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# Guidance and information

## Small business

### ACCC monitors franchising sector

The Franchising Code Council (FCC) ceased operations on 31 December 1996, following the Commonwealth Government's decision to change the FCC's funding level and its request that the FCC increase industry funding of its activities with a view to achieving self-sufficiency (see *ACCC Journal* 7, pp. 41-2). On 7 February 1997, as reported in the *Australian Financial Review*, the Minister for Small Business and Consumer Affairs, the Hon. Mr Geoff Prosser, announced that a replacement body would be in place as quickly as possible.

The FCC had been responsible for administering the Franchising Code of Practice, which includes provisions for information disclosure and dispute resolution procedures.

On 13 February 1997 the Minister announced that the ACCC would monitor conduct in the franchising sector while it was in transition to new self-regulatory arrangements.

He emphasised that, although the FCC no longer existed, franchisees had not lost their legal rights and he urged franchisors to continue to follow industry best practice.

The Minister warned that franchisors who claimed adherence to the code but did not abide by its requirements risked action by the Commission and affected franchisees. He said: 'If franchisors want the marketing advantage of claiming to comply with the Franchising Code, then they must meet its requirements'.

On 26 May 1997 the House of Representatives Standing Committee on Industry, Science and Technology tabled its report on the inquiry into fair trading, which includes recommendations on the franchising sector (see 'Policy developments', pp. 12-13). The Government has announced it will respond to the report within three months.

### Scams and how to protect your business from them

Small businesses are often the target of scams such as 'fake billing' for services they have not requested. The Commission has produced a news-sheet and poster to help small business identify such scams and to avoid being swindled. The poster contains a checklist of questions and a list of tips small businesses can use to protect themselves from such scams.

Copies of the combined news-sheet/poster are available free from Commission offices.

### Business expos

The Commission has participated in several Business Expos this year, to help promote information to small business about its rights and responsibilities under the Trade Practices Act.

At each of the Expos held in Sydney, Melbourne, Perth and Adelaide the Commission provided free information at its stand, including copies of its publication *Small business and the Trade Practices Act*, and a speaker to discuss trade practices issues relevant to small business.

## New publications and papers

### ACCC service charter

The Commission has developed a service charter which sets out the level of service the Australian public can expect from the organisation.

As part of public sector reform, the Commonwealth Government is committed to the introduction of service charters for all government departments and agencies.

The Commission's service charter was developed following consultation with management and staff, Commissioners, and the ACCC Consultative Committee, which includes business, consumer and government representatives. It will be reviewed in 1998.

The charter outlines the organisation's values, its commitment to customer service, its level of responsiveness, access to its information, and its means of handling complaints. The Charter is reproduced on p. 70 of this Journal.

Copies of the charter are available free from Commission offices, and from the Commission's Internet site.

### ACCC corporate plan 1997-98

The Commission's mission is to enhance the welfare of Australians by fostering competitive, efficient, fair and informed Australian markets. Its corporate plan describes how, in fulfilling its mission, the Commission will work toward its four goals to:

- secure compliance with the Trade Practices Act (and State and Territory Application Acts);
- improve market conduct;
- inform the community about the Trade Practices Act and the Prices Surveillance Act and their implications for business and consumers; and
- use its resources efficiently and effectively.

The plan lists strategies and performance indicators for each goal. It also provides a

summary of the Commission's role, the legislation it administers, and other legislation for which it has some responsibility. Information on the structure of the Commission and the way it allocates its resources across the four goals is included.

The corporate plan is available free from Commission offices.

### Telecommunications

The Commission's Internet site now holds a number of papers and other information on telecommunications, as follows.

- *Determination under transitional provision section 41 of the Telecommunications Act 1997* — this determination, which reduces the price some service providers must pay for interconnection with Telstra from 1 July 1997, is part of the transitional arrangements for the industry as it moves to an environment of open competition.
- *Deeming of telecommunications services* — this is a statement outlining the Commission's approach to determining which telecommunications services should be deemed as 'declared' services and includes a list of services to which carriers and service providers will be provided access from 1 July 1997.
- *Telecommunications competition notice information paper and telecommunications competition notice guideline* — the paper deals with the approach the Commission will usually take in analysing allegations of anti-competitive conduct in telecommunications markets, and the guideline sets out the matters the Commission will have regard to when deciding whether to issue a competition notice.
- *ACCC draft directions to the Australian Communications Authority on number portability* — this document outlines the Commission's draft directions to the ACA about number portability, which will guide the development of the rules for number portability in Australia.

