
Guidance and information

New publications

Guide to advertising for the private health insurance industry

The ACCC and the Private Health Insurance Health Commissioner (PHIHC) have published a guide to advertising for the health insurance industry, following complaints from health funds and members of health funds about promotional claims made by some funds. The guide was produced with help from major health industry insurers, to help overcome these problems.

The guide aims to help the industry to develop strategies to improve compliance with the Trade Practices Act and reduce the need for government intervention.

It is aimed at senior executives and other officers of health funds who make decisions about health fund promotional activities, including marketing managers, corporate lawyers, in-house publications staff and staff of health funds' advertising agencies.

The guide includes sections on what the Trade Practices Act requires in terms of:

- the accuracy and currency of promotional claims;
- the use of qualifications and limitations, such as fine print, disclaimers and omission in relation to important terms, conditions or exclusions;
- comparative advertising;

- the use of terms with a special meaning in the industry that differs from consumers' understanding, such as '100% cover' and 'immediate cover';
- the use and interpretation of waiting periods; and
- other issues including changes to benefits, excesses, ambulance cover, tax benefits and unexpected exclusions.

It also provides important information for health funds on how to avoid problems by providing clear information to members or prospective members and by careful complaints handling and dispute resolution.

The guide is available free from Commission offices and on the Commission's website.

Report on the cinema industry

As a result of complaints of unfair behaviour from cinema exhibition interests, particularly in relation to the policies of film distributors, the ACCC commissioned an extensive inquiry into the structure and conduct of the cinema industry.

The inquiry report, published in March 1998, noted that many independent exhibitors believe that the major film distributors' session/pricing policies and other conduct have disadvantaged them.

The report found that while independent exhibitors were sometimes disadvantaged by the distributors' policies, in many instances the distributors' behaviour was consistent with legitimate commercial objectives of film distribution.

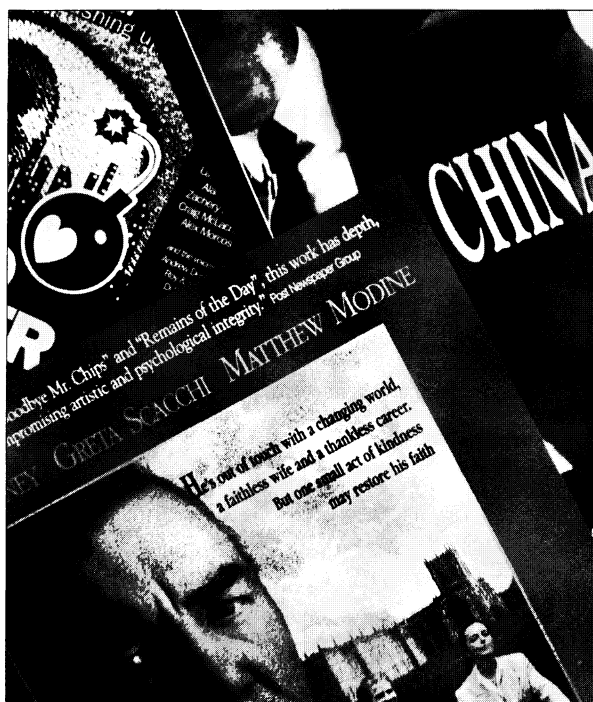
The report noted that the independents' share of the industry had grown in recent years, generating significant price competition to the benefit of consumers. The Commission would be concerned if practices in the industry led to the withering or demise of independents.

The report found no evidence of Trade Practices Act breaches, but the Commission was concerned to improve the relationship between distributors and exhibitors.

To resolve any differences between parties in the industry, the Commission urged the development of a code of conduct and an industry-supported dispute resolution mechanism to assist exhibitors and distributors to negotiate. It proposed that the overriding principle of the code be that each distributor and exhibitor deal with each other on a fair and equitable basis at arm's length, having regard only to legitimate commercial objectives.

Following the release of the report, a film industry forum was held in Melbourne to discuss this proposal and its possible structure. At this forum, over 50 cinema distribution and exhibition representatives worked towards a voluntary code of conduct.

The report is available for \$20.00 from Commission offices.



ACCC's role and functions

The Commission has produced a leaflet which explains its role as a national enforcement agency, its structure, and the functions it performs in relation to National Competition Policy and the administration of the Trade Practices Act.

The leaflet explains the major provisions of the Act and the sort of action that can be taken by the Commission and by others when the Act is breached. It also outlines the Commission's role in relation to related legislation and the Prices Surveillance Act.

The leaflet is available free from Commission offices and the Commission's website.

Small business guide on telecommunications

The Commission has published a guide for small business on changes to Australia's telecommunications sector. The guide explains the new telecommunications laws which came into effect on 1 July 1997 and their impact on business.

It also advises small business on issues such as pricing, new services and future technology as well as the various roles of the principal telecommunications regulators.

The new laws are designed to bring about full competition, access to services and infrastructure, and consumer protection in the telecommunications market.

The guide notes that a full competitive environment will help businesses to negotiate arrangements tailored to their needs and consumers to enjoy lower prices, high product quality and a greater range of services and products. It is available free from Commission offices.

News for business — misleading promotional offers

The Commission has published a leaflet aimed at preventing misleading promotional offers, particularly cash back offers and bonus offers.

The leaflet provides information aimed at manufacturers, distributors and retailers to help them avoid breaching the Act in promotions of products and services.

It includes case studies of promotions that the Commission considered misleading and the action it took in those cases, as well as tips on how to avoid making misleading promotional offers.

The leaflet is available free from Commission offices.

Guideline on advertising for publishers

A booklet jointly produced by the Commission and The Australian Publishers' Bureau is designed to help publishers avoid breaching laws on advertising. Publishers are obliged to detect and refuse commercial messages which appear misleading and otherwise in breach of the Trade Practices Act. If they don't, they risk being held liable, along with the business that placed the ad, and may suffer heavy penalties.

The booklet is aimed at publishers, advertising managers, production managers, advertising sales representatives and others involved in accepting or placing ads. It deals with parts of the Act that are of direct concern to publishers and their staff, such as those relating to disclaimers and fine print, failure to state full cash price, comparative advertising and the use of the term 'free'.

The booklet, entitled *Advertisements: minimising the risk for publishers*, is available free from Commission offices.