in this way, regulation needs to adapt to stay relevant. The ACCC considers competitive interactions in a holistic way and with this in mind, recently launched a broad-ranging review of regulation of fixed network services. The review will consider how competition regulation can promote future network upgrades—such as fibre—allowing Telstra to compete vigorously, and for new entrants to compete vigorously in return.

MR 047/06

Telecommunications access arbitrations

The ACCC has commenced the arbitration process for several access disputes between Telstra, Optus and a range of other telecommunications providers. The disputes relate variously to domestic mobile terminating access services, the unconditioned local loop service and the line sharing service.

MR 040/06, 045/06, 050/06 and 065/06

Draft decision to continue telecom regulation

The ACCC issued a draft decision to continue its regulation of local call services (LCS) and to formalise its current approach to the regulation of line rentals. The ACCC's review found that, with the exception of CBD areas, which will remain unregulated, there are currently no effective substitutes for Telstra's LCS or line rental service and the prospect of more extensive roll-outs in the foreseeable period are still uncertain. However, the ACCC has limited the declaration to two years in view of the potential for facilities-based competition to develop in the near future. The ACCC will revisit and reassess its analysis in 2008.

The ACCC also set out its draft view on the future pricing of the LCS and line rental service. These services are currently priced on a retail-minus retail costs basis which in the ACCC's view is becoming increasingly problematic. However, this may need to be accepted as an interim approach, pending the development of an independent cost model able to estimate cost-based prices for the declared services.

MR 061/06

Report on Telstra's compliance

The ACCC issued its annual assessment of Telstra's compliance with its retail price control arrangements. This is the third report prepared under the government's price control arrangements that applied for the years 2002–03 to 2004–05 and notes that the ACCC is satisfied that Telstra has adequately complied with its price control arrangements.

MR 068/06

Optus undertaking rejected

The ACCC announced its final decision to reject Optus' access undertaking to supply its Domestic GSM Terminating Access Service. In reaching this decision the ACCC found that the target price estimated by Optus is substantially above the cost of supplying this service. Optus failed to address these concerns in its submissions following the ACCC's draft decision.

MR 020/06

Energy Reform: Look forward not backwards

Independent reports show that Australia does not have an infrastructure crisis and investment in electricity and gas transmission infrastructure has been unprecedented in recent years, Mr Ed Willet, ACCC Commissioner, told a CEDA Energy Reform seminar in Sydney.

The key is to look for ways to improve regulatory arrangements and practices to promote investments in essential national

infrastructure and to focus on further structural reform measures.

One of the key reforms is to transfer distribution regulation to the Australian Energy Regulator (AER) which would potentially chip away the multiple layers of regulation currently encountered by businesses and phase out energy price regulation where effective competition can be demonstrated.

MR 044/06

Airport price monitoring report

The prices airlines pay Australia's major airports for aeronautical services such as use of runways and terminal facilities have continued to increase, according to the *Airports price monitoring and financial report 2004–05* issued by the ACCC.

The report shows that total aeronautical airport costs have increased between 2002–03 and 2004–05 for all airports, with greater security requirements at airports since September 11 2001 adding to airport costs. However, increased passenger numbers have seen airport costs on a per passenger basis generally decrease or slightly increase during this time and, combined with price rises, airport profits have risen substantially over the period.

MR 027/06

REGIONAL OUTREACH

Qld & Nth NSW Outreach

Albert Julum, ACCC rural outreach manager for Queensland and Northern NSW gave a number of presentations during February to Chamber of Commerces and Rotary Clubs in Ballina, Murwillumbah, Yamba and Grafton. The ACCC video 'Franchising—Is it right for you?' was shown in Tweed Heads at an event hosted in conjunction with the Tweed Heads Chamber of Commerce.

In March a number of seminars were presented in conjunction with State Development at Springsure, Emerald, Blackwater, Capella, Toowoomba and Pittsworth as part of the ACCC's Rural & Regional Education Program.

Franchising Expo

The ACCC Sydney Small Business & Outreach had a stand at the Franchising Expo at Darling Harbour from Friday to Sunday, 17–19 March. Martino Santi, the ACCC's Sydney small business manager gave daily presentations in the expo theatre on the Franchising Code. The outreach team handed out nearly 1200 ACCC show bags containing franchising and small business publications.