

TRADE PRACTICES ACT 1974

Undertaking to the Australian Competition and Consumer Commission given for the purposes of section 87B

by

Signature Security Group Pty Limited (ACN 076 836 416)

PERSON GIVING UNDERTAKING

1. This undertaking is given to the Australian Competition and Consumer Commission ('the Commission') by Signature Security Group Pty Limited (ACN 076 836 416) ('Signature Security Group') of Level 3, 56 York Street, Sydney in the State of NSW under section 87B of the *Trade Practices Act 1974* ('the Act').

BACKGROUND:

2. Signature Security Group provides domestic and commercial electronic security systems in Australasia. As part of this business, Signature Security Group advertises its products and/or services using various medium, including print and broadcast media as well as in the print and on-line versions of the Yellow Pages.
3. Advertisements commissioned by Signature Security Group, dealing with the provision of a Signature Security system contained the following statement as to price:

"From only \$295 plus GST"

One of these advertisements was broadcast on a Melbourne-based radio station from 1-31 August 2000 and the others appear in the print version of the Yellow Pages and on the Yellow Pages Online website.

4. Following an investigation, the Commission has reached the view that Signature Security Group contravened sections 52, 53(e) and 53C of the *Trade Practices Act 1974* ("the Act") in that it alleges Signature Security Group made misleading representations in its advertising on a Melbourne-based radio station and in both the print and on-line versions of the Yellow Pages.
5. The Commission wrote to Signature Security Group on the 5th of September 2000, raising its concerns that Signature Security Group's advertising of its products and/or services stating GST exclusive prices may amount to conduct in breach of sections 52 and 53(e) of the Act. The Commission wrote again to Signature Security Group on the 9th of October 2000 confirming its view regarding sections 52 and 53(e) and also raising concerns that Signature Security Group's conduct may breach section 53C of the Act.
6. Signature Security Group has acknowledged the concerns of the Commission.
7. Signature Security Group has voluntarily, in response to the concerns expressed by the Commission:
 - (i) Confirmed that it is not currently running any broadcast advertisements for its products which quotes a GST exclusive price; and

- (ii) By way of the provision of instructions to the publisher of the Yellow Pages on-line service, had its advertisement in regards to this service amended so as not to include GST exclusive prices.

8. The Commission and Signature Security Group have further agreed to resolve this matter by the giving and acceptance of an undertaking in the terms contained herein.

COMMENCEMENT OF UNDERTAKING

9. This undertaking comes into effect when:

- The undertaking is executed by Signature Security Group; and
- The Commission accepts the undertaking so executed.

UNDERTAKINGS

1. Signature Security Group gives the following undertakings to the Commission for the purposes of section 87B of the *Trade Practices Act 1974*.

A. CONDUCT UNDERTAKINGS

(i) Signature Security Group, its agents and employees will ensure that:

- future advertising, price displays or other forms of promotion, does not contain GST exclusive pricing and that any price displayed will include a price inclusive of the amount of GST payable and that the GST inclusive price will be given at least equal prominence with the display, if any, of the components of the price; and
- when future reference is made to prices and/or fees applicable to the provision of goods and services by Signature Security Group, such prices and/or fees will comply with the *Trade Practices Act 1974*.

(ii) Signature Security Group will use its best endeavours to ensure that advertising within the print edition of the Yellow Pages will be amended, at the earliest possible opportunity, so as not to include GST exclusive prices.

(iii) Signature Security Group will advise the Commission in writing when steps have been taken to amend future advertisements in the print edition of the Yellow Pages to comply with undertaking (i) above, and provide the Commission with copies of all Signature Security Group's advertisements to be published in the print edition of the Yellow Pages.

B. TRADE PRACTICES COMPLIANCE PROGRAM

(iv) Signature Security Group shall create and maintain, at its own expense, a trade practices compliance program ('the Program') in accordance with **Annexure A**.

ACKNOWLEDGEMENTS

1. Signature Security Group acknowledges the Commission will make this undertaking available for public inspection.

2. Signature Security Group acknowledges that the Commission may, from time to time, publicly refer to the undertaking.
3. Signature Security Group acknowledges this undertaking in no way derogates from the rights or remedies available to any other person arising from the alleged conduct.
4. Signature Security Group further acknowledges that the Review referred to in paragraph 17 of Annexure A, and the trade practices compliance program which is developed and implemented will be held with this undertaking on the public register.

**IN WITNESS OF THESE UNDERTAKINGS
AND ITS AGREEMENT:**

The common seal of)
SIGNATURE SECURITY GROUP PTY)
LIMITED (ACN 076 836 416))
 was hereunto affixed by authority of the)
 Board of Directors in the presence of:)



A A L

.....
 Secretary/Director
 Name (Printed): *A. A. LOCKHART*

H Watson

.....
 Secretary/Director
 Name (Printed): *H WATSON*

Dated this *19th* day of *DECEMBER* 2000

Accepted by the **Australian Competition and
Consumer Commission** pursuant to section
87B of the Trade Practices Act 1974.

