

March 2005

From the Small Business Commissioner

This edition of *ACCC briefing* covers the ACCC initiative targeting bogus business opportunities, some of which are presented as franchising systems but woefully fail to comply with the Franchising Code of Conduct. A brochure flagging what to look out for was released this month and is available on the ACCC website.

Other matters covered include:

- a guide for retailers on price comparisons
- a draft guide on debt collection
- some important recent court decisions in franchising, and other areas of consumer and small business protection

NEW DEVELOPMENTS

Retailer's guide to price comparison advertising

Comparative pricing, when retailers compare current selling prices to former or future prices, can be a powerful marketing tool—everyone likes a bargain. But care must be taken when making comparisons—the price representations must accurately compare the most recent price and the current discounted price.

The ACCC has released a new guide for businesses with examples of advertising that raises concerns under the Act. A flowchart set out in the flyer will help businesses assess whether pricing promotions in their advertising are likely to comply with the law.

Copies are available from the ACCC website.

MR 032/05

ACCC and ASIC draft debt collection guideline

The ACCC and the Australian Securities and Investments Commission issued a draft debt collection guideline for public consultation. It outlines the Commonwealth consumer protection legislation most relevant to the debt collection industry, including prohibitions against misleading and deceptive conduct, harassment and coercion, and unconscionable conduct.

It explains to the debt collection industry and consumers how to avoid breaches of these laws. It reflects recent court decisions, changes in the industry's structure and practices, and the role of ASIC in enforcing federal consumer protection legislation in relation to financial services. The draft guideline and discussion paper are available on the ACCC website.

MR 022/05

ASIC and ACCC sign new agreement

A new agreement covering liaison, cooperation, assistance, joint inquiries and exchange of confidential information

arrangements has been signed by the Australian Securities and Investment Commission and the ACCC.

The agreement reinforces the cooperative approach the agencies have been taking to address wealth creation seminars and get rich quick schemes, as well as misconduct in debt collection.

The full text of the MOU is available from www.asic.gov.au or from the ACCC website.

MR 295/04

Public liability and professional indemnity insurance report

The ACCC has released its fourth report monitoring public liability and professional indemnity insurance costs and premiums. The report also assesses the impact on premiums of reforms implemented by Commonwealth, state and territory governments.

In the first half of 2004 the average premium for public liability insurance fell by 15 per cent, the average claims cost decreased by 11 per cent, and insurers' financial performance from underwriting public liability insurance declined. The average premium for professional indemnity insurance had fallen by 17 per cent in the six months to 30 June 2004, even though the average claims cost increased by 21 per cent.

Although insurers did not expect reforms to affect professional indemnity insurance costs and premiums, several jurisdictions have since enacted legislation directed at curtailing the cost of this insurance. This includes professional standards and proportionate liability legislation, which insurers expect to have an impact on claims costs and premiums in the longer term.

MR 024/05

ACCC targets bogus business 'opportunities'

The ACCC announced it is taking a hard line against offers of bogus or unworkable business 'opportunities', and is examining scenarios where perpetrators may face criminal sanctions.

The ACCC is particularly targeting those who grossly misrepresent the benefits, financial rewards or viability of franchise systems, who fail to comply with the Franchising Code of Conduct, or who engage in unconscionable conduct—for example, bullish and thuggish behaviour by franchisors to implement unnecessary and unreasonable changes on franchisees. A brochure flagging what to look out for was released this month and is available on the ACCC website.

MR 030/05

Contact the ACCC



Infocentre: 1300 302 502



Website: www.accc.gov.au

Some items in *ACCC briefing* refer to media releases and their dates e.g. MR 12.2.04. These can be found on the ACCC website <www.accc.gov.au>. Other reports and documentation are also generally available on the website. Subscribe to *ACCC briefing* by emailing small.business@accc.gov.au. **For TPA information - ACCC infocentre 1300 302 502.**

‘100 per cent cotton’ claim corrected

Aussino International Corporation Pty Ltd has stopped supplying its quilts and blankets and has withdrawn remaining stock from the market after the ACCC raised concerns that its products labelled ‘100% cotton’, breached the misleading and deceptive conduct provisions of the Act. Tests showed that the quilts and blankets were not ‘100% cotton’. The ACCC was also concerned Aussino may have failed to comply with the Textiles—Care Labelling product information standard.

