
Research and information

Life insurance trade practices education program

On 13 November 1995 a trade practices education program for the life insurance industry was released.

The program was prepared by Legal and General Life of Australia Ltd. It was developed as part of a settlement with the Commission following an investigation into alleged third line forcing of a savings package that was linked to the promotion of a proposed rugby league club. The program contains a variety of educational material including a video, workbooks and computer-based training.

All registered life insurance companies and related industry associations will receive a free copy.

The Compliance Education Unit in the ACCC

The Compliance Education Unit is a specialist unit within the Australian Competition and Consumer Commission. The Commission has a legislative charter to educate the business and general public. Moreover, it recognises the contribution which education strategies can make to increased compliance with the Act it administers.

The CEU operates from the basis that:

- the majority of people and businesses are well-motivated to comply with the laws of

the land, and need only be provided with the knowledge and skills to do so; and

- enforcement strategies by themselves will have an impact only on the non-compliant entities at which they are aimed — education can improve compliance across whole market sectors.

The CEU assists business to comply with the Act by providing educational resources, seminars, compliance reviews and compliance programs.

The unit has two categories of clients: voluntary and involuntary. The latter category comprises enterprises which have breached the law and from which the Commission has accepted an offer of settlement rather than pursue legal action. Frequently such settlements require the development of a compliance program, whether for the enterprise's own use or for distribution across an industry; and in such settlements it is the CEU's role to oversee and, where this is desired, assist in the program's creation. For example, the CEU recently assisted Legal and General Life of Australia Ltd in developing a trade practices education program for the life insurance industry (see previous item).

A sample of recent voluntary clients includes Australia Post, Snowy Mountains Electricity Authority, Real Estate Institute of Victoria, Prudential Insurance and the NSW Cabinet Office.

Compliance reviews

In compliance reviews, the CEU works with the management and staff of an enterprise to identify areas where commercial conduct exposes them to trade practices risks, and to

measure the level of trade practices knowledge of key staff. Frequently this process identifies the need for a customised compliance program.

The CEU works together with an enterprise to create a compliance program or to provide input into an existing program.

Best & Fairest

Best & Fairest is a generic compliance program developed by the CEU for adaption to the needs of a wide range of organisations.

Consisting of nine modules, *Best & Fairest* can be used for classroom or self-directed learning depending on the size, structure and learning culture of the organisation. Purchase of the package includes an unlimited right to reproduce the *Best & Fairest* materials within an enterprise. All text is provided on disk as well as in hard copy form which means that the information can be easily tailored to fit the needs of the organisation. The package costs \$390.

Purchasers of *Best & Fairest* also receive free update materials until the current competition reforms are fully implemented, including two modules covering the Prices Surveillance Act and access to essential facilities.

In 1996 *Best & Fairest* will be enhanced through the incorporation of computer-assisted learning techniques.

Seminars and other events

The CEU also coordinates appropriate Commission staff to speak at companies' staff development programs, industry association meetings, or conferences open to the public. The CEU can also be involved in:

- introducing customised compliance programs which it has had a role in designing, or which national corporations wish to launch systematically at several sites;
- raising members' trade practices awareness at industry association meetings;
- providing information, as part of a team with the relevant Commission enforcement officer, following a major enforcement matter; and
- providing information, again on a team basis with a Commission industry specialist, to newly emerging market sectors.

It should be noted that the CEU has no power to give legal advice, but offers general comments on interpretation of the law. No reliance may be placed on any such advice in the course of any legal action, or Commission investigation, or elsewhere. Legal advice should be sought wherever any trade practices issue arises.

For further information about the CEU and its services, contact Greg d'Arville (CEU Director) (06) 264 2827, or David Harris (CEU Business Manager) (06) 294 2909.

Commission policy on speaking engagements

Commissioners and staff of the Commission devote a great deal of time to participation, frequently as speakers, in meetings, conferences and seminars relevant to its work.

Such appearances contribute to the Commission's guidance and information role but inevitably are a considerable drain on resources.