Allan Fels

.....
 (Professor Allan Fels)
 Chairman

Dated this *21* day of *DECEMBER* 2000

Annexure A

Trade Practices Compliance Program

The Trade Practices Compliance Program ('the Program') to be undertaken by Signature Security Group will be implemented as follows:

General

1. Within three (3) months of the undertaking coming into effect, Signature Security Group will develop for consideration by the Commission, a trade practices compliance program ('the Draft Program').
2. Signature Security Group will make whatever changes to the Draft Program that the Commission may reasonably require.
3. Once the Commission has approved the Program, Signature Security Group will, within one (1) month of receipt of the Commission's approval, implement the Program at its own expense.
4. Signature Security Group will place responsibility for the implementation and effectiveness of the Program with its joint CEO President.
5. Signature Security Group will appoint a senior officer as the trade practices Compliance Officer ('the Compliance Officer'). The Compliance Officer will be appointed at the time the Program is implemented.

Advertising Reviews

6. Signature Security Group will require the Compliance Officer to review all advertising ('Advertising Review') of Signature Security Group (by any medium) to ensure that it complies with the *Trade Practices Act 1974*, prior to its publication or broadcast.
7. Signature Security Group will require the Compliance Officer to maintain documentary records of the Advertising Reviews. Such documentary records will include:
 - (i) a description of the advertisement;
 - (ii) a description of the publication (including name, date page(s) and publisher);
 - (iii) a copy of the advertisement;
 - (iv) written advice that the advertisement had been reviewed and cleared by the Compliance Officer (including the date on which the advertisement was reviewed); and
 - (v) written advice of any possible contraventions of the Trade Practices Act that were identified by the Compliance Officer and the action taken to address these possible contraventions.
8. Signature Security Group will ensure that the documentary records of the Compliance Reviews are available to the Australian Competition and Consumer Commission ('the Commission') to be reviewed from time to time. Such records are to be available from one week after the date of publication of the advertisement for a period of 3 years after that date. Such records shall be provided to the Commission within 5 working days of a written request for those records.

Complaints Handling

9. Signature Security Group will ensure that the Program incorporates an appropriate complaints handling mechanism.

Education

10. Signature Security Group will develop and implement an education program calculated to have the relevant staff, conversant with Part V provisions of the Act to a level where:
 - (i) Relevant staff can avoid obvious contraventions and can identify more complex trade practices problems for referral to the Compliance Officer;
 - (ii) The Compliance Officer can carry out their responsibilities; and
 - (iii) The Compliance Officer can address more complex trade practices issues or, if not legally qualified or able to give the relevant advice, identify issues which require referral to Signature Security Group's legal adviser.
11. The term "relevant staff" referred to above and below includes, Signature Security Group staff, but is not limited to, the joint CEO President, staff involved in the development, creation, input or approval of advertising or promotional material for or on behalf of Signature Security Group and staff involved in contact with customers or possible customers of Signature Security Group.
12. In implementing an education program, Signature Security Group will incorporate into its Sales Training Manual:
 - (i) a statement of its commitment to compliance and its desire to prevent any contraventions of the Trade Practices Act by Signature Security Group, its directors, employees or agents;
 - (ii) a module covering all aspects of Part V of the Trade Practices Act.
13. Signature Security Group Sales Training Manual will continue to be used in the training and induction of new sales staff employed by Signature Security Group and in the ongoing training of relevant staff.
14. Signature Security Group will ensure that it develops and implements a program of training covering all aspects of Part V of the Trade Practices Act to be given to relevant staff to ensure they understand the Trade Practices Act and how it impacts on their responsibilities.
15. Having regard to the geographic separation of its employees and sales staff, Signature Security Group will ensure that all relevant staff will participate in the training implemented by Signature Security Group on two occasions within 12 months after the implementation of the Program.
16. Signature will ensure that all relevant staff have participated in the training on at least one occasion within 6 months of the Program being implemented.

Review

17. Between 11 and 12 months after the implementation of the Program, Signature Security Group will submit the Program for a detailed review by its lawyers ('the Review') with a

view to improving its effectiveness. The Review will identify any deficiencies and make recommendations as to possible improvements to the Program.

Reporting

18. Signature Security Group will:
- (i) provide the Commission with, within 10 working days of the implementation of the Program, a copy of the Program;
 - (ii) provide the Commission with, within 10 working days of the implementation of the Program, notice of the appointment of the Compliance Officer including name, position and contact details;
 - (iii) following implementation of the Program, and for a period of 12 months thereafter, report to the Commission on a quarterly basis detailing progress of the implementation of the training program referred to in paragraph 14 above and will advise the Commission of the number of its employees who have, as at the date of reporting, participated in the training program, and provide the Commission with an outline of any training session conducted, including a copy of any training video shown to staff, and the details of the presenter(s) of such training; and
 - (iv) provide the Commission, within 10 working days of the completion of the Review referred to in paragraph 17 above, a copy of the Review together with advice as to what changes Signature Security Group intends to incorporate in the Program as a result of the Review.
19. Signature Security Group will make changes to the Program as reasonably requested by the Commission having considered the documentation referred to at paragraph 18 (iv) above. Such changes are to be implemented within 2 weeks of the Commission's request.

Duration

20. The Program will remain in effect for three years following this undertaking coming into effect.