The costs involved in this corrective action should serve as a warning to companies which manufacture or source products overseas, particularly in large volumes, of the need to have quality control mechanisms in place to make sure any representations are correct.

MR 033/05

FRANCHISING

Misleading conduct by domestic fertilizer spray franchisor

The ACCC began legal proceedings against a fertilizer manufacturer and a related franchisor, alleging misleading or deceptive conduct in the sale of franchises.

Archem Pty Ltd manufactures and supplies chemicals and fertiliser products to businesses throughout Australia. The ACCC alleges that Maintenance Franchise Services was the franchisor for domestic spray services which sprayed Archem fertiliser.

The ACCC also alleges that Archem and Maintenance Franchise Services made a variety of representations (without reasonable grounds) relating to potential income, existing customers and the quality of products supplied to the franchisees.

MR 307/04

Undertakings from baking franchise

The ACCC accepted court enforceable undertakings from You Can Bake-It Franchising Pty Ltd regarding its failure to meet its disclosure obligations under the Franchising Code of Conduct.

You Can Bake-It is a franchisor that owns and operates retail stores supplying branded bread mixtures and home baking products. It also licenses franchisees to operate retail stores supplying similar products.

The ACCC was concerned that sections of the franchise disclosure document were ambiguous and open to misinterpretation. Such lack of disclosure could mislead existing and prospective franchisees.

When the matter was brought to the attention of the company, it cooperated with the ACCC and provided undertakings to ensure that similar issues will not arise in the future.

MR 008/05

CONSUMER AND SMALL BUSINESS PROTECTION

Worldwide blitz on scams in spam

In the latest internet sweep 76 consumer protection agencies from 25 countries joined forces for 48 hours to launch an international assault to uncover scams that use spam and the internet to lure victims. The Sweep Day is the culmination of the ACCC’s involvement in Scam Awareness Month, run by the International Consumer Protection and Enforcement Network (ICPEN).

The month long campaign arms consumers with the knowledge and skills to recognise, report and stop scams. Australian consumers can report scams by calling the ACCC Infocentre on 1300 302 502, filling out a complaints form at the ACCC’s slam-a-cyberscam webpage or registering an overseas scam at www.econsumer.gov.

MR 028/05

Ray White Real Estate administrative undertakings

The ACCC has accepted undertakings from Ray White (Real Estate) Pty Ltd, the master franchisor of the Ray White Network in Queensland, and one of its agencies as a result of allegations of misleading and deceptive advertising. Following a complaint about the advertising and auction of three properties in Brisbane’s northern suburbs in late 2003, the ACCC was concerned that the properties were promoted using indicative prices substantially below the prices at which they were passed in at auction.

MR 016/05

Flight Centre to stop using ‘lowest airfares guaranteed’ slogan

Flight Centre will stop using its ‘Lowest Airfares Guaranteed’ slogan for five years and will conduct extensive corrective advertising after the ACCC investigated the slogan. Flight Centre provided the undertaking to the ACCC, without admissions, acknowledging that some consumers may have misunderstood the meaning of the slogan.

The ACCC also raised concerns with Flight Centre about a claim that it used its ‘Global Buying Power’ claim to get better deals on airfares than are generally available to other travel agents. The ACCC believes that Flight Centre does not in fact have such power as it does not generally buy airfares in bulk, but rather books airfares for individual customers. Flight Centre will not use the ‘Global Buying Power’ representation in the future without first giving notice to the ACCC.

MR 017/05

Shop-a-docket discounts and LPG

Following inquiries by the ACCC, Woolworths will better inform consumers about which Caltex/Woolworths co-branded service stations do not offer a discount on LPG. Previously, consumers were only made aware that the discounts were not available at some sites via the Woolworths website, and signs at the pumps.