(See 'Regulatory issues' section in this Journal for more information on these documents.)

### **Proceedings of conference on competition law and the professions**

'Can the professions survive under a national competition policy?' was the theme of a recent conference jointly sponsored by the Commission, the University of Western Australia, Murdoch University and the University of Notre Dame.

The purpose of the conference held on 11 April 1997 in Perth was to discuss changes to competition law which affect professionals and their practices.

Recent changes to competition law mean that all professionals are now subject to the restrictive trade practices provisions of Part IV of the Trade Practices Act and the State equivalents, the Competition Codes, for the first time. Penalties for breaches of the provisions will apply to the professions from 21 July 1997.

Each government has also programmed a review by the year 2000 of all legislation and regulations that currently govern the professions. The aim of the review is to remove anti-competitive provisions except those where it can be demonstrated that the public interest in maintaining the provision outweighs its anti-competitive detriment. Removal of such provisions will further extend the coverage of the competition laws to the professions.

Speakers at the conference were:

- the Hon. Daryl Williams AM QC MP, Attorney-General for the Commonwealth;
- the Hon. Peter Foss MLC, Attorney-General for the State of Western Australia;
- Professor Allan Fels, Chairman, ACCC;
- Mr Christopher Pullin QC, President, Australian Bar Association;
- Dr David Roberts, President, Australian Medical Association;
- Mr Neville Davis, Chairman, Committee of Presidents of Medical Colleges;

- Dr John Southwick, President, Australian Council of Professions;
- Mr Harry Zafer, Senior National Vice President, Pharmacy Guild;
- Mr Michael Peck, Chief Executive, Royal Australian Institute of Architects; and
- Mr Sitesh Bhojani, Commissioner, ACCC.

The proceedings of the conference are available for \$15 from Commission offices. Audio tapes of the conference, which may appeal particularly to busy professionals, are also available for \$20.

### **'Making markets work' booklet**

The overall objective of the Commission is to make markets work, not only by enforcing the Trade Practices Act through court action but also by educating and informing business about its rights and obligations under the Act.

The Commission has produced a booklet, 'Making markets work', outlining the kinds of information and services it offers to help businesses comply with, and to be aware of their rights under, the Act.

For example, the booklet explains that anyone who is a victim of a breach of the Trade Practices Act can take private legal action to gain redress. However, it recommends that a person in this situation first contact the Commission, which may take action against the alleged offender itself if there are a high number of similar complaints or the conduct has occurred in one of the Commission's priority areas.

The booklet details other services or assistance offered by the Commission, including:

- compliance education services and products, such as the Commission's 'Best and Fairest' generic training package;
- information and advice on access undertakings, which govern the terms and conditions of access to the services of essential facilities; and

- advice on developing industry codes of conduct and other self-regulatory schemes.

Proprietors, managers and directors of businesses are urged to take advantage of the Commission services outlined in the booklet.

Copies of the booklet are available free from Commission offices.

### **Paper on National Electricity Market**

On 5 March 1997, the Commission granted interim authorisation to the National Electricity Market 1 Stage 1 (NEM1 Stage 1) arrangements. These arrangements provide for the trading of electricity between New South Wales, the Australian Capital Territory and Victoria on a commercial basis.

In April 1997 the Commission released a paper outlining the Commission's initial analysis of the NEM1 Stage 1 arrangements. It considers issues raised in submissions and takes into account consultations with interested parties. The paper, however, is a working document and the views expressed therein may change pending further analysis, discussions with interested parties and the benefit of experience gained from the operation of the NEM1 arrangements.

The paper can be obtained from the Commission's home page, from Commission offices or by contacting Alison Milton on (06) 264 2880.