It was the policy of both the former Trade Practices Commission and the Prices Surveillance Authority to charge for such engagements although the two organisations adopted different approaches.

The ACCC has now formulated its own policy on fees for speaking engagements.

As a general rule, the Commission will charge the following: Chairman, \$2500; Deputy Chairman, \$2000; other Commissioners, \$1500; Senior Executive Service staff, \$1000; other staff, \$750. It will also require reimbursement of expenses associated with the engagement and the provision of two free places for Commission staff to attend the event.

Such a policy necessarily requires flexibility in its application — for example, it will not usually be applied to engagements for non-profit organisations and may be modified where the engagement is part of a wider guidance arrangement.

New publications

Authorisations and notifications guide

A plain English guide to the authorisation and notification procedures under the Trade Practices Act has been released by the Commission.

The *Guide to authorisations and notifications* is a simple explanation of the provisions for exemptions from anti-competitive conduct under the Act.

With the extension of the Act to cover all business, and recent changes to the Act, including notifications, this guide is important reading for business whether previously covered by the Act or not.

The guide will be a handy reference for business, business associations and bodies. It provides an overview of the authorisation and notification procedures, the methods used by the Commission in making decisions, the tests used, avenues of appeal and the review and revocation procedures.

The guide is part of a series being produced by the Commission to inform and educate business about its responsibilities. It is available from all Commission offices and costs \$10.

Summaries of the Trade Practices Act and the Prices Surveillance Act

This recent publication summarises the amended Trade Practices Act and the Prices Surveillance Act, both of which are administered by the new Commission. The publication is a plain English guide to the provisions of the Acts. It includes an overview of the amendments as well as a timeframe for the phased introduction of the new national competition policy and the reform legislation.

It is available from Commission offices and costs \$10.

Guide to access regime

On 19 December 1995 the Commission released a plain English guide to Part IIIA of the Trade Practices Act — a new part of the Act which covers access to essential services.

A major new responsibility of the Commission will involve the administrative and regulatory arrangements governing access to essential facilities, such as public utility infrastructure, which are necessary to the creation or promotion of competition in upstream or downstream markets.

The guide explains the purpose and operation of Part IIIA, including the definitions and processes it contains and the rights and obligations it creates. It has been produced for the information of facility owners, users, government agencies and the general public.

Copies of the guide, entitled *Access Regime*, are available from all Commission offices at a cost of \$10.

Small business guide

On 9 January 1996 the Commonwealth Minister for Small Business, Senator Schacht, launched a new ACCC guideline, *Small Business and the Trade Practices Act*.

The guide summarises the restrictive trade practices and consumer protection provisions of the Act from the perspective of small business, under the broad headings of relations with suppliers, competitors and customers. Particular attention is given to the areas about which small businesses most frequently complain to the Commission or seek information.

It also deals with common scams and other situations in which small businesses are particularly vulnerable to misleading conduct.

The guide concludes with sections on dealing with the Commission and the need for small businesses themselves to ensure that they comply with the Act.

It is available free from all Commission offices.

Health sector guide

On 19 January 1996 the Commission released a plain English guide to the Trade Practices Act for the health sector. The guideline aims to help health sector professionals to identify their

rights and obligations under the provisions of the Trade Practices Act.

With the enactment of the *Competition Policy Reform Act 1995* the conduct of all health sector participants will now be, or will shortly be, subject to the provisions of the Trade Practices Act either directly or by way of complementary State and Territory legislation.

The guide addresses issues that are likely to raise competition and fair trading concerns for health professionals, private hospitals, health funds or professional health industry associations.

A guide to the Trade Practices Act for the health sector is available for \$10 from all Commission offices.

Final TPC Annual Report

The twenty-first and final Annual Report of the Trade Practices Commission was tabled in Parliament on 25 October 1995. The report records one of the most active years in the organisation's history, leading up to the merging of the TPC and the PSA to form the ACCC.

The Annual Report 1994-95 is available from AGPS bookshops and costs \$24.95.