MR 298/0

Office consumables and cleaning products misrepresentations

The ACCC instituted proceedings against Globex Systems Pty Ltd for alleged false representations about cleaning products and office consumables. Action has also been taken against two directors and two employees of the company.

The ACCC alleges that Globex made false representations that particular people had agreed to acquire cleaning products and office consumables from Globex, and that the ink cartridges in question were new. The ACCC also alleged that Globex asserted a right to payment for unsolicited goods, and engaged in misleading and deceptive conduct. The ACCC is seeking injunctions, declarations, corrective notices, compliance programs for the company and the individuals, and findings of fact and costs.

Security firm fined \$1.51 million

Following action by the ACCC, the Federal Court imposed fines of \$1.51million on Chubb Security Australia for criminal breaches of the Act. The charges related to Chubb contracting to provide security services when it knew that it would not be able to supply the services within the agreed period. Clients affected included a number of Commonwealth agencies and other businesses in Sydney, Gosford, Canberra and Tasmania.

Chubb has also accepted court enforceable undertakings to implement a comprehensive trade practices compliance program, to develop a voluntary code of conduct for the mobile patrol industry and to provide a copy of the code to all recognised security industry associations.

MR 310/04

MR 003/05

Termite protection warranty claims

The ACCC accepted court enforceable undertakings from Leon Enterprises Pty Ltd over misleading claims about its termite protection warranty.

ACCC investigations found that Leon Enterprises (trading as Envirotechnics Pest Management) claimed in various documents that its 'New Home Termite Protection Warranty' or 'Complete Timber Replacement Warranty' lasted for 10 years. However, it was actually an annual warranty that could be renewed on payment of a fee.

Envirotechnics has provided undertakings that it will write to warranty holders to explain the effect of its conduct, and that it will not make the same representations in future. The company has also placed corrective newspaper advertisements. The ACCC acknowledges the cooperation of Envirotechnics which stopped the offending conduct once informed of the ACCC's concern.

MR 002/05

PRODUCT SAFETY

Car jack problems

The ACCC and the Department of Health and Ageing have begun a joint campaign to alert home mechanics to the hazards of working under a car using only jacks for support. Consumers and suppliers can obtain more information on mandatory standards and how to stay safe while working under a vehicle by calling the ACCC Infocentre on 1300 302 502 or by downloading the Safety Alert brochure, *Working under a Vehicle*, from the ACCC website.

Following ACCC investigations, Super Cheap has withdrawn some jacks sold in Australia and New Zealand from sale and initiated a recall of the jacks already sold after they failed to meet mandatory product safety standards. Super Cheap's court enforceable undertakings also agree to more rigorous product safety testing and for a trade practices compliance program to reduce the possibility of future breaches.

In another matter, the Federal Court declared by consent that TWM Imports Pty Ltd breached the Act by supplying trolley jacks that did not meet the mandatory product safety standard. The court found that the jacks failed to comply with standards for design and construction, performance, marking requirements

of the jack and packaging, as well as the instructions that should be supplied with the jack.

ACCC Chairman Mr Graeme Samuel stated, 'This jack was one of the worst that we have come across, because it collapsed during testing.'

MR 025/05

MR 280/04

Recall of elastic luggage straps ordered

Following urgent court action by the ACCC, the Federal Court ordered the recall of certain elastic luggage straps that do not comply with prescribed consumer product safety standards. If used incorrectly the straps could cause severe eye or facial injuries. The ACCC alleged that the Ratchet Tie Down Set contained elastic luggage straps that did not have the required warning label permanently attached to them.

The importer of the product, Pro-Kit Pty Ltd, consented to the court orders—which included injunctions preventing the sale of straps which do not meet the standards, publication and distribution of recall notices and costs to the ACCC.

MR 305/04

Bunk bed safety undertakings

The ACCC accepted enforceable undertakings from a manufacturer and retailer, Floline International Pty Ltd, after it was found that its bunk beds did not comply with mandatory safety standards.

