
Research and information

New Tamworth office

In December 1995, the Commission established a regional office in Tamworth, New South Wales. In addition to servicing its local region, the Tamworth office will cover the northern coastal area as well as the central west of the State using the offices of the Department of Fair Trading located in Dubbo.

The office aims to heighten business and community awareness of rights and responsibilities under the Trade Practices Act and Prices Surveillance Act. It will also run clinics for businesses whose activities are subject to the expanded coverage of the Trade Practices Act, including local governments and government business enterprises.

Contact details

39 Kable Avenue, Tamworth NSW 2340

PO Box 2071, Tamworth NSW 2340

Telephone: (067) 61 2000

Mobile: 018 282 800

Fax: (067) 61 2445

Corporations Law Simplification Task Force

In its submission to the Corporations Law Simplification Task Force, the Commission has opposed the task force's proposal to remove the protection given investors, particularly small investors, by the unfair practices provisions of the Trade Practices Act.

The task force has proposed that issues relating to misleading or deceptive conduct in relation to fundraising, takeovers and other dealings in securities be dealt with solely under the Corporations Law and the common law.

Currently, under s. 52 of the Trade Practices Act, an investor who suffers loss or damage as a result of relying on a prospectus or takeover proposal can bring a successful action for damages against the issuer, even when the issuer had met due diligence requirements of Corporations Law in preparing the document.

Under the task force's proposal, this section will no longer be available to investors who suffer such loss or damage. The proposal, if adopted, would enable defences against civil claims for misleading or deceptive statements contained in prospectuses or takeover proposals on the grounds that due diligence requirements had been satisfied.

The Commission is especially concerned at exempting any sectors or industries from the consumer protection provisions of the Trade Practices Act. Section 52 has always been a provision of general application. The Commission believes there is no reason that dealings in securities should be treated more leniently than other forms of commercial conduct, and that the proposal is not in the interest of small investors.

New publications

Consumer guide to using credit cards

The Commission has recently published a booklet for consumers called *Know your credit card*. Written in plain English, it deals with types of credit cards, terms and conditions, choosing a card, alternatives to credit cards, PINs and passwords, what to do if something goes wrong, and credit card debt.



The booklet explains the different methods used to calculate interest — purchase date, issue date and due date — and how the interest charged for a purchase can vary according to the method used for a particular card.

It explains the differences between

general purpose cards, such as Bankcard, Visa and MasterCard, and retail cards, such as department store cards.

Card issuers must give consumers a copy of the terms and conditions under which the card operates when they open an account. The booklet emphasises the importance of reading the terms and conditions carefully, particularly those relating to the interest rate, interest-free period, calculation of interest charges, annual fee, other fees and charges, and foreign currency conversion.

The booklet provides practical advice to help consumers choose a card that is best suited to their needs, taking into consideration the way the card will be used. Alternatives to credit cards, such as personal loans, debit cards and charge cards, are also surveyed.

Many card issuers have the facility to allow credit cards to be used at ATMs to obtain cash advances or to transfer money between accounts, and will issue a PIN or password for

this purpose. The booklet provides advice on how to select and protect PINs and passwords to prevent unauthorised use.

The booklet also gives advice on what to do if a problem arises, such as loss or theft of the card and/or PIN, the amount debited to a cardholder's account is wrong, the statement contains an error, or if a cardholder would like to cancel the additional card. It also gives advice on what to do if a cardholder has difficulty repaying credit card debt. For further advice and information, contact details for industry and consumer organisations, consumer affairs agencies, small claims courts and tribunals are provided.

In developing the booklet, the Commission consulted the four major banks, consumer associations, and all State and Territory consumer affairs agencies.

The booklet is available free from all Commission offices.

Best & Fairest

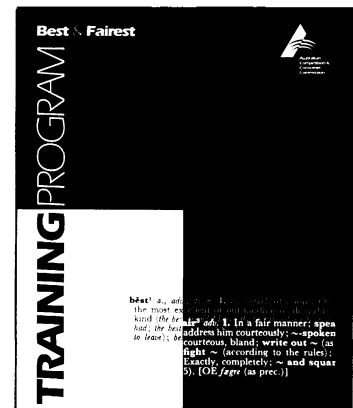
As part of its continual revision of its publications and education products, to reflect changes to the Trade Practices Act, the Commission has extensively revised *Best & Fairest*.

Originally launched in 1993, *Best & Fairest* is a generic compliance program which can be adapted to the needs of the widest range of businesses.

It has been purchased by over 260 companies as the foundation of their trade practices corporate compliance education strategy, or as a supplement to existing materials.

Changes to the latest update include:

- the addition of two new modules on price surveillance and access to essential facilities;



- the inclusion of two PowerPoint slideshows to enhance the presentations of those who use *Best & Fairest* in the 'classroom' mode;
- the revision of every module, and the addition of new case studies that reflect important enforcement actions by the Commission in 1994–95; and
- the inclusion of a customer survey, the results of which will be used to determine the direction of the next major enhancement of the program.

Key features of the program remain.

- Purchasers have an unlimited right to reproduce the *Best & Fairest* materials within their enterprise.
- The price remains at \$390. (Those who have bought copies of the previous version will automatically receive the new version at no extra cost.)
- All text is provided on disk — together with an on-disk version of the Commission publication *Summaries of the Trade Practices Act and Prices Surveillance Act* — which allows purchasers to add to or subtract from the generic materials to produce a custom solution.

If you need further information or wish to purchase the package, please contact Greg d'Arville (Director Compliance Education Unit) on (06) 264 2827.

Issues paper for petrol prices

This paper outlines the issues the Commission believes should be considered during its inquiry into petrol prices. The Commission is reviewing the merits of the current price capping system and the disparity in city and country prices. It has to report its findings and recommendations to the Commonwealth Government by 31 July this year. (For further information, see Pricing chapter, p. 12.)

The paper is designed in particular for people wishing to provide evidence to the inquiry. It outlines the dates and procedures for making

inquiry submissions and giving evidence at the inquiry's public hearings.

The paper has been distributed to industry participants and to individuals, motoring and consumer groups with a strong interest in the industry.

It is free and available from all Commission offices.

Harbour towage inquiry report

The report examines changes in the operation and charges for tugboat services in Australia's ports. It stems from a public inquiry whose main task was to determine whether the country's three main tugboat operators should be retained under prices surveillance.

The report evaluates the main factors shaping the provision of tugboat services and the charges, costs and profitability of the main operators.

The harbour towage review is part of a systematic reassessment of all companies declared under the Prices Surveillance Act.

The report is free and available from all Commission offices.

Monitoring report on coastal shipping freight rates

This publication examines movements in freight rates and costs for Australian coastal shipping. It is based on data for 1994, the latest compilation. The report concentrates on cargoes transported by shipping operations that are not linked to the shipper.

It is the third report in the coastal shipping series and part of a broader Commission monitoring program for the maritime industries. This program is intended to track the pricing impact of reforms in those industries.

The report is free and available from all Commission offices.