When the matter was brought to Floline's attention it cooperated fully with the ACCC, taking immediate remedial action and agreeing to provide the ACCC with court enforceable undertakings.

MR 011/05

MERGERS AND ACQUISITIONS

Metcash proposed acquisition of Foodland not opposed

The ACCC did not oppose Metcash Trading Limited's proposed acquisition of Foodland Associated Limited. Metcash is Australia's largest independent grocery and liquor wholesaler and distributor, operating in Queensland, NSW, Victoria, SA and the ACT. Metcash controls the IGA brand, which is licensed to independent store operators. Foodland operates 81 Action Supermarkets in WA, Queensland and northern NSW. It is also the grocery wholesaler to all WA independent supermarket operators, including its own franchise banner groups Dewsons, Supa Valu, Foodland and Four Square.

The ACCC considers the proposed acquisition is unlikely to substantially lessen competition in the supermarket industry at the retail level, since there is only a limited geographical overlap (in Queensland and northern NSW), and in those areas of overlap there will be continued strong competition from the other market participants.

27th January 2005 Release # MR 014/05

Stockland Group's proposed acquisition of General Property Trust not opposed

The ACCC will not oppose the proposed acquisition of General Property Trust by the Stockland Group. The two property trusts are two of Australia's largest, each owning a large number of

investment properties including, hotels, office parks, shopping centres and commercial and industrial buildings. The ACCC determined the significant areas of overlap between the portfolios occur in retail shopping and commercial office buildings in NSW, particularly around Sydney.

The ACCC found that Stockland will continue to face competition from rival shopping centres both in Sydney and in regional areas such as Newcastle, Wollongong and Gosford. Accordingly, the ACCC decided that the proposed acquisition is unlikely to substantially lessen competition.

MR 021/05

Fletcher Building's proposed acquisition of Insulation Solutions not opposed

The ACCC will not oppose the proposed acquisition of Insulation Solutions from the Amatek Group by Fletcher Building. Fletcher Building (through its subsidiary Tasman Insulation) and Insulation Solutions manufacture and wholesale a range of thermal and acoustic insulation products, including glasswool batts, blankets and reflective foil.

The ACCC considered the likely level of substitution from glasswool products to alternative insulation products in residential, commercial and industrial applications. Substitution of these products appeared more limited in residential roofing, commercial roofing, residential ceiling and residential wall applications. But after extensive consultation, the ACCC is satisfied that actual and potential glasswool imports are likely to provide a competitive constraint on domestic manufacturers and is likely to prevent any exercise of market power. Therefore the ACCC considers the proposed acquisition is unlikely to substantially lessen competition.

MR 018/05

Rheem's acquisition of Edwards Hot Water not opposed

The ACCC did not oppose the proposed acquisition of Edwards Hot Water Pty Ltd by Rheem Australia Pty Ltd, two of the largest manufacturers of solar hot water systems in Australia.

Following investigations, the ACCC determined that significant pressure from other manufacturers would constrain Rheem from engaging in any anti-competitive conduct. This included both existing solar hot water heater manufacturers, and producers of competing systems, such as gas and electric.

MR 285/04

Carter Holt Harvey's acquisition of Wadepack not opposed

The ACCC will not oppose the proposed acquisition of Wadepack Limited by Carter Holt Harvey Limited, both major manufacturers of folded cartonboard packaging. Following inquiries with customers and competitors, the ACCC found that CHH will continue to face competition from other folded cartonboard packaging manufacturers.

MR 292/04

Coca-Cola Amatil's proposed acquisition of SPC Ardmona not opposed

Following market inquiries, the ACCC will not oppose Coca-Cola Amatil's (CCA) proposed acquisition of SPC Ardmona. CCA is involved in the manufacture, distribution and marketing of non-alcoholic beverages. SPC Ardmona processes and supplies canned fruit and vegetables, fruit snacks, spreads and

other food products as well as branded and industrial fruit juice products.

The ACCC found that the proposed acquisition is unlikely to substantially lessen competition, as there is no overlap between the parties. Regarding SPC Ardmona's supply of fruit beverages, it was determined that the acquisition was unlikely to substantially lessen competition as the fruit beverages are sold through grocery stores and do not compete for cooler space in the more concentrated non-grocery market.

MR 005/05

Acquisition of Quirks refrigeration by Coca-Cola Amatil allowed

The ACCC will not oppose the acquisition by Coca-Cola Amatil of Quirks Refrigeration, a company that sells, services and hires commercial refrigeration equipment.

The ACCC decided that the acquisition is unlikely to substantially lessen competition for a number of reasons—primarily because most of Quirks' units are hired to corporate customers that control the food and beverage products supplied in them. As a result, there is unlikely to be a significant increase in refrigeration space controlled by CCA.

Similarly, it was determined that the acquisition would not give CCA any greater ability to induce retail outlets to accept a tied-CCA refrigeration unit over those of a competitor.

MR 009/05

Acquisition of National Foods Limited by Fonterra not opposed

The ACCC will not oppose Fonterra Co-operative Group Limited's proposed acquisition of National Foods Limited, subject to Fonterra providing acceptable court enforceable undertakings.

The ACCC was concerned by potential competition issues in the market for raw, fresh and flavoured milk in Western Australia—particularly that the merged entity would use its market power in the raw milk market to substantially lessen competition downstream. However, the undertaking offered by Fonterra has allayed these concerns.

The ACCC also noted that supermarkets pose considerable countervailing power over producers. This power, combined with competition from the eastern states in Australia, would act to constrain the merged entity in the market.

MR 010/05

RESTRICTIVE TRADE PRACTICES

Alleged resale price maintenance for television digital set top boxes

The ACCC has instituted proceedings against Humax Pty Ltd, alleging it engaged in resale price maintenance in relation to Humax-branded high-definition digital set top boxes.

The ACCC alleges that Humax contravened section 48 of the Trade Practices Act by attempting to induce retailers not to sell the set top boxes for less than Humax's recommended retail price of \$599.00. The ACCC has also instituted proceedings against Mr Andrew Song, Manager of Humax, alleging that Mr Andrew Song was knowingly concerned in, or party to, the alleged contraventions by Humax. The ACCC is seeking

declarations, injunctions, a trade practices compliance program, costs and pecuniary penalties.

MR 034/05

Property developer penalised for attempted price fix

The Federal Court has declared, by consent, that property developer Anglo Estates Pty Ltd and its directors attempted to enter into price fixing and other anti-competitive arrangements with the Shire of Esperance over the sale of land. The ACCC did not allege in any way that the Shire had contravened the Act.

MR 015/05

ACCC court action over alleged boycott

The ACCC has instituted proceedings against Edison Mission Operation and Maintenance Loy Yang Pty Ltd (MLY) for an alleged boycott of electrical contractors who did not have a union enterprise agreement. The ACCC has alleged that in August 2001 Edison and MLY (the operator of a power station in the Latrobe Valley in Victoria), entered into an arrangement with the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU).

The ACCC alleges the arrangement had the purpose of preventing Edison from engaging electrical contractors who did not have an enterprise agreement with the CEPU to perform work at the power station. It is alleged that Edison gave effect to the arrangement until January 2004. The ACCC is alleging that by entering into and giving effect to the arrangement Edison contravened sections 45E and 45EA of the Act, and that the CEPU procured and induced Edison to contravene the Act. The ACCC is seeking declarations, injunctions, pecuniary penalties and costs against Edison and the CEPU.

MR 023/05

Petrol price fixing cartel court findings

Following action by the ACCC, the Federal Court found that a petrol price fixing cartel existed among petroleum distributors and retailers in the Ballarat region from June 1999 to December 2000. The ACCC sought penalties related to 69 occasions on which it alleged up to eight companies took part in the conduct.

The court stated that the contraventions involved 'serious and ongoing breaches of important provisions of the Act', and led to the public paying higher prices for petrol than they would have otherwise paid. Separate penalty hearings are scheduled for the remaining nine respondents who made admissions before the trial.

MR 290/04

ACCC takes action against commercial air conditioning firms over attempted price fixing

The ACCC started proceedings in the Federal Court against 17 companies and 22 individuals for alleged price fixing and other anti-competitive conduct relating to tenders for the installation of commercial and industrial air conditioning and associated mechanical services in Western Australia.

The ACCC alleges that the companies agreed on who would submit the lowest tender price for major commercial projects. Some of the companies involved have allegedly been operating this system since the early 1990s.

MR 291/04

AUTHORISATIONS AND NOTIFICATIONS

Cheque clearing rules approved

The ACCC granted authorisation for five years to the Australian Payments Clearing Association (APCA) for regulations governing the operation of the Australian Paper Clearing System (APCS). The APCS coordinates and manages exchanges of paper-based payment instructions, primarily cheques, between its members. The APCA sought re-authorisation for certain provisions of the APCS regulations for the suspension and termination of membership.

The ACCC considers that these provisions are likely to continue to result in public benefit by protecting the security, efficiency and integrity of paper clearing processes, that the anti-competitive detriment associated with the provisions is likely to be minimal, and that checks and balances within the arrangements guard against anti-competitive use.

MR 013/05

Qantas/British Airways 'kangaroo route' alliance allowed

The ACCC has authorised the alliance between Qantas and British Airways on the 'Kangaroo route', recognising that there is an overall benefit associated with the alliance at this time. The joint services agreement (JSA) allows the competitors to coordinate prices. This requires very careful scrutiny by the ACCC to ensure there is continuing overall benefit to the public. The JSA also allows Qantas and BA to coordinate scheduling, marketing, sales, freight and customer service activities on services between Australia and Europe, including services between Australia and Europe and intermediate points such as Bangkok and Singapore.

There is a competitive environment in the JSA markets, and a strong possibility that cost savings made by Qantas and BA under the agreement will benefit consumers. The decision confirms a draft decision issued by the ACCC in August 2004 proposing to authorise the alliance.

MR 020/05

Councils allowed to collectively tender

The ACCC issued decisions authorising two groups of Sydney councils to collectively tender for the provision of waste management services.

They sought authorisation to collectively tender for contractors to receive and dispose of their ratepayers' kerbside collected waste, and to receive and dispose of light commercial and domestic waste.

The ACCC considered that any detriment from the arrangement was likely to be minimal; however substantial public benefits existed, including lower collection charges to ratepayers and environmental benefits.

MR 283/04

Interim authorisation to grain export joint venture

The ACCC granted interim authorisation to a joint venture between GrainCorp and the Australian Wheat Board (AWB) to provide transport and logistics services for export bound grain.

GrainCorp and the AWB state the purpose of forming the joint venture company is to improve efficiencies and to achieve cost savings for grain exports, and estimate that savings of \$10-\$30 million are achievable.

Satisfied that the public benefit far outweighed the possible detriment, the ACCC granted interim authorisation to the joint venture arrangements and this remains in place.

MR 286/04

Authorisation to Australasian Institute of Mining and Metallurgy

The ACCC has authorised arrangements contained in the charter, codes and by-laws of the Australasian Institute of Mining and Metallurgy (AusIMM), an association of professionals from the mining, exploration and minerals processing industries.

The charter and by-laws of the institute ensure a fair membership application and dispute handling mechanism, along with guidelines for ethical behaviour for members. The codes set technical standards for public reporting of mineral resources. They have wide industry support, and are included in the listing rules of the Australian Stock Exchange.

The ACCC is satisfied that a net public benefit arises from the AusIMM charter, codes and by-laws by continuing to ensure that membership certifies a level of honest, ethical and objective behaviour. The ACCC granted authorisation for a period of five years.

MR 289/04

REGULATED SERVICES

Second airport price monitoring report issued

The prices airlines pay Australia's major airports for aeronautical services such as the use of runways and terminal facilities have increased by less than last year according to a report issued by the ACCC. The *Airports price monitoring and financial report 2003–04* reviews the prices charged by Adelaide, Brisbane, Canberra, Darwin, Melbourne, Perth and Sydney airports.

The ACCC report shows that unit costs fell for most airports in 2003–04. Average airport costs increased between 2000–01 and 2003–04, with greater security requirements at airports since 11 September 2001 adding to airport costs. Airport profitability has risen substantially over the period.

MR 300/04

Airports quality monitoring report issued

The ACCC issued its *Quality of Service* report for price-monitored airports, reporting on the availability and standard of airport facilities at Australia's major airports.

Airlines generally rated the airside facilities at the airports as satisfactory to good, while their ratings for terminal facilities ranged from good for Brisbane and Melbourne airports to between poor and satisfactory for Adelaide, Darwin and Perth airports.

MR 300/04

Resolution of broadband competition notice

The ACCC reached an agreement with Telstra resolving concerns about the pricing of Telstra's broadband internet services, first raised in the competition notice issued by the ACCC in March 2004.

Telstra reduced its wholesale DSL pricing and agreed to rebate \$6.5 million to affected wholesale customers. Telstra

acknowledged that pricing changes made in February 2004 for its retail broadband services may have adversely affected the competitive position of its wholesale broadband customers.

The ACCC also put in place a formal arrangement obliging Telstra to advise the ACCC up to 15 working days in advance of future retail broadband prices and specials.

MR 027/05

ACCC discussion papers on access undertakings for mobile terminating access service

The ACCC has issued discussion papers on access undertakings lodged separately by Optus and Vodafone for the mobile terminating access service (MTAS). The access undertakings from both parties specify some of the price and non-price terms and conditions on which they propose to supply their services on their mobile networks.

The ACCC will assess the undertakings in an open public process. Copies of the undertakings and the discussion papers are available from the ACCC website, as are public versions of submissions from Optus and Vodafone in support of their respective undertakings.

MR 031/05

1.3 million broadband services connected: ACCC

The latest Snapshot of Broadband Deployment issued by the ACCC shows that as at the end of September 2004, there were 1 310 300 broadband services connected across Australia. 699 500 services were connected over the past 12 months, representing an increase of 114.5 per cent on September 2003.

MR 296/04

Domestic inter-carrier CDMA roaming services

Following a final decision made by the ACCC, Australian mobile carriers that offer domestic roaming on CDMA mobile networks will be required to provide the ACCC with details of the terms and conditions they charge for this service.

Domestic roaming is a service sold by one mobile network carrier to another. Carriers use this service to enable their subscribers to make and receive mobile calls in areas where they do not have network coverage by using another carrier's network. CDMA mobile networks are particularly important for rural and remote consumers, where this form of network technology is popular. Given Telstra is currently the only provider of a CDMA domestic roaming service, these rules will only apply to Telstra at present.

MR 301/04

Revised Telstra access undertakings for PSTN and local call access services

The ACCC has accepted Telstra's revised access undertakings for PSTN originating and terminating services (PSTN access) and the local carriage service (LCS), issuing a final report on its assessment of these undertakings. The undertakings specify the price and some non-price terms and conditions proposed by Telstra for access to the PSTN access services over three financial years. The terms and conditions for the local carriage service (LCS) apply for one financial year.

These core services enable Telstra's competitors to provide local, long-distance, international, fixed-to-mobile and mobile-to-fixed calls. Acceptance of the access undertaking will result in lower access rates for Telstra's competitors.

The report and other relevant documents are available on the ACCC website.

MR 304/04

Revised regulatory principles for electricity transmission

The ACCC has issued its *Statement of principles for the regulation of electricity transmission revenues* (SRP). The ACCC is responsible for regulating electricity transmission revenues in the National Electricity Market. The SRP outlines the principles the ACCC will adopt in undertaking this role.

The issuing of the SRP is the culmination of a process which began in August 2003 to review the *Draft statement of principles for the regulation of transmission revenues* (May 1999).

MR 281/04

Draft decision allows SPI PowerNet to integrate distribution and transmission operations

The ACCC issued a draft decision to waive SPI PowerNet's obligations which prohibit a transmission network service provider from carrying on a related business, including distribution activities. The application follows the recent acquisition by SPI of TXU's Australian assets, which included distribution, retail and merchant generation businesses.

In reaching its decision, the ACCC weighed the benefit to the public against the administrative costs to SPI PowerNet and its related businesses. The ACCC decided to allow SPI to integrate its network operations, resulting in cost savings which will flow on to consumers when the ACCC makes its next determination.

MR 294/04

ACCC State Briefing

South Australia

The South Australian office has added a new member to its Outreach Team, Rhys Benny, who joins the office as the Small Business Manager. Before joining the ACCC Rhys worked with the Australian Government Solicitor, a small law firm and spent a number of years in the Commonwealth Public Service. Rhys joins Greg Trengove, our local Regional Outreach Manager.

The priorities for Greg and Rhys over the coming months are to strengthen industry and government networks, and the delivery of a regional roadshow on scams. The 'scams' theme follows a significant number of complaints from regional traders that have been targeted and, sadly, taken in. The initiative will focus on raising the awareness of consumers and traders so they are equipped to protect themselves. If you would like to hear more about how to protect yourself from a scam, and would like to organise an ACCC presentation, please contact Rhys or Greg.

Rhys Benny: phone (08) 8213 3448
Greg Trengove: phone (08) 8213 3456

Northern Territory

An ACCC seminar for Alice Springs art galleries and souvenir stores that specialise in selling Aboriginal art and craft was held in early March, with seven of the major retail outlets attending. Aboriginal art is a major tourist drawcard for Alice Springs, and a major source of income for Aboriginal communities in central Australia. The seminar explained the consumer protection and unconscionable conduct provisions of the Trade Practices Act.

Staff also attended the Central Australian Business Expo, the premier business event in the region. Refund and warranty rights were a particular focus, with the new guide to refunds distributed to over 3000 consumers and traders.

Queensland

The Rural Outreach Manager was out and about, visiting areas in northern NSW and south east Queensland. The latest Competing Fairly Forum *Franchising: Is it right for you?* was screened in Lismore and attracted an audience of 24 people. Presentations were also made to the Stanthorpe, Tenterfield and East Toowoomba Rotary clubs. The presentations discussed the ACCC's Rural and Regional Program, and how the Act can help small business.

For further information, or to arrange for a screening, please contact Albert Julum on (07) 3835 4641.

New South Wales

As part of a strategy to reach audiences from non English speaking backgrounds, the ACCC recently distributed three updated flyers, translated into the Chinese language—*Small Business and the Trade Practices Act*, *Advertising, Selling and the Trade Practices Act* and *Do businesses have to give refunds?*

A section of the ACCC website with trade practices information in the Chinese language was also launched, providing the Chinese community valuable information regarding their right and obligations under the Act.

Western Australia

Pastoralist and Graziers Association Convention

The annual convention, held in Perth, was attended by WA Outreach staff. Keynote speakers were Madame Fu, the Chinese Ambassador to Australia, and Michael Chaney MD, CEO of Wesfarmers and now Chairman of NAB.

Ms Fu discussed a range of rural issues, including iron ore and dairy cattle exports. Mr Chaney spoke about the remarkable growth and success of the Wesfarmers group, and the value of keeping corporate aims and mission statements simple so that they were achievable.

Wagin Woolorama—11 & 12 March 2005

The Woolorama is West Australia's premier sheep show, now with a new Home Industries building, extended Recreation Centre and re-vamped site layout

There was keen interest in the sheep display and judging—complemented by a machinery display and trade fair. The ACCC booth, offering visitors a show bag of publications and discussions about the Act and recent ACCC activity was particularly popular